



# **SBI'S ESG APPROACH**

**Dec-2020**

# OUR ESG STRATEGY

- ❖ Bank continues to align its business decisions and sustainability initiatives with the **Sustainable Development Goals – eight products linked to UN SDGs**
- ❖ Bank acknowledges that its activities have direct and indirect positive and negative impacts  
*Constantly working to mitigate the latter through the incorporation of **environmental, social and governance** related criteria into its **screening and evaluation process***
- ❖ **Sector agnostic assessment** of projects based on ESG parameters
- ❖ Pursuing projects related to **renewable energy, clean mobility, affordable housing** and **SHG finance**
- ❖ Unmatched contribution towards achieving **financial inclusion** –  
*30,000 **financial literacy camps**, 152 **rural self employment training institutes***
- ❖ Committed to achieve **carbon neutrality** in its operations by **2030** in phased manner
- ❖ Several SBI offices have already received the **Indian Green Building Council (IGBC)** certification and also have rooftop solar panels installed for reduction of dependence on fossil fuels
- ❖ **SBI Foundation** – undertaking various environment conservation initiatives – tree plantation, water conservation, waste management, community sanitation and others

## ESG – an integral part of our lending

- ✓ ESG is integrated in our **lending decisions**; key criteria for go/ no-go decisions
- ✓ Climate risk included as a risk factor in **key risk assessments** within the Bank
- ✓ Engaging with **external stakeholders** – BFSI-SDG club initiative, supporting various initiatives of Climate Change Council & FICCI taskforce for ESG

## RENEWABLE ENERGY PORTFOLIO

|                                    |                                   |
|------------------------------------|-----------------------------------|
| <b>No. of RE Projects financed</b> | <b>608</b>                        |
| <b>Capacity installed</b>          | <b>11,488 MW</b>                  |
| <b>Deployed Amount</b>             | <b>USD 3.5 bn (INR 25,915 cr)</b> |
| <b>Reference Date</b>              | <b>31<sup>st</sup> March 2020</b> |

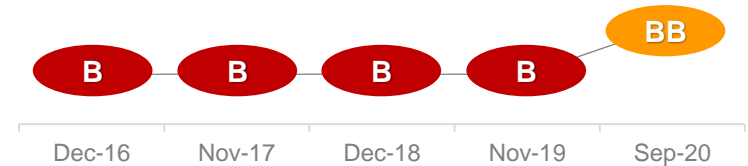
## SBI MSCI ESG RATINGS

**MSCI**  
ESG RATINGS

Last updated: October 07, 2020



### SBI ESG Rating History



## SBI GREEN BOND FRAMEWORK

- ☐ Adopted with the objective of creating a **positive impact on environment**
- ☐ The framework provides roadmap regarding:
  - Green Bond issuance and
  - Use of proceeds for projects falling under the ambit of the Bank's Green Bond portfolio
- ☐ Raised Green Bonds worth **USD 800 million** upto FY20 to finance green projects

# SHORT TERM GOALS, OUTCOME AND TARGETS

## Short Term Goals and Targets for FY20      Outcomes      SBI's long term goals towards 2025

### Social and Relationship Capital

- ✓ Increase alternate channel banking share by 3% from previous year
- ✓ 5% of CSR spend on mitigation of climate change & adaptation projects

- ✓ Share of alternate channel banking → 88% (FY19) to 91% (FY20)
- ✓ The Bank spent 5.7% of CSR exp. on environment related projects & initiatives

- ✓ At least 30% of CSR spend on mitigation of climate change & adaptation projects

### Natural Capital

- ✓ Quantify digital impact
- ✓ Impact of Green Channel counters & Green PINs
- ✓ Decrease scope 2 emissions by at least 5%
- ✓ 1 pan-India energy savings project
- ✓ Increase in-house RE capacity by 10%

- ✓ Significant reduction in paper consumption (*1,000+ tonnes of paper saved*)
- ✓ Reduced by 8%
- ✓ Branch server consolidation into cloud platform
- ✓ Actual increase by 9.4%

- ✓ Quantify ES impact of 50% of digital applications & alternative channels
- ✓ Decrease by 40% from baseline GHG emissions
- ✓ Digitize 50% of internal processes

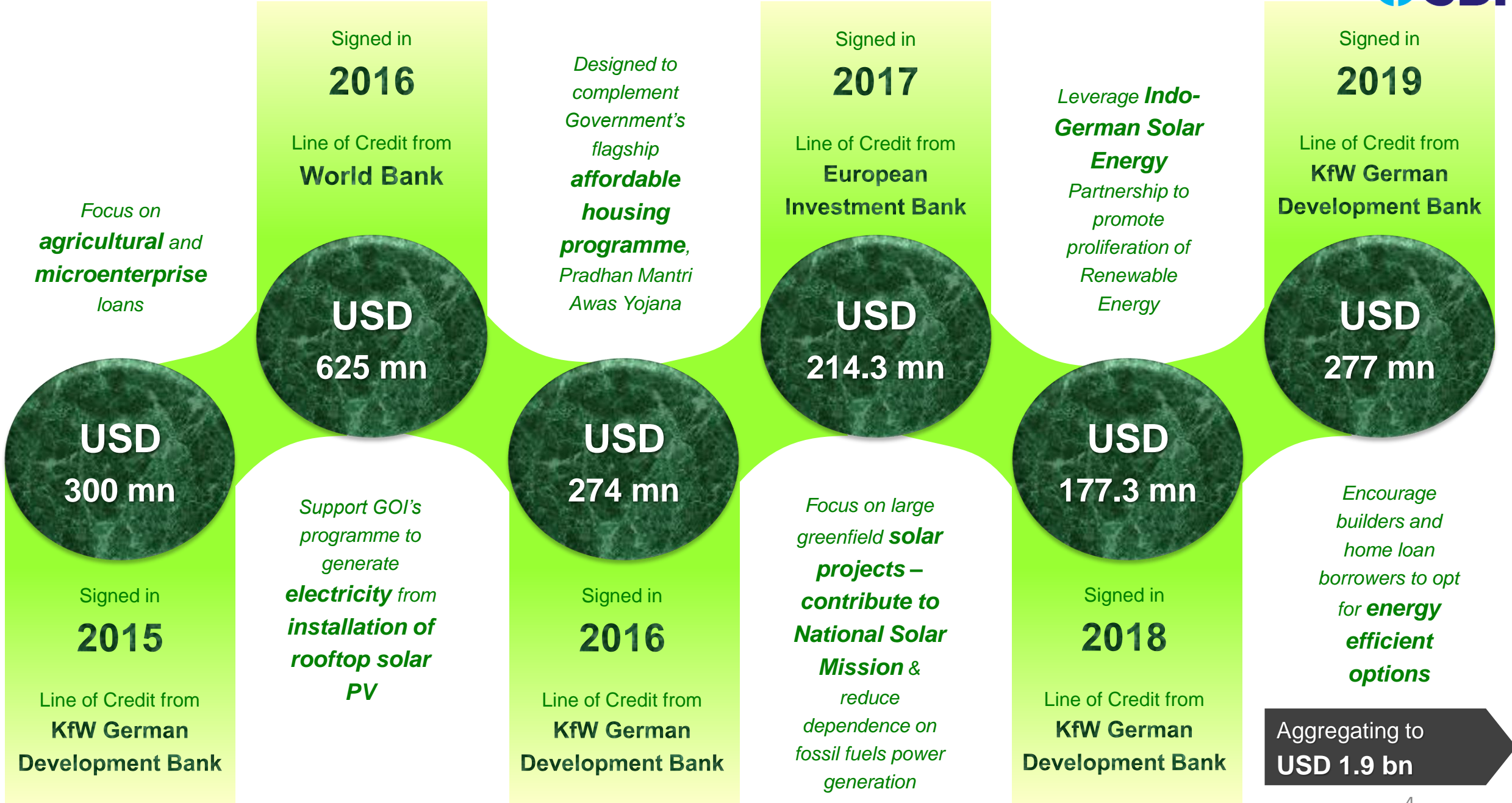
### Human Capital

- ✓ Increased representation of women in workforce
- ✓ Increase average training hours by 5%

- ✓ Women work force at 25.28% (*24.37% in FY19*)
- ✓ Average training hour per employee increased by 4.13% over last year

- ✓ Increase gender diversity to 27% by 2025

# Lines of credit from multilateral institutions and banks



# Green Bond Programme

## Green Bonds Issued

| Date of Issue               | Amount (in USD million) |
|-----------------------------|-------------------------|
| 30 <sup>th</sup> July 2018  | 50                      |
| 28 <sup>th</sup> Sept 2018  | 650                     |
| 31 <sup>st</sup> March 2020 | 100                     |
| <b>Total</b>                | <b>800</b>              |

## Usage of Green Bonds Proceeds

| Project Description                              | Projected Emission Reduction<br>(tCO <sub>2</sub> / year) | Amount Outstanding as on<br>30 <sup>th</sup> Sept 2020 |                 |
|--------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------|-----------------|
|                                                  |                                                           | (in USD million)                                       | (in INR crores) |
| Renewable energy, solar and other green projects | 1,677,580                                                 | 1,206                                                  | 8,898           |

**Permitted usage under Green Bond Framework**, certified by Climate Bonds Initiative (CBI)

- Renewable energy
- Low carbon buildings
- Projects to lower Industry and energy-intensive commercial transactions
- Waste and pollution control management transactions
- Sustainable transportation

## Compliance under Green Bond Framework

- Engaged **CBI approved independent assurance** provider to assure the Bond and certify compliance with the requirements of Climate Bonds Standard
- **Internal Green Bond Committee** in place, to oversee monitoring of existing projects earmarked under Green Bonds, to enable **periodic compliance**

# THANK YOU

*For further queries, please contact on the following:  
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