

State Bank of India Hong Kong (SBIHK)

Climate Risk Management - Disclosures

2026

About the Report

SBI's Sustainability Report provides a comprehensive overview of the Bank's vision, mission, business strategy, financial and non-financial performance, strategic priorities and key sustainability achievements. Aligned with global best practices, it articulates the overarching theme and approach to stakeholder engagement and materiality assessment, reflecting SBI's steadfast commitment to creating long term value for stakeholders while advancing inclusive and sustainable economic growth.

The Report highlights SBI's continued efforts towards strengthening operational resilience, promoting environmental stewardship, fostering human capital development, enhancing transparency and accountability in governance, reinforcing robust risk management and expanding financial inclusion initiatives, among others. Designed to uphold utmost transparency and accountability, it addresses the evolving expectations of investors, regulators, customers, employees and communities.

The report contains forward looking statements relating to the Bank's business operations and future outlook. These statements are based on current expectations and assumptions and are subject to change based on the evolving market dynamics, industry trends, regulatory developments, legal frameworks and other external factors beyond control. Actual outcomes may differ materially from those expressed or implied, owing to unforeseen changes in the underlying assumptions or external circumstances.

The Bank has been publishing Sustainability report annually since FY 2016. The Bank's disclosures presented in its Sustainability Report of FY 2025-26 are prepared in accordance with the Global Reporting Initiative (GRI) 2021 Universal Standards. The report also presents quantitative and qualitative information in alignment with other reporting standards and guidelines such as the Integrated Reporting Framework, International Finance Corporation (IFC) Performance Standards, United Nations Global Compact (UNGC) principles and United Nations Sustainable Development Goals (UN SDGs).

The report focuses on SBI's key focus areas, its strategy, risk management approach and governance structure within its operating environment. The same approach has been adopted as in the previous year, highlighting various aspects of the Bank's business model, including its financial, manufactured, intellectual, human, social & relationship and natural capitals.

As a branch of the Bank, we, SBI Hong Kong branch rely on the Sustainability Report at Head office level for guidance driving our business and operations. Additionally, in accordance with the recommendations set out in the Hong Kong Monetary Authority's (HKMA) Supervisory Policy Manual (SPM) GS-1 and other relevant circulars and guidelines, SBIHK has prepared these disclosures as may be applicable and proportionate to the significance of our operations in Hong Kong, including the nature and size of our business.

A. Governance

SBI is deeply committed to creating long-term value for its stakeholders while fostering a sustainable future. Aligned with its Vision, Mission, and Values, the Bank has adopted a holistic sustainability approach that integrates social, environmental, governance and economic considerations into its business strategy. To drive this goal, SBI has set up a centralized Environment, Social, Governance & Climate Finance Unit (ESG & CFU). This unit is the nodal department for facilitating delivery of Climate Finance by the Bank. It handles activities related to raising of funds including green LoCs, domestic green bonds/ loans, sustainability linked instruments, green deposits etc. as well as ensures deployment of these funds by coordinating with various internal departments within the Bank. The unit reports to the Deputy Managing Director (Chief Credit Officer), who is also designated as the Chief Sustainability Officer of the Bank.

The Corporate Centre Sustainability Committee (CCSC), highest governance body on Sustainability, is chaired by the DMD, (CCO & CSO) of the Bank. The CCSC comprises of members from some of the core functions and business units of the Bank, which have a critical role to play in the Bank's sustainability initiatives.

At SBIHK, the Senior Management has oversight on ESG related matters including climate risk, and is responsible for ensuring that climate risk, where material, is addressed in the risk management framework, including the setting of qualitative and quantitative measures, as appropriate. Branch Risk Management Committee monitors developments concerning climate risk, including tracking the latest regulatory guidance/ expectations. Report on exposure to high-risk industries is presented to Risk Committee of the branch at half-yearly interval. The Branch Risk Management Committee is also responsible for regularly monitoring the implementation of SBIHK's action plan for climate risk related strategies.

B. Strategy

SBI's Sustainability and Business Responsibility (BR) Policy outlines the Bank's commitment to adapt and operate efficiently and sustainably in a dynamic environment characterized by both risks and opportunities. Climate Change Risk management policy is in place to address climate change concerns by identifying and managing climate related risks and opportunities.

SBIHK's strategy in identifying the risks and opportunities is aligned with the Bank's strategy. The Bank has implemented several initiatives across operations to reduce its carbon footprint and designed products and services having underlying value to environmental and social causes. ESG & Climate Finance Unit at Head Office is to act as a nodal unit for climate finance and monitoring the Bank's carbon footprint and development & implementation of roadmap to achieve Bank's Carbon neutrality (scope 1 & 2) target by 2030.

Bank's focus area under environmental aspects:

- Reduce the Bank's Greenhouse Gas (GHG) emissions in internal operations through the use of technology and innovation.
- Enhance product and services delivery through digital banking platforms

- Innovate continuously to develop financial products and services that enable environmental conservation as well as socioeconomic development
- Reducing paper consumption and water footprint
- Make efforts to procure products which are environment- friendly, energy efficient and locally sourced.

As an organization that is supported by a large employee base across India, SBI understands that its sustainability strategy will only be successful if it is proactively adopted by all the employees. In light of this, several steps have been taken to build awareness around the importance of sustainability. Employees are encouraged to engage in the Bank's activities and demonstrate sustainable behaviour. SBIHK shall continue to participate in investment in green and sustainable bonds, extend sustainability linked loans and other opportunities where KPIs are introduced to encourage sustainable corporate behaviour.

C. Risk Management

Independent risk measurement, monitoring, and control functions are crucial aspects of ensuring the stability and soundness of a financial institution. The banking sector is exposed to several systemic risks, which have the potential to cause cascading impacts on the overall socioeconomic landscape. As the largest bank of the country, SBI has a critical role in the Indian economy. Recognising the significance of the Bank's role in the financial system, regulators have identified the Bank as a Domestic-Systemically Important Bank (D-SIB). This designation highlights the institution's importance and the need for robust risk management practices.

To effectively manage risk, the Bank has established a robust governance mechanism. The Risk Management Committee of the Board (RMCB), led by an Independent Director, plays a pivotal role in overseeing risk-related activities. In light of emerging climate risks, the Bank has instituted a high-level executive body known as the Climate Change Risk Management Committee. This Committee provides strategic guidance and oversight to ensure the integration of climate considerations within the Bank's risk management framework. Furthermore, the Bank has developed a Climate Change Risk Management Policy aimed at mitigating risks while capitalizing on growth opportunities.

The Bank is engaged in the process of developing methodologies and frameworks pertaining to climate risk in accordance with regulatory expectations and the Bank's climate-related aspirations. This will enhance the understanding of transition and physical risks associated with portfolios by measuring financed emissions and evaluating decarbonization pathways on a portfolio and sectoral basis.

The utilization of scenario analysis offers insights into potential long-term pathways for the future, illustrating the relationship between human activities, greenhouse gas emission concentrations, and global temperature changes. The Bank recognizes that climate change risks may adversely affect its portfolio. At the portfolio level, the Bank is in the process of establishing a framework to identify climate-related risks and develop mitigation plans for such risks. Efforts are ongoing to measure financed emissions, with subsequent scenario-based assessments intended to create

roadmaps for integrating climate sustainability into the portfolio. SBIHK will be closely following global and Indian regulatory developments/guidance in this regard.

D. Metrics and Targets

SBIHK, in line with the Bank (being the parent organization), has set a target to become carbon neutral in its internal operations by 2030 (Scope 1 and 2). The Bank's roadmap to achieve Carbon Neutrality in internal operations is in place. The roadmap is based on a comprehensive, three-pronged strategy: Optimizing energy efficiency, increasing share of renewable energy and neutralizing the residual emissions through Carbon Offsets.

SBIHK operates out of its leased premises at Central Tower in Central area of Hong Kong. The total emission of CO₂ equivalent for FY 2025 (April 2024-March 2025) and FY 2026 (April 2025-March 2026) are calculated based on the emission factors published by the relevant authorities, taking into account the emissions of methane (CH₄) and nitrous oxide (N₂O); and is as under:

GHG emissions	FY 2025	FY 2026
Scope 1- Mobile consumption	2000 litre	2000 litre
Scope 2- Purchased Electricity	114600 kWh	132529 kWh*
GHG emissions (in Kg CO ₂ equivalent)	80,972.99	89,435.99

*Including BCP site on Unit 912, ChinaChem Golden Plaza, 77, Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

Given the nature of SBIHK's operations, emission other than above mentioned is not material to the Bank. As guidelines on disclosures and regulations in this space evolve, we will continue to improve our approach and methodologies of disclosure.

The Bank's Sustainability Report is available at its corporate website <https://sbi.bank.in>