Project Summary Information

	Date of Document Preparation/Updating: 08/21/26
Project Name	India Climate Mitigation On-lending Program – Union Bank of India
Project Number	P001218
AIIB member	India
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Under Preparation
Objective	To support sustainable infrastructure development in India by increasing financing for climate mitigation projects across eligible sectors.
Project Description	The Project contemplates up to USD200 million in senior debt financing to Union Bank of India (UBI) for on-lending to eligible sub-borrowers in India to support climate change mitigation. UBI is the fifth largest public sector bank in India with the Government of India holding a 74.8% stake. Following the merger with Andhra Bank and Corporation Bank in 2020, UBI has built a strong domestic franchise comprising more than 8,700 branches serving a broad retail, MSME, corporate and government customer base. It has been publicly listed on the National Stock Exchange of India (XNSE: UNIONBANK) and the Bombay Stock Exchange (XBOM: 532477) since 2002 with a market capitalization of INR1.3 trillion (USD 13.6 billion) as of July 31, 2026.
Expected Results	**Project Objective Indicators** • GHG emissions reduced, avoided or removed (tCO_2e / Year) • Renewable Power Generation Capacity Financed (MW) **Intermediate Results Indicators**: • Number of sub-loans financed (Number) • Value of sub-loans financed (USDmn)

Environmental and Social Category	FI
Environmental and Social Information	**Applicable Policy and Categorization.** AIIB's Environmental and Social Policy (ESP), Environmental and Social Standards (ESSs), and the Environmental and Social Exclusion List (ESEL) apply to this Project. The Project has been placed in Category FI because the financing structure involves the provision of funds through a Financial Institution (FI), whereby AIIB delegates to UBI the decision-making on the use of AIIB's funds towards subprojects. This includes the selection, appraisal, approval, and monitoring of subprojects and the oversight of the sub-borrowers and subprojects in line with AIIB's ESP requirements. The Project excludes all Category A subprojects, and the Project will also exclude coal mining and transportation, coal-fired power plants and infrastructure exclusively dedicated to supporting any of these activities. **Environmental and Social Instruments**. UBI's Environmental, Social and Governance (ESG) Policy provides an institutional basis for managing environmental and social (ES), and health and safety risks. It establishes commitments to screening and categorization into Low, Medium, or High Risk, as well as environmental and social due diligence (ESDD) conducted by external agencies. UBI manages implementation of its environmental and social requirements through a multi-tiered governance structure that includes an ESG Cell within the Risk Management Department and an executive-level ESG Steering Committee (ESGSC). UBI's ESMS will be further strengthened by aligning it with AIIB's ESP. **Environmental Aspects.** The Project's proceeds will be used for on-lending to climate mitigation subprojects including renewable energy (solar & wind) and Electric Vehicle. Key environmental impacts associated with the targeted sectors may include effects on air quality, noise emissions, water use, occupational health and safety, bird mortality and impacts on avian flight patterns, shadow flicker, blade throw, and other site-specific construction and operational impacts. These risks and impacts will be assessed and mitigated in accordance with the enhanced Environmental and Social Management System (ESMS) of UBI. The enhanced ESMS will require UBI to undertake screening, categorization, and ESDD in line with the AIIB's ESSF. As Category A subprojects have been excluded under this facility, significant large-scale impacts and associated risks are not anticipated. **Social and Gender Aspects.** The use of proceeds in subprojects is expected to generate meaningful social impacts and benefits such as job creation. However, social impact and risks associated with infrastructure subprojects need to be managed proactively. Renewable energy subprojects potentially may involve land acquisition which would lead to physical and economic displacement of local communities. Subprojects during the construction phase are expected to cause disruptions in terms of increased traffic, noise, and dust. Further, labor and working conditions and community health and safety risks are also of concern. UBI will assess these social impacts and mitigations measures. As Category A subprojects have been excluded under this facility, impacts and associated risks can be adequately managed through UBI's ESMS.

	Gender considerations are integrated into both Union Bank's internal operations and its social financing framework. Within its internal operations, UBI has established a “Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women Employees” and includes "discrimination based on gender" as a criterion in its recruitment and hiring assessments. **Occupational Health and Safety (OHS), Labor and Working Conditions (LWC).** Eligible subprojects under this facility are required to comply with the labor laws and standards of the host members. UBI, through its ESDD, will assess and mitigate LWC issues as well as OHS risks in subprojects. For potential supply chain-related LWC issues, UBI as a part of its due diligence, will assess the LWC risks and requires its sub-borrower to obtain appropriate representations and warranties regarding supply chain LWC from its suppliers and contractors. UBI will also review and assess contractual requirements addressing health, safety, labor, and working conditions in subprojects. **Information Disclosure and Project Grievance Redress Mechanism (GRM).** In line with AIIB’s ESP, UBI will disclose an overview of its ESMS on its website. UBI sets out a mechanism to engage stakeholders at both the institutional level and project levels. UBI has established an institutional Grievance Redress Mechanism (GRM)[1] process that utilizes multiple channels to address stakeholder concerns, including toll-free numbers, dedicated email addresses, and special helplines. At the project level, UBI verifies the availability of GRMs to address community complaints. The information about the established GRM and AIIB’s Project-affected People’s Mechanism (PPM) will be disclosed in an appropriate manner. **Monitoring and Reporting Arrangements.** The monitoring and reporting mechanism has been agreed to assess the ES performance of the subprojects and through periodic monitoring reports prepared based on agreed format. The Project Team of AIIB will supervise the implementation of the ESMS and conduct post-reviews of the selection and ES implementation of subprojects, which may include engagement with UBI, site visits, and detailed reviews of ES documentation for selected subprojects, in consultation with and, where appropriate, jointly with UBI.
Cost and Financing Plan	A senior unsecured loan of up to USD200 million.
Borrower	Union Bank of India
Estimated Date of disbursement	September 2026

Contact Points:	**AIIB**	**UBI**

[1] https://www.unionbankofindia.bank.in/en/common/grievance-redressal

Name	Neeraj Jain	Bhavit Sharma	Gagan Punn
Title	Senior Investment Officer	Senior Investment Officer	Deputy General Manager
Email Address	neeraj.jain@aiib.org	bhavit.sharma@aiib.org	gdpunn@unionbankofindia.bank.in
Date of Single Review Decision	August 31, 2026		
Estimated Date of Financing Approval	September 26, 2026		

Independent Accountability Mechanism	AIIB's PPM applies to this project. The PPM has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through the project-level GRM or the processes of AIIB's management. For information on AIIB's PPM, please visit: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html