



WHEN TRUST MATTERS



STATE BANK OF INDIA (SBI)

POST ISSUANCE ASSURANCE ON USE OF PROCEEDS VERIFICATION OF
GREEN DEPOSITS



Document Title: Use of Proceeds Verification of INR 128.31 Cr Green Deposits tagged to Green Car Loan portfolio of State Bank of India

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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. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

Scope and Objectives

State Bank of India ("SBI" or the "Customer") had raised Green deposits of INR 128.31 Cr during the period 11th Jan 2024 to 31st March 2025 under SBI's Policy on Issuance and Allocation of Green Deposits, V2.0, dated December 2024.

SBI has tagged the proceeds of the green deposits to finance/refinance the eligible projects listed in Paragraph-7 of the use of proceeds section of the RBI's framework of acceptance of Green Deposits circular dated April 11, 2023. The green deposits proceeds have been tagged to SBI's Green Car loan (EV) portfolio of Thiruvananthapuram Circle as on 31st March 2025.

DNV has been engaged by SBI to provide the post issuance assurance on the allocation of proceeds of INR 128.31 Cr green deposits raised by SBI as an independent and approved verifier. DNV Business Assurance India Pvt. Ltd. is approved as validation and verification body as per ISO 17029. Our criteria for Post issuance assurance of the green deposit is described below:

- RBI's Framework for acceptance of Green Deposits dated April 11, 2023

The Statement is based on information and data covering the period from 11th Jan 2024 to 31st March 2025.

We have conducted our engagement in accordance with requirements of Limited Assurance Engagements / ISAE 3000 (Revised) Assurance standards.

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 deposit 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 nominated assets 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 aforementioned Criteria. The proceeds of green deposits have been reviewed under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that the green deposit proceeds must be used to finance or refinance eligible green activities/projects. 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 the lender of green car loan should outline the process it follows when determining eligibility of an investment using the green deposits proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria is guided by the requirements that the green deposits proceeds tagged to green car loan should be tracked by the issuing organisation and that a declaration of how unallocated funds will be handled should be made.

- **Principle Four: Reporting.** Sustainability Reporting to the investors should be made for the use of green deposit proceeds and quantitative and/or qualitative performance indicators should be used, wherever feasible.

Exclusions and Limitations

The assurance scope has the following limitations:

- No assurance is provided regarding the financial performance of the green deposits and green car loan or the long term environmental impact of the transactions. Our objective has been to provide a limited verification for allocation and use of proceeds of green deposit of INR 128.31 Cr tagged to green car loan portfolio of Thiruvananthapuram circle 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 the supportive evidence. The work undertaken to form our verification opinion included:

- Checked SBI's Policy on Issuance and Allocation of Green Deposits, V2.0, dated December 2024, that provides the guidelines and internal process for proceeds management and utilization adopting components and requirements of green loan. The framework provides list of eligible projects for financing / refinancing for allocating the proceeds of ESG instruments on an equal amount.
- Review of the procedures SBI followed towards the allocation of proceeds and mapping to green car loan accounts. Loan to customers under the Green Car Loan scheme engaged in allied activities of promoting electrification of vehicles or adoption of clean fuels like electric vehicles is an eligible green project category under Clean Transportation sector in Green Financing of the Bank.
- Review of the process for product code generation and type of product codes used for Green Car Loan accounts through examination of its Core Banking solutions Systems used for tracking its use of proceeds.
- Review of Green Car Loan portfolio of Thiruvananthapuram circles from 11st Jan 2024 to 31st March 2025 in the interactive tagging dashboard. SBI has developed interactive tagging dashboard for tagging the green loan with source green liability using the product code on monthly basis. The fund based outstandings of Green Car Loan portfolio of the considered category is provided in Schedule 1.

- In-person visit to head office and screening of accounts for Green Car Loan holders basis internal guidelines. Verified related documentatry evidences for conformance with the green loan proceeds as per the Green financing framework.
- Conducted interviews with management in ESG and CFU department to compliment information gathered above, and obtain an understanding of the processes, systems and controls in place for management of proceeds, supplemented by a high-level desktop research.
- Documentation of findings and assertions of compliance against the criteria.

Findings and DNV's Opinion

DNV has performed the Verification of SBI's INR 128.31 Cr Green Deposits tagged to Green Car Loan portfolio of Thiruvananthapuram circle as on 31st March 2025. It is DNV's responsibility to provide an independent verification statement on the use of proceeds of green deposit to finance/refinance eligible projects in alignment with RBI's Framework for acceptance of Green Deposits dated April 11, 2023 and Green Loan Principles 2021 and updated in February 2023.

DNV conducted the verification in accordance with the International Standard on Assurance Engagements 3000 (ISAE 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 applied and ii) the collection of evidence supporting the verification.

DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that green deposits of INR 128.31 Cr raised by the Bank continues to meet the requirements of RBI's Framework for acceptance of Green Deposits dated April 11, 2023.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that, SBI's INR 128.31 Cr Green Deposits tagged to Green Car Loan in Thiruvananthapuram Circle covering the period from 11th Jan 2024 to 31st March 2025 is not, in all material respects, in accordance with the requirements of RBI's Framework for acceptance of Green Deposits dated April 11, 2023.

Purpose and Restriction on Distribution and Use

This verification statement, including our conclusion has been prepared solely for the exclusive use and benefit of the management of SBI and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Management of SBI for DNV's work or this verification statement. The usage of this verification statement shall be governed by the terms and conditions of the contract between DNV and SBI, and DNV does not accept any liability if this statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this verification statement. No part of this verification statement shall be reproduced, distributed or communicated to a third party without prior written consent.

For DNV Business Assurance India Pvt. Ltd.

Mumbai, India / 15th April 2025



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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.

SCHEDULE 1: SBI's Green Deposits tagged to Green Car loan (EV) Portfolio

Schedule data as of 31st March 2025

SBI's Green Deposits of INR 128.31 Cr tagged to Green Car loan (EV) Portfolio of Thiruvananthapuram Circle (Outstanding as on 31.03.2025)

Principle Amount (INR Cr)	No. of Green Car Loans Tagged	Total Amount Tagged to Green Car Loans (INR Cr)
128.31	1366	142.62

DNV Reviewed and Verified following :

- The Green deposit dashboard mentioning the green deposits raised.
- The MIS dashboard mentioning monthly outstanding Green Car loan amount of Thiruvananthapuram circle.
- Criteria for mapping accounts to MIS dashboard.
- Relevant due diligence documents on sample basis for green car loan holders in the Core Banking System (CBS).
- Process to create the product code and type of product code used for Green Car Loan Accounts.