

ASSESSMENT

13 January 2026



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Union Bank of India

Second Party Opinion – Sustainable Financing Framework Assigned SQS2 Sustainability Quality Score

Summary

We have assigned an SQS2 Sustainability Quality Score (Very good) to Union Bank of India's (UBI) sustainable financing framework (use-of-proceeds) that we received in January 2026. The bank has established its framework with the aim of financing projects across nine eligible green categories and four eligible social categories. The framework is aligned with the four components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2025 and Social Bond Principles (SBP) 2025, and the Loan Market Association, Asia Pacific Loan Market Association, and Loan Syndications and Trading Association's (LMA/APLMA/LSTA) Green Loan Principles (GLP) 2025 and Social Loan Principles (SLP) 2025. The framework demonstrates a significant contribution to sustainability.

Sustainability quality score

SQS2

Alignment with principles
USE OF PROCEEDS

Overall alignment

FACTORS	ALIGNMENT
Use of proceeds	
Evaluation and selection	
Management of proceeds	
Reporting	

Contribution to sustainability

Final contribution to sustainability

Preliminary contribution to sustainability
Relevance and magnitude

Additional considerations **No adjustment**

POINT-IN-TIME ASSESSMENT

Scope

We have provided a Second Party Opinion (SPO) on the sustainability credentials of UBI's sustainable financing framework (use-of-proceeds), including the framework's alignment with the ICMA's GBP 2025 and SBP 2025, and the LMA/APLMA/LSTA's GLP 2025 and SLP 2025. Under the framework, the bank plans to issue use-of-proceeds sustainable financing transactions (SFTs)/green deposits to finance projects across nine green categories and four social categories, as outlined in Appendix 3 of this report.

Our assessment is based on the last updated version of the framework received on 2 January 2026, and our opinion reflects our point-in-time assessment¹ of the details contained in this version of the framework, as well as other public and non-public information provided by the company.

We produced this SPO based on our [Assessment Framework: Second Party Opinions on Sustainable Debt](#), published in October 2025.

Issuer profile

Based in Mumbai, India, Union Bank of India (UBI) is a public-sector bank. UBI is a listed entity, and the Government of India holds 74.76% in its total paid-up capital.

UBI's total business as of 30 June 2025 stood at INR22,14,422 crore (around \$250 billion), comprising INR12,39,933 crore (\$140 billion) of deposits and INR9,74,489 crore (\$110 billion) of advances. Most of UBI's business activities are conducted in India through a network of 8,500+ domestic branches, and it also has operations in the UAE, the UK and Australia.

As a public sector bank, UBI is subject to the Priority Sector Lending (PSL) regulations established by the Reserve Bank of India (RBI). In accordance with PSL guidelines, UBI must allocate 40% of its Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposures (CEOBSE), whichever is greater, to PSL-designated sectors such as agriculture and allied activities, micro, small and medium enterprises (MSME), education, housing, social infrastructure, renewable energy, and weaker sections. Thus, the bank has significant exposure to the agriculture and MSME sectors, which presents environmental and social risks inherent to these industries, including physical climate risks.

Strengths

- » Eligible categories address a range of key environmental and social (E&S) challenges that are pertinent to the national context.
- » Allocation and impact reporting will be produced until maturity.
- » Independent verification will be done for both allocation and impact reporting.

Challenges

- » Some categories remain broadly defined, limiting a full evaluation of the projects' sustainable impact.
- » Pollution prevention technologies are likely to be applied in hard-to-abate sectors without technical thresholds.
- » There is potential for the inclusion of desalination plants without clearly defined criteria.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Alignment with principles

UBI's sustainable financing framework is aligned with the four core components of the ICMA's GBP 2025 and SBP 2025, and the LMA/APLMA/LSTA's GLP 2025 and SLP 2025. For a summary of alignment with principles scorecard, please see Appendix 1.

- | | |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Green Bond Principles (GBP) | <input checked="" type="checkbox"/> Green Loan Principles (GLP) |
| <input checked="" type="checkbox"/> Social Bond Principles (SBP) | <input checked="" type="checkbox"/> Social Loan Principles (SLP) |
| <input type="checkbox"/> Sustainability-Linked Bond Principles (SLBP) | <input type="checkbox"/> Sustainability Linked Loan Principles (SLLP) |

Use of proceeds



Clarity of the eligible categories – ALIGNED

UBI has clearly communicated the nature of the expenditures as its own capital expenditure and operational expenditure, as well as loans to businesses and projects where the use of proceeds meets the eligibility criteria. The eligibility and exclusion criteria for nearly all of the financed project categories are clearly defined, although some categories lack clear technical thresholds and details on the type of projects, particularly sustainable water management, circular economy and waste management, and pollution prevention and control. UBI has confirmed that eligible projects will be predominantly located in India, with very few projects located in Dubai and Sydney.

Clarity of the environmental or social objectives – BEST PRACTICES

UBI has clearly outlined the E&S objectives for all eligible categories. All the eligible categories are relevant to the respective E&S objectives to which they aim to contribute. UBI has referenced the United Nations' (UN) Sustainable Development Goals (SDGs) in articulating the objectives of the eligible categories (see Appendix 2), and the objectives are coherent with these recognized international standards.

Clarity of expected benefits – BEST PRACTICES

UBI has identified clear and relevant expected E&S benefits for the eligible categories based on the projects to be financed. The benefits are measurable and will be quantified in the annual reporting. UBI has confirmed that it will disclose the estimated share of refinancing to investors before each issuance and the actual share of refinancing as part of its annual reporting. The bank has committed to a look-back period of no longer than three years from the time of issuance.

Process for project evaluation and selection



Transparency and clarity of the process for defining and monitoring eligible projects – BEST PRACTICES

UBI's decision-making process for the selection and evaluation of projects is clearly structured, and is outlined in its publicly available framework. UBI has set up an ESG Steering Committee — comprising executive directors and senior management — to select and evaluate projects in line with the eligibility criteria outlined in the framework. The steering committee will meet at least quarterly to review the eligibility of financed projects, and will continuously monitor their compliance with the eligibility and exclusion criteria throughout the life of the SFT/green deposit. If a project no longer meets the eligibility criteria, the net proceeds will be reallocated to other eligible projects as soon as reasonably practicable. UBI has established an E&S risk mitigation process to mitigate potential E&S risks, which is also publicly disclosed in the framework.

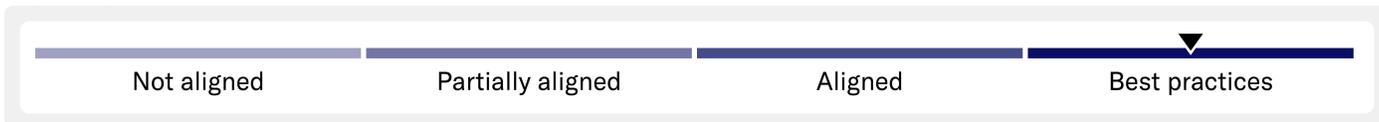
Management of proceeds



Allocation and tracking of proceeds – BEST PRACTICES

UBI has defined a clear process for the management of proceeds in its publicly available framework. The proceeds of each SFT/green deposit will be deposited in general funding accounts and will be earmarked for allocation to eligible projects. UBI has a loan tagging mechanism in place to keep track of the use of proceeds of each SFT/green deposit, and the bank has confirmed the loan tagging system will be reviewed annually to ensure allocations match the eligible projects funded during that period. UBI is committed to allocating all net proceeds from the SFTs/green deposits to eligible projects on a best-effort basis within one year of issuance. Unallocated proceeds will be held in accordance with UBI's liquidity management policy, and will be kept as cash and cash equivalents, short-term deposits and money market funds, and will not be invested in greenhouse gas (GHG)-intensive activities or high environmental impact activities included in the exclusion criteria in the framework.

Reporting



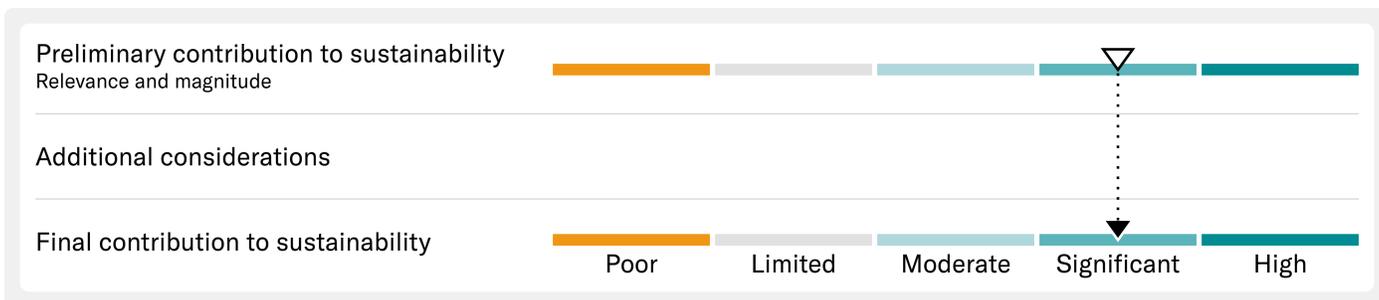
Reporting transparency – BEST PRACTICES

UBI will publish both allocation and impact reports annually in its integrated annual report or on its website until the maturity of the SFTs/green deposits. For SFTs, the allocation report will include comprehensive information including the aggregate amount of proceeds allocated to eligible projects, the amount of unallocated proceeds and the type of temporary investment, the share of financing versus refinancing, and illustrative examples of eligible projects. For green deposits, the allocation reporting will include a list of green projects with descriptions and the amount allocated to eligible green projects.

The bank has identified relevant E&S reporting indicators for each eligible category within its framework, and the methodologies and assumptions used to report on E&S impacts will be disclosed as part of the impact reporting. Additionally, UBI commits to independent external verification for both the tracking and allocation of funds, and the reported E&S metrics of the financed projects.

Contribution to sustainability

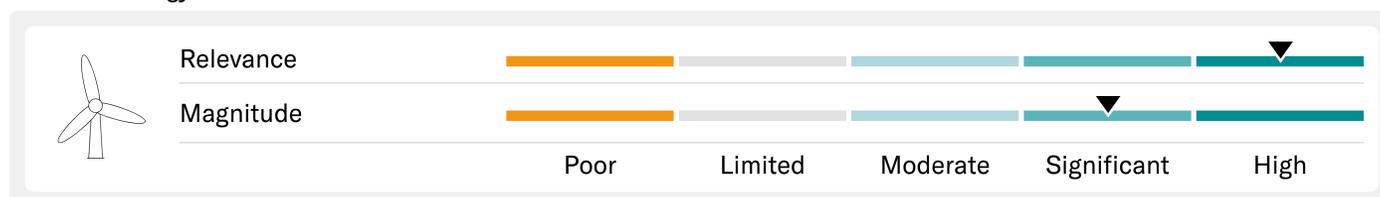
The framework demonstrates a significant overall contribution to sustainability. This reflects a preliminary contribution to sustainability score of significant, based on the relevance and magnitude of the eligible project categories, and we have not made an adjustment to the preliminary score based on additional contribution to sustainability considerations.



Preliminary contribution to sustainability

The preliminary contribution to sustainability is significant, based on the relevance and magnitude of the eligible project categories. Based on information provided by UBI, we expect the vast majority of the proceeds from forthcoming issuances to be allocated to the renewable energy category. We have therefore assigned a higher weight to this category in our assessment of the overall framework's contribution to sustainability. A detailed assessment by eligible category is provided below.

Renewable energy



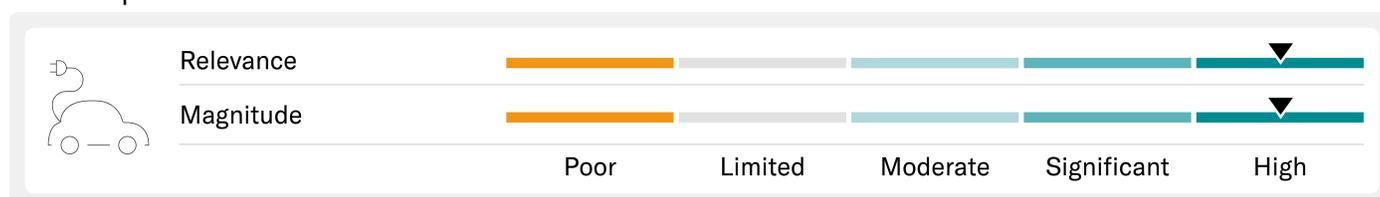
The projects to be financed under this category are highly relevant to both India and the banking sector, as they address the country's dependence on fossil fuels for electricity generation. In 2024, coal alone accounted for more than 70% of India's electricity generation. The Indian banking sector serves a pivotal function in directing capital to environmentally sustainable initiatives, thereby supporting the nation's climate transition objectives and facilitating progress toward India's net zero target by 2070. At the issuer level, renewable energy projects are a strategic priority for UBI, as demonstrated by their predominant presence within the bank's green finance portfolio. The eligible projects under this category align closely with UBI's commitment to renewable energy financing, and contribute directly to India's climate goal of achieving 50% cumulative electric power installed capacity from non-fossil fuel sources by 2030².

The magnitude of this category is significant, as we expect most of the projects to deliver long-term positive environmental impacts by replacing fossil fuels with clean energy sources. The overall score is largely driven by UBI's indication that most of the proceeds will be allocated to solar energy projects, with the remainder allocated primarily to hydropower, followed by wind and a negligible amount to biogas. Although concentrated solar power and offshore wind projects may be eligible for financing, UBI has stated that environmental and social due diligence (ESDD) will be conducted for these complex initiatives. This process will specifically address water risk and marine biodiversity concerns, ensuring that associated E&S externalities are effectively managed.

Other eligible projects under this category, including hydropower, biomass, geothermal, ocean energy and hydrogen fuel cell, are likely to contribute positively to climate change mitigation. For hydropower, UBI has set an emissions threshold of less than 100g CO₂e/kWh or a power density above 5W/m², aligning with the EU Taxonomy, although these criteria are less stringent than those defined by the Climate Bonds Initiative. Large-scale hydropower projects with generating capacities above 25MW will be excluded to reduce associated E&S risks. Electricity generation from bioenergy will follow a life-cycle emissions threshold of 100g CO₂e/kWh, only sustainable feedstock with ISCC Plus certifications will be eligible to ensure resource sustainability, and woody mass will be excluded. However, UBI has not defined a minimum GHG emissions reduction threshold for biofuel projects.

UBI currently lacks specific information on the types of hydrogen to be used in its fuel cell projects. However, if green hydrogen is selected, all projects will be required to obtain certification under the Green Hydrogen Certification Scheme of India and demonstrate adherence to a GHG emissions threshold of 2 kgCO₂eq/kg H₂ to qualify as green³.

Clean transportation



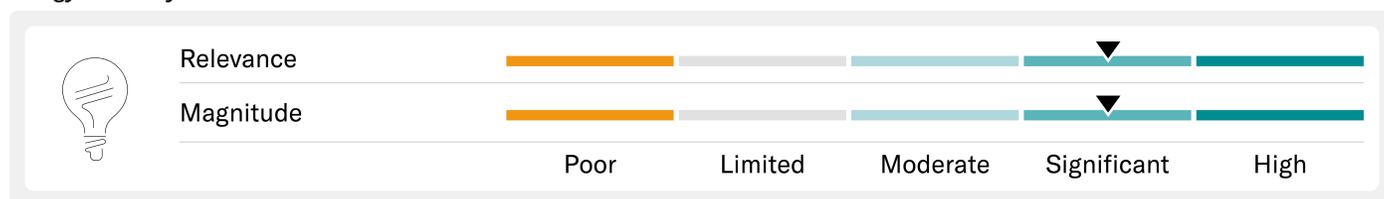
This category is highly relevant for addressing the decarbonization challenges facing India's transportation sector. The transport sector is a key contributor to urban air pollution in India and accounts for nearly 20% of the country's total GHG emissions, with road transportation contributing around 87% of that share⁴. The government has set a target to increase electric vehicle (EV) sales to 30% of total vehicle sales by 2030⁵. Achieving this goal requires significant investment in EV-enabling infrastructure, particularly charging stations, where India currently has a ratio of one station per 135 EVs, far below the global average of one station per six to 20 EVs⁶. UBI has identified sustainable transportation as one of its climate-related financial opportunity areas, in particular EV financing.

Projects in this category are likely to have a highly positive impact on climate change mitigation, and pollution prevention and control. UBI has shared with us that most of the proceeds under this category will be used to finance infrastructure dedicated to zero direct emissions land transport, which we regard as the best available technology. Hybrid land transport vehicles are not eligible for financing.

Besides land transport, marine vessels may also be financed under this category, although UBI has shared with us that financing to the shipping sector is a low priority. New vessels that do not achieve zero direct emissions are also eligible and such projects have a lower magnitude on a standalone basis. However, these projects must comply with the EU Taxonomy's substantial contribution criteria for sea and coastal water transport, specifically for vessels where zero direct tailpipe CO2 emissions are technologically and economically infeasible. Beyond 31 December 2025, the eligibility criteria will be updated to those applicable from 1 January 2026 under the EU Taxonomy, ensuring that the vessels meet the criteria applicable at the time of financing. Based on the framework's exclusion criteria, we expect vessels dedicated to transporting fossil fuels to be ineligible for financing, limiting the risk of carbon lock-in.

Eligible projects may also comprise low-carbon transport supporting infrastructure, such as EV charging stations, batteries and hydrogen fueling facilities. UBI has not provided the expected proportion of proceeds that will be allocated to supporting infrastructure; however, we expect such projects to be essential for increasing the use of zero tailpipe emissions vehicles. For EV charging stations, the positive short- to medium-term impact may be less significant in locations where the electrical grid is still predominantly powered by fossil fuels. However, these projects will have a positive long-term impact as grid decarbonization progresses. Similarly, for hydrogen fueling facilities, as UBI has not set any criteria excluding hydrogen produced using fossil fuels, the projects would have a more positive long-term impact on climate change mitigation when clean hydrogen is available at scale.

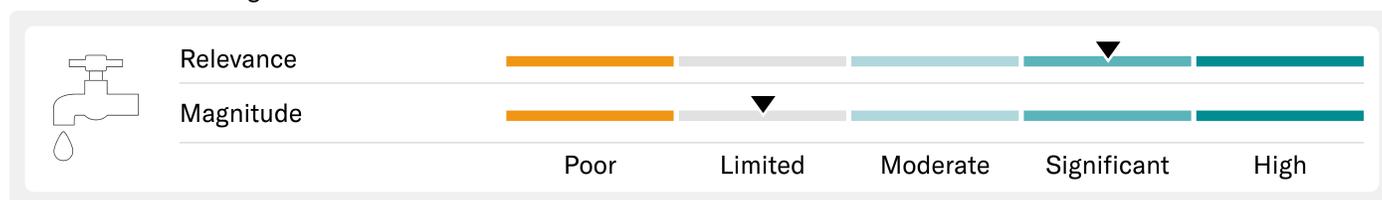
Energy efficiency



Projects financed under this category are significantly relevant for mitigating energy consumption across various industries in India. The government has established energy efficiency targets across key sectors to reduce energy usage, reinforcing the importance of efficiency and conservation². The overall significant relevance takes into account that UBI currently has limited exposure to project financing under this category.

Projects within this category are likely to significantly contribute to climate change mitigation efforts by reducing GHG emissions across designated sectors. While we lack specificity into the likely distribution of proceeds in this category, all qualifying projects must achieve a minimum energy efficiency improvement of 30%, consistent with best market practices. Furthermore, activities that lead to the continued use of fossil fuel technologies will not be eligible. The framework identifies buildings, public utilities and transmission networks, agriculture and aquaculture as key sectors for energy efficiency initiatives. UBI has noted that potential projects within the agriculture and aquaculture sectors may include solar-powered irrigation systems, advanced precision agriculture technologies, and optimization systems for recirculating and aeration in aquaculture operations. Biogas digesters may also be financed under this project category. UBI has stated that project appraisals will address pertinent environmental externalities, including the types of feedstock used, methane leakage monitoring and contingency planning, as well as the end use of both produced biogas and digestate.

Sustainable water management



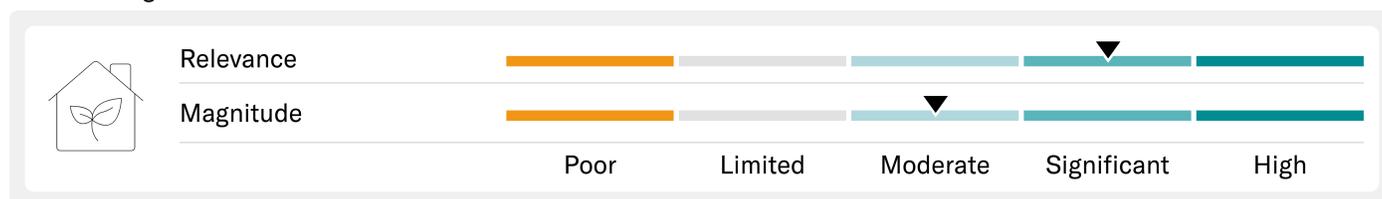
Projects under this category exhibit significant relevance for mitigating water-related risks in India. According to the World Resources Institute, India is facing extremely high water stress⁸. The country's per capita water availability in 2025 is 1,434 cubic meters, which is below the water stress threshold of 1,700 cubic meters⁹, and is projected to decline further to 1,219 cubic meters by 2050¹⁰. Additionally, many urban centers in India are increasingly exposed to flooding risks. Their proximity to rivers often results in fluvial flooding, while heavy rainfall events associated with tropical cyclones and the summer monsoon can trigger flash floods¹¹. Moreover, rapid urbanization and expansion of built-up areas have diminished cities' natural capacity to absorb stormwater, making them more vulnerable to floods¹². The overall significant relevance of this category incorporates UBI's limited exposure to projects under this category.

The magnitude of this category is limited. Projects such as water infrastructure development, efficiency upgrades and sustainable water management are likely to deliver long-term positive environmental impacts without creating significant negative lock-in effects. However, the limited magnitude primarily reflects the uncertainty around the potential inclusion of large-scale infrastructure — such as desalination plants — that lack clearly defined technical criteria.

UBI will provide funding for a range of projects in this category, such as wastewater treatment facilities for municipal, industrial and agricultural sources, along with water efficiency technologies and flood defense systems. For wastewater infrastructure, UBI has indicated that all projects will be located in India, and that the treated wastewater will comply with established sectoral or national-level taxonomy. However, specific technical details, such as energy efficiency measures and the technologies to be deployed, have not been disclosed. The bank has also provided examples of flood defense system projects and water-efficient irrigation initiatives. These may involve levee and embankment construction, floodwater retention structures (such as dams), stormwater drainage systems, and practices like drip irrigation and rainwater harvesting integrated with irrigation. Given the broad scope of this category, it is difficult to fully assess the potential environmental contributions or the associated E&S externalities. Nevertheless, all major projects will undergo ESDD, which is likely to identify and mitigate potential adverse impacts.

UBI has not explicitly confirmed whether large-scale infrastructure — particularly those without clearly defined technical criteria, such as desalination plants — will be included or excluded. The bank has communicated that the projects will align with Indian sectoral or national-level taxonomy. However, because the taxonomy remains in draft form, the eligibility of projects like desalination plants remains uncertain. While these plants can enhance access to clean water, they also carry significant risks due to their high energy intensity and harmful discharge. Currently, the bank has not established technical thresholds for key parameters such as energy source and efficiency, and brine management plan.

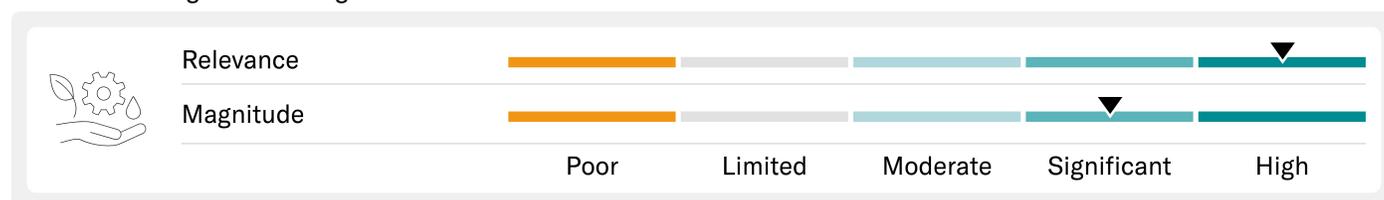
Green buildings



The category is significantly relevant for tackling the substantial energy consumption and related emissions from India's building sector, which accounts for 31% of the country's total electricity consumption and contributes substantially to GHG emissions¹³. The building sector in India is growing significantly, and 40% of the building stock that will exist in the next 20 years has yet to be built¹⁴. Rapid urbanization will significantly strain infrastructure, energy demand and resource use. However, UBI's previous financing of green building projects has constituted only a small fraction of its overall lending.

The overall magnitude of this category is moderate. Based on information shared by UBI, we expect most of the proceeds allocated to this category to be used to finance Indian Green Building Council (IGBC)-certified residential buildings with at least a gold rating. While gold corresponds to the second highest IGBC rating, the certification covers various aspects of environmental performance in a cumulative score, and the lack of specific energy performance thresholds limits our visibility into buildings' energy use. GRIHA- and EDGE-certified buildings are also eligible, and similarly we do not have information on the energy performance of the eligible buildings. Additionally, LEED-, BREEAM- and Green Star-certified buildings may also be financed, provided they achieve a minimum 30% emissions improvement above the ASHRAE 90.1 standard, which sets minimum energy efficiency requirements for the buildings. UBI has also shared with us that proceeds will mainly be used for newbuilds. Construction of new buildings involves greater inherent negative externalities, particularly during the construction phase, and UBI has not outlined measures to reduce embodied carbon. However, UBI has confirmed that it will only finance residential buildings, which are smaller in scale than commercial buildings.

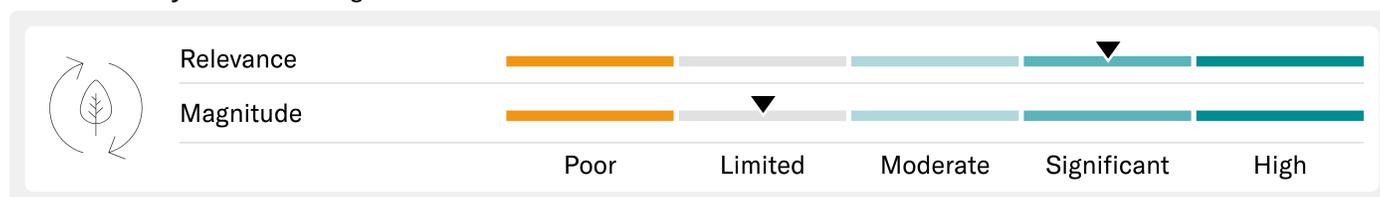
Sustainable management of living natural resources and land/ocean use



Projects funded in this category are highly relevant for addressing sustainable management of land and ocean resources in India. Sustainable fisheries, forestry, agriculture, and protection of coastal and marine ecosystems are vital for India's ecological and economic stability. These sectors underpin food security, rural livelihoods and climate resilience. However, they are increasingly threatened by overexploitation, pollution and habitat loss. Implementing integrated, sustainable approaches across these areas is essential not only to meet India's net zero and biodiversity targets but also to safeguard communities and ensure the continuity of vital ecosystem services. Projects supporting agriculture and rural communities involved in fisheries and forestry are also highly relevant for UBI given its significant exposure to the agriculture sector and its mandate to provide support to vulnerable segments of society as a public-sector bank.

This category is likely to make a significant contribution to biodiversity and natural resource conservation objectives. Fishery and forestry projects financed under this category will comply with market-recognized certifications to ensure the operations are sustainably managed. Technologies and practices associated with sustainable agriculture in this category aim to provide environmental benefits while limiting negative externalities. For example, practices like crop rotation and no-till farming help maintain soil structure, reduce erosion and improve nutrient cycling. Precision farming and drip irrigation optimize resource use, minimizing water wastage and reducing chemical runoff, while minimal or no use of synthetic fertilizers and pesticides reduces pollution and safeguards ecosystems. UBI has indicated that projects related to coastal and marine ecosystems may involve both nature-based solutions and gray infrastructure. Examples of such projects include mangrove and coral reef restoration, and coastal wetland conservation. UBI will also finance pollution reduction and waste interception and cleanup projects to support coastal and marine environments. Intensive livestock farming is excluded from financing in this category. However, large-scale coastal infrastructure projects may involve greater biodiversity risks and there is limited information available regarding the details of projects that could receive financing.

Circular economy and waste management



This category is significantly relevant, as waste and resource management remain pressing concerns in India. Rapid urbanization and increasing consumption have resulted in an increase in waste generation, with India currently producing more than 62 million tons (MT) of waste annually. India's waste collection and treatment rate remains low, with only 43 MT of total waste collected and 12 MT treated before disposal. The remaining 31 MT is disposed of without treatment, resulting in significant environmental and public health concerns. Additionally, the share of non-biodegradable materials in overall waste is increasing. Data indicates that the waste stream comprises hazardous waste (7.9 MT), plastics (5.6 MT), electronic waste (1.5 MT) and biomedical waste (0.17 MT). Therefore, projects in this category are relevant to mitigate these issues, although their importance to UBI is lower than that of other green categories, as the bank's involvement in waste management remains limited at present.

The overall magnitude of this category is limited, mainly due to waste-to-energy projects that can pose substantial environmental risks when technologies are not well-established and feedstock sources are uncertain. Additionally, certain subcategories could encompass projects with significant environmental impacts that are not explicitly defined.

UBI has confirmed that projects financed under this category will be required to follow the waste hierarchy. Some examples of recycling projects provided by UBI include metal recycling (sorting, shredding, melting), plastic recycling (mechanical, chemical, advanced sorting), and paper recycling (pulping, de-inking, bleaching). While certain technologies, such as chemical recycling of plastics, may involve energy-intensive processes, UBI has confirmed that recycled feedstock will be used as secondary raw materials to replace virgin inputs. However, the material recovery rates are currently unknown.

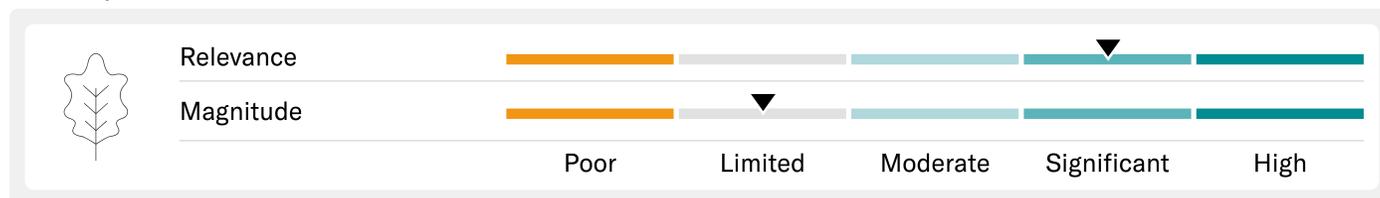
Soil remediation may involve the application of various physical, chemical, biological and thermal technologies, tailored to address specific contaminants. While innovative solutions such as phytoremediation may be financed, some traditional technologies financed — particularly excavation and landfilling — could incur greater environmental and social externalities. Assessing the overall impact of soil remediation projects remains complex without detailed information on the selected technologies and thresholds. Furthermore, there is also limited clarity regarding the future use of the decontaminated land.

For hazardous waste treatment, UBI has confirmed that such waste will be source-segregated and collected separately, with comprehensive protocols in place for collection, transport, storage and delivery. Electronic waste treatment is generally positive because it reduces landfill and incineration volumes, enables the recovery of valuable materials and mitigates environmental hazards from toxic substances. However, the specific methods employed are not fully disclosed.

Waste-to-energy projects are eligible as they can support the recovery of energy from certain waste streams while reducing pollution and reliance on landfills, despite their lower ranking in the waste hierarchy. UBI has set thresholds for energy recovery efficiency and carbon intensity; however, the specific types of technologies that may be used for waste-to-energy conversion and their technical details remain unclear. Although most feedstock is likely to come from agricultural wastes such as manure and bagasse, wood pellets may also qualify, which could introduce resource depletion risks.

Overall, while ESDD helps mitigate some risks associated with these projects, the broad eligibility criteria of this category constrain our evaluation of the full extent of financed projects' contribution to sustainability.

Pollution prevention and control



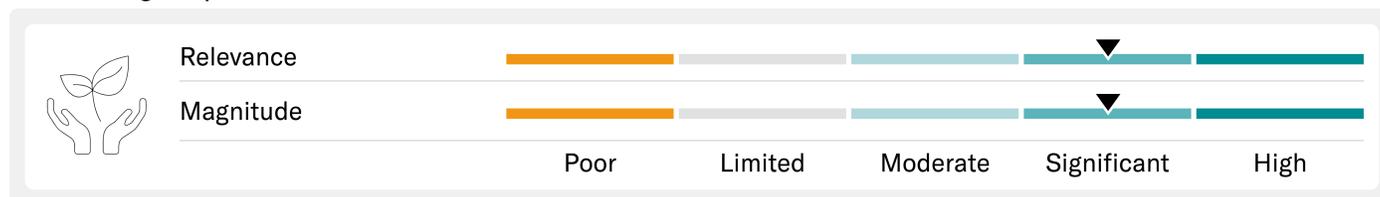
Projects financed under this category are significantly relevant for addressing air pollution in India, which is a pressing public health concern. The country ranks among the countries with the highest air pollution levels globally. The primary source of air pollution in India is the burning of fossil fuels, with industrial emissions contributing around 50% of the overall pollution. Ambient air pollution is a leading cause of health problems in the country¹⁵. However, the overall significant relevance is assessed taking into consideration UBI's currently limited exposure to this category.

The overall magnitude of the category is limited, largely due to the likely application of financed projects in hard-to-abate sectors and the lack of comprehensive technical details. While projects have the potential to reduce or eliminate environmental pollutants from the air, UBI has not specified the expected applications of the projects and relevant technical thresholds. The bank has shared its intention to align the eligibility thresholds for projects financed under this category with the forthcoming India climate finance taxonomy, which currently lacks technical thresholds in its draft version. Although UBI's financing framework excludes the financing of projects where the core energy source is fossil fuel-based, we expect projects under this category to be applied in hard-to-abate sectors, and we lack visibility into how the financed technologies align with sector decarbonization pathways.

A common application of flue gas desulfurization (which removes sulfur dioxide) and selective catalytic reduction (which removes nitrogen oxide) is the treatment of exhaust gases from fossil fuel power plants and other carbon-intensive processes such as waste treatment. Similarly, fabric filters can be used in power generation, waste incineration and cement production. While financed projects could help reduce environmental impacts such as acid rain and water quality degradation by removing air pollutants, the bank has not defined minimum thresholds for air pollution reduction. Furthermore, applications in carbon-intensive industries could prolong the lifespan of existing polluting assets, leading to carbon lock-in effects.

Carbon capture projects are also eligible for financing under this category. While UBI has shared the eligible technologies — post-combustion capture, pre-combustion capture, oxy-fuel combustion, direct air capture, industrial process capture, bioenergy with carbon capture and storage, and carbon capture utilization and storage — it has not explicitly specified the end-use sectors and relevant technical thresholds, although the draft India climate finance taxonomy states that the iron, steel and cement sectors will be considered for the inclusion of transition activities in the taxonomy. On a standalone basis, the projects are likely to have a lower contribution to sustainability because we have limited visibility into the potential capture rate, energy source, resulting CO₂ emissions reductions, management of captured CO₂ transport and storage, and whether the projects will address carbon lock-in and align with sector decarbonization pathways. Furthermore, several eligible technologies, such as direct air capture, are still in the early commercial stage, with small capacity and large energy needs, posing challenges to scalability and limiting net environmental gains.

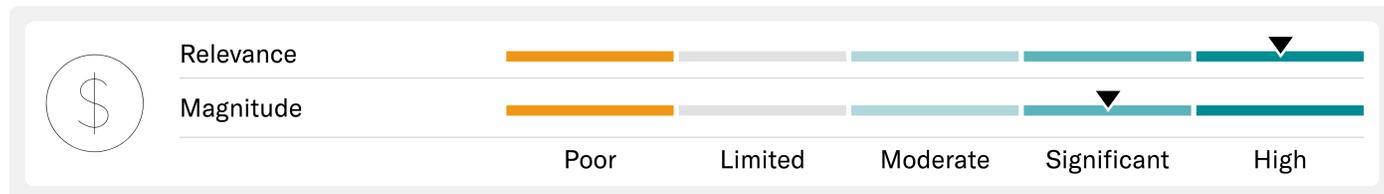
Climate change adaptation and resilience



This category is significantly relevant for addressing physical climate risks in India. India faces complex physical risks that endanger lives, livelihoods, critical infrastructure and economic stability. These challenges are reflected in the frequent occurrence of climate events such as extreme heat, floods, droughts and cyclones. Despite its significance, this category is currently not a priority sector for UBI financing. Projects within this category are also more commonly supported by the public sector than by commercial banks.

Projects financed within this category will contribute significantly to climate change adaptation objectives. UBI has identified several potential initiatives for funding, such as climate observation and early warning systems, urban green infrastructure, heat wave response mechanisms, wildfire smoke mitigation strategies, regenerative agriculture methods, climate-smart agricultural practices and climate-resilient telecommunications infrastructure. While most of these projects are likely to deliver long-term environmental benefits with minimal negative externalities, certain large-scale infrastructure projects may entail higher environmental and social risks. Nevertheless, UBI has indicated that ESDD processes will be implemented for all major projects. However, given the broad scope of the category, there is limited transparency regarding whether the adaptation infrastructure and systems will adhere to best practices for mitigating specific climate risks.

Socioeconomic advancement and empowerment



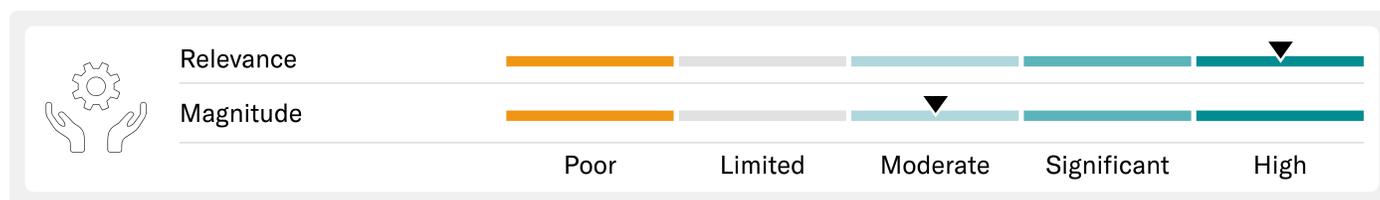
This category is highly relevant because projects financed under this category aim to address limited financial access among underserved groups, such as entities in aspirational districts, women, persons with disabilities and youth. Companies operating in aspirational districts often face structural barriers like limited market access, low levels of industrial development and inadequate infrastructure. To address low lending and banking presence, the government has directed banks to expand credit penetration in these regions¹⁶. Furthermore, persons with disabilities in India continue to face significant obstacles to workforce participation, exacerbated by gender disparities and insufficient enforcement of anti-discrimination laws¹⁷. Youth, despite their considerable economic impact, grapple with challenges related to employment and financial literacy¹⁸. Women face a pronounced gender gap in entrepreneurship due to lower access to finance and prevailing societal norms¹⁹.

Eligible projects are highly relevant to UBI's strategic priorities of promoting financial inclusion, gender equality and social development, as illustrated by increased MSME lending to support entrepreneurship and job creation. These projects also align with the RBI's PSL guidelines to support sectors such as MSMEs and weaker sections.

The magnitude of this category is significant. UBI plans to provide loans to companies operating in aspirational districts, as well as to young people and women-founded startups/MSMEs in India. These target groups are defined according to national standards and are considered vulnerable populations. The bank has communicated that, in line with RBI's PSL guidelines, a substantial portion of funds will be directed toward micro and rural borrowers, identified as the most underserved groups. UBI has indicated that it will offer favorable loan terms, with internal information suggesting that average interest rates will be below market levels. In addition, the bank will implement due diligence procedures during the loan application process to ensure borrowers' economic solvency, along with continued monitoring throughout the loan cycle to prevent overindebtedness. The bank has also committed to providing client support in case of financial distress. However, the details regarding client support and responsible lending practices have not been specified. While UBI has established an exclusion list of activities within its framework, the broad application of general-purpose loans limits transparency regarding the end use of funds and whether the loans will support activities with inherent negative externalities.

In addition, UBI will finance programs supporting persons with disabilities and promoting gender equality in India, including community-based rehabilitation programs for the disabled and the development of gender-neutral job evaluation tools. These groups face systemic barriers and limited access to resources, making them particularly vulnerable. Program designs will align with national schemes to ensure consistency with established standards. These standards will also inform considerations of affordability, although there is insufficient information about program fees and associated costs for target groups.

Access to essential services



This category is highly relevant for addressing shortages in essential services in India, particularly in public healthcare, education and vocational training programs. Public healthcare spending in India was 3.8% of GDP in fiscal year (FY) 2022²⁰, falling well below the OECD average of 9.3%²¹. While the government has implemented national programs to strengthen the public healthcare system, such as the Pradhan Mantri Ayushman Bharat Health Infrastructure Mission, there is still a shortage of hospitals and healthcare facilities, particularly in rural and semi-urban areas, and the country ranks low in terms of hospital bed densities globally²². Similarly, public spending on education in India is low compared with global benchmarks and also falls short of the 6% of GDP target set in the National Education Policy 2020.

A high level of informal work particularly in rural areas tends to offer lower-quality work and creates higher levels of economic vulnerability, especially subsistence-level employment. Many rural areas face a mismatch between training curricula and local industry needs, leading to low employability and ineffective use of training resource. Rural Self Employment Training Institutes (RSETIs) are a government initiative aimed at empowering rural youth through skills development to facilitate business establishment and support self-employment. RSETIs are managed by commercial banks, such as UBI, and supported by the government. UBI's training modules include vocational and entrepreneurial skills including tailoring, small business management and trades tailored to the needs of the local market.

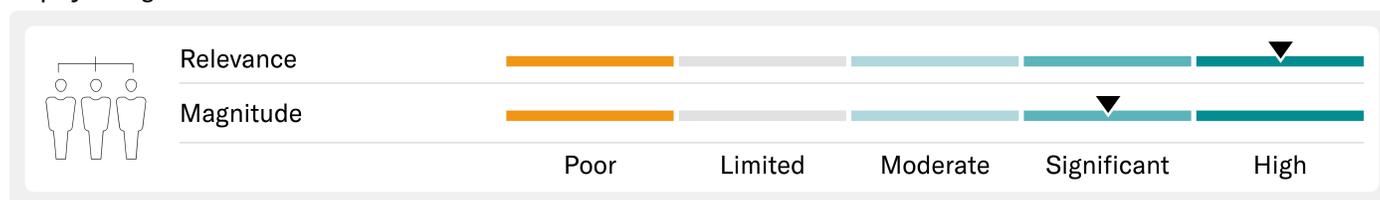
Projects under this category are also highly relevant for UBI due to its priority sector lending requirements as a domestic commercial bank in India. UBI is also required as a domestic bank to set up and manage RSETIs under the Ministry of Rural Development's initiative.

The overall magnitude is moderate. While we expect RSETIs to have a high magnitude on a standalone basis, we expect proceeds to be distributed largely evenly among the subcategories based on UBI's confirmation that all three subcategories are of equal importance.

RSETIs target rural youth aged 18-45, especially those living below the poverty line — at least 70% of trainees are selected from this group. Training, food and lodging are provided free of charge to participants. Upon successful completion of training, candidates receive certificates that are recognized by all banks locally, allowing easier access to credit to start their business. Beyond training, RSETIs offer post-training support to help candidates establish businesses and assist in obtaining loans from financial institutions. During their establishment, RSETIs are required to meet basic requirements on physical infrastructure, equipment and facilities, and staffing. Additionally, the Ministry of Rural Development requires all RSETIs to be assessed and graded annually on several areas such as conduct of training programs, provision of soft skills training and proportion of trained candidates who managed to gain self-employment. According to UBI, in 2024, UBI's RSETIs achieved an "AA" grade in the annual grading exercise by the Ministry of Rural Development — the highest grade.

Public healthcare and education facilities are also eligible for financing, and such projects are assessed as limited due to potential high out-of-pocket expenses for users and limited visibility into the quality of services provided. While eligible projects will be limited to public facilities, UBI has not provided information on the share of proceeds that will be used for facilities specifically targeting the most underserved groups. Individual healthcare expenditure is still largely out of pocket in India, despite the implementation of public insurance schemes²³. Similarly, for education facilities, public schools generally offer free or nominal-cost/low-cost education, but ancillary costs such as textbooks, transportation, exam fees and accommodation can contribute to significant out-of-pocket expenses for the most vulnerable groups.

Employment generation

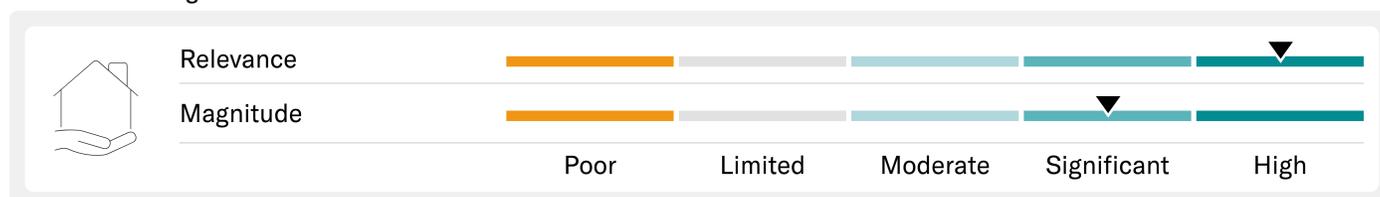


Projects funded within this category are highly relevant for expanding employment prospects and promoting financial inclusion for target groups, such as women and youth, MSMEs, as well as informal sectors such as street vendors and artisans. MSMEs represent a cornerstone of India's economic progress, making substantial contributions to GDP, employment generation, exports, socioeconomic inclusion and entrepreneurship²⁴. Nevertheless, the sector faces persistent challenges, including limited access to formal credit channels, market access barriers, delayed payments and cash flow constraints²⁵. Initiatives supported by this category also benefit India's informal sectors, including artisans, cottage industries and street vendors, which are vital for job creation, local economic development, inclusive growth and poverty alleviation. Additionally, this category holds considerable importance for UBI, as MSME financing constitutes a large proportion of its lending portfolio and aligns with UBI's mission as a public-sector bank to facilitate targeted credit guarantee schemes for MSMEs introduced by the Government of India.

Projects financed under this category will significantly contribute to the stipulated social objectives. Financial services and loans provided under this category aim to support underserved groups, including micro entities, women, youth and informal sectors. UBI has indicated that most of the funds will be allocated to MSME financing. According to UBI's historical data, the bank places strategic emphasis on micro enterprises within the MSME sector, which we consider the most vulnerable among MSMEs. UBI has stated that interest rates for MSME loans and loans supporting decentralized sectors are likely to be below market rates and subject to regulatory oversight. The bank has established pre-transaction due diligence as well as post-transaction monitoring and hardship programs to address overindebtedness. UBI also provides education programs to lenders, although further details have not been specified. The bank has identified key supported sectors within MSMEs, such as manufacturing and services. However, it has not confirmed whether some funds may support activities with potential negative externalities, such as MSMEs involved in cattle farming or non-sustainable fishing.

In addition to MSME loans, street vendors participating in the PM SVANidhi program are entitled to a 7% per annum interest subsidy upon timely repayment, and access to training and digital incentives²⁶. Nevertheless, the specific categories of projects designed to promote fair employment opportunities for women and youth have not yet been clearly defined.

Affordable housing and social infrastructure



This category is highly relevant for addressing the significant gaps in affordable housing and social infrastructure across India, with a focus on low-income populations. While housing in India is generally more affordable than in many other Asian countries, urban housing remains prohibitively expensive for those with lower incomes. The rapid pace of urbanization has resulted in an estimated shortage of 10 million housing units in urban areas alone, underscoring the urgent need for effective affordable housing solutions²⁷. In addition, there is a substantial demand for improved water²⁸, sanitation and hygiene (WASH) infrastructure²⁹, despite notable progress in recent years. Developing affordable housing and essential infrastructure is vital for fostering inclusive growth and supporting sustainable urbanization in India. This project category also includes financing for telecommunication infrastructure. While telecommunication infrastructure is generally deemed less urgent because the country already has extensive coverage³⁰, specific areas identified in the framework still require substantial financial support.

Projects financed under this category will significantly contribute to the expansion of affordable housing and provision of affordable basic services to vulnerable populations. UBI will support a broad spectrum of services and infrastructure within this category, directing most of the proceeds toward mortgage loans under the Pradhan Mantri Awas Yojana-Urban (PMAY-U) program, and other affordable

housing loans for individuals, public-sector entities and private corporations that comply with RBI affordability criteria in PSL. A smaller portion of the funding will be allocated to social infrastructure projects, including water and sanitation systems, and to enhance UBI's digital financial services platforms and telecommunication infrastructure in underserved areas.

The target population for affordable housing loans is clearly defined in accordance with government guidelines. While certain beneficiaries, such as the Middle-Income Group identified by PMAY-U, may not represent the most underserved segments, the bank has affirmed its commitment to prioritizing borrowers from the Economically Weaker Section and the Low-Income Group. Housing loans offered under PMAY-U are eligible for a 4% interest rate subsidy per government directives, and UBI has confirmed that other affordable housing loans outside the scope of PMAY-U will remain competitive and aligned with prevailing market rates. Regarding quality standards, all residences constructed under PMAY-U are supervised by relevant authorities, ensuring the provision of basic amenities, and the adoption of environmentally sustainable and disaster-resilient building practices. For other affordable housing projects under PSL, quality benchmarks are likely to adhere to state and local building codes, and UBI's internal due diligence requirements.

For basic infrastructure projects, UBI will prioritize the most underserved communities by funding projects that establish new connections. Although public utilities such as water tariffs are generally regarded as affordable, service quality may remain beyond the direct control of the financier; however, UBI has confirmed that social impact assessments will be conducted annually to monitor service standards. In-house digital financial services supported by UBI, including Union Access, will be offered free of charge to users and are likely to enhance financial inclusion, especially among low-income individuals, seniors and persons with disabilities. Additional telecommunication infrastructure financed in this category will focus on regions with limited or poor connectivity. While affordability and quality will likely fall outside the direct oversight of the financier, UBI assures that national standards will be observed to ensure the quality of these projects.

Additional contribution to sustainability considerations

We have not made an adjustment to the preliminary contribution to sustainability score based on additional considerations.

The bank has outlined its due diligence process to identify and manage E&S risks associated with its financed activities in its framework. For loans exceeding specified thresholds, UBI engages external experts to conduct E&S assessments, focusing on key E&S factors and categorizing borrowers as low, medium or high risk based on their activities and potential impacts. For high-risk borrowers, detailed mitigation plans are developed collaboratively with the borrower, and UBI maintains continued oversight to ensure the implementation of these measures.

The framework is coherent with UBI's sustainability strategy. The bank has established its core value proposition as serving as a catalyst for India's sustainable economic transformation, and has set short-, medium- and long-term targets to advance sustainable banking practices. Notably, UBI has committed to achieving net zero operations by 2035. UBI is also the first Indian bank to join the Partnership for Carbon Accounting Financials to measure and manage financed emissions. Additionally, the bank has collaborated with the government to launch credit schemes that support sustainable development across various sectors of the economy, including union green home loans, and credit programs for street vendors and MSMEs.

Appendix 1 - Alignment with principles scorecard for UBI's sustainable financing framework

Factor	Sub-factor	Component	Component score	Sub-factor score	Factor score		
Use of proceeds	Clarity of the eligible categories	Nature of expenditure	A	Aligned	Aligned		
		Definition of content, eligibility and exclusion criteria for nearly all categories	A				
		Location	A				
		BP: Definition of content, eligibility and exclusion criteria for all categories	No				
	Clarity of the objectives	Relevance of objectives to project categories for nearly all categories	A	Best practices			
		Cohherence of project category objectives with standards for nearly all categories	A				
		BP: Objectives are defined, relevant and coherent for all categories	Yes				
	Clarity of expected benefits	Identification and relevance of expected benefits for nearly all categories	A	Best practices			
		Measurability of expected benefits for nearly all categories	A				
		BP: Relevant benefits are identified for all categories	Yes				
		BP: Benefits are measurable for all categories	Yes				
		BP: Disclosure of refinancing prior to issuance and in post-allocation reporting	Yes				
		BP: Commitment to communicate refinancing look-back period prior to issuance	Yes				
	Process for project evaluation and selection	Transparency and clarity of the process for defining and monitoring eligible projects	Clarity of the process	A		Best practices	Best practices
			Disclosure of the process	A			
Transparency of the environmental and social risk mitigation process			A				
BP: Monitoring of continued project compliance			Yes				
Management of proceeds	Allocation and tracking of proceeds	Tracking of proceeds	A	Best practices	Best practices		
		Periodic adjustment of proceeds to match allocations	A				
		Disclosure of the intended types of temporary placements of unallocated proceeds	A				
		BP: Disclosure of the proceeds management process	Yes				
		BP: Allocation period is 24 months or less	Yes				
Reporting	Reporting transparency	Reporting frequency	A	Best practices	Best practices		
		Reporting duration	A				
		Report disclosure	A				
		Reporting exhaustivity	A				
		BP: Allocation reporting at least until full allocation of proceeds, and impact reporting until full bond maturity or loan payback	Yes				
		BP: Clarity and relevance of the indicators on the sustainability benefits	Yes				
		BP: Disclosure of reporting methodology and calculation assumptions	Yes				
		BP: Independent external auditor, or other third party, to verify the tracking and allocation of funds	Yes				
		BP: Independent impact assessment on environmental and social benefits	Yes				
Overall alignment with principles score:					Aligned		

Legend: BP - Best practice, A - Aligned, PA - Partially aligned, NA - Not aligned

Appendix 2 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The 13 eligible categories included in UBI's framework are likely to contribute to 15 of the UN SDGs, namely:

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 1: No Poverty	<i>Affordable Housing and Social Infrastructure</i>	1.4: Ensure all have equal rights to economic resources, access to basic services, property ownership and finance
GOAL 2: Zero Hunger	<i>Sustainable Management of Living Natural Resources and Land/Ocean Use</i>	2.4: Ensure sustainable food production systems that improve productivity and support ecosystems and climate change adaptation
GOAL 3: Good Health and Well-being	<i>Access to Essential Services</i>	3.8: Achieve universal health coverage with access to quality and affordable essential health-care services and medicines for all
GOAL 4: Quality Education	<i>Access to Essential Services</i>	4.4: Increase the number of youth and adults with technical and vocational skills for employment and entrepreneurship
GOAL 5: Gender Equality	<i>Socioeconomic advancement and empowerment</i>	5.5: Ensure women's full participation and equal opportunities for leadership at all levels of political and economic life
GOAL 6: Clean Water and Sanitation	<i>Sustainable Water Management</i>	6.4: Increase water-use efficiency across all sectors and ensure sustainable supply of freshwater to reduce water scarcity
GOAL 7: Affordable and Clean Energy	<i>Renewable Energy</i>	7.2: Increase substantially the share of renewable energy in the global energy mix
	<i>Energy Efficiency</i>	7.3: Double the global rate of improvement in energy efficiency
GOAL 8: Decent Work and Economic Growth	<i>Employment Generation</i>	8.3: Promote policies that support productivity, job creation, entrepreneurship, innovation, and encourage the growth of SMEs
	<i>Socioeconomic advancement and empowerment</i>	8.5: Achieve full, productive employment and decent work for all women and men, and equal pay for work of equal value

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 9: Industry, Innovation and Infrastructure	<i>Energy Efficiency; Green Buildings</i>	9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with all countries taking action
GOAL 10: Reduced Inequality	<i>Socioeconomic advancement and empowerment</i>	10.2: Empower and promote the social, economic and political inclusion of all
GOAL 11: Sustainable Cities and Communities	<i>Clean Transportation</i>	11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all
	<i>Pollution Prevention and Control</i>	11.6: Reduce the adverse per capita environmental impact of cities, with special attention to air quality and waste management
GOAL 12: Responsible Consumption and Production	<i>Sustainable Management of Living Natural Resources and Land/Ocean Use</i>	12.2: Achieve the sustainable management and efficient use of natural resources
	<i>Circular Economy and Waste Management</i>	12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse
GOAL 13: Climate Action	<i>Climate Change Adaptation and Resilience</i>	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
GOAL 14: Life Below Water	<i>Sustainable Management of Living Natural Resources and Land/Ocean Use</i>	14.1: Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities
		14.2: Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts
GOAL 15: Life on Land	<i>Sustainable Management of Living Natural Resources and Land/Ocean Use</i>	15.2: Promote the implementation of sustainable management of all types of forests

The UN SDGs mapping in this SPO considers the eligible project categories and associated sustainability objectives/benefits documented in the issuer's financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 3 - Summary of eligible categories in UBI's framework

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Renewable Energy	<p>» Construction, acquisition and procurement of technology and related infrastructure supporting the production of renewable energy from natural environments such as wind, sunlight, water, geothermal, precipitation, and biological organisms:</p> <ul style="list-style-type: none"> - On- and Offshore Wind Power - Solar Energy Generation (including Building Integrated Photovoltaic) - Solar Thermal Energy - Hydropower Projects (lifecycle GHG emission intensity should be below 100 gCO₂e/kWh or power density above 5W/m²) - Biomass power (lifecycle GHG emission intensity should be below 100 gCO₂/kWh and biofuel must be sourced from a sustainable feedstock) - Geothermal Power Generation (lifecycle GHG emission intensity should be below 100 gCO₂e/kWh) - Ocean Energy (ocean thermal energy, tidal power generation) - Electricity generation: Hydrogen Fuel Cell technology 	Climate change mitigation	<ul style="list-style-type: none"> » Total renewable capacity (in MW) » Energy generated per year (MWh) » GHG emissions avoided per year, reported in tonnes CO₂-equivalent (tCO₂e)
Clean Transportation	<p>» All infrastructure, infrastructure upgrades, rolling stock and vehicles for electrified public transport, including electrified rail, trams, trolleybuses and cable cars. Buses with no direct emissions (electric and hydrogen).</p> <p>» Development, manufacture and acquisition of low-carbon land transport such as</p> <ul style="list-style-type: none"> - Passenger cars and commercial vehicles - zero tailpipe emission vehicles (e.g., hydrogen, fuel cell and electric vehicles) - Trains and vehicles for public transport – zero direct emission light rail transit, metro, and tram <p>» Development of infrastructure for low carbon land transport (private and public) - projects related to capacity or energy efficiency improvement (e.g., station upgrade, improved signalling equipment), electric charging stations, and electricity grid connection upgrade</p> <p>» Infrastructure for zero direct emission water transport - batteries, hydrogen fuelling facilities</p> <p>» Investments and expenditures related to construction, design, and maintenance of CSVs as defined below</p> <p>» Investments and expenditures in relation to retrofit of existing vessels engines with alternative fuels (Natural gas, methanol or electricity)</p> <p>» Clean and Sustainable Vessels (“CSVs”) CSVs are defined according to IMO and the Norwegian shipping regulations. In alignment with the EU Taxonomy, CSVs will attain the following criteria:</p> <ul style="list-style-type: none"> - The vessels have attained Energy Efficiency Design Index (EEDI) value 10% below the IMO's EEDI requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO₂ emission fuels or on fuels from renewable sources 	Climate change mitigation; Pollution prevention and control	<ul style="list-style-type: none"> » GHG emissions avoided per year (tCO₂e) » New clean transportation infrastructure built (km) » Number of electric or low emission land and water transport vehicles produced
Energy Efficiency	<p>» The development and implementation of products or technologies that reduce energy use or recover energy. Examples include:</p> <ul style="list-style-type: none"> - Buildings - improvements in lighting, air conditioning, waste heat recovery and district cooling - Public utility networks - installation of energy-efficient lighting and improvements in energy efficiency of public utilities (e.g., electricity, telecommunications and water) - Agriculture and aquaculture processes - improvements in energy efficiency of traction, irrigation and other processes in plant-based agriculture, as well as in aquaculture farming and processing - Transmission and distribution systems - improvements to reduce energy use and/or technical losses and smart grid technologies <p>For avoidance of doubt, improvement activities that result in the lock in of fossil fuel technologies will be excluded.</p> <p>On a best effort basis, UBI will strive to select eligible projects which enable energy savings of at least 30%</p>	Climate change mitigation	<ul style="list-style-type: none"> » Energy savings per year (MWh) » GHG emissions avoided per year (tCO₂e)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Sustainable Water Management	<ul style="list-style-type: none"> » Construction, development, installation, operation and maintenance of infrastructure or equipment for collection, treatment, recycling or reuse water, rainwater or wastewater » Upgrades of water infrastructure that improve water efficiency or reduce water losses » Promoting water efficient irrigation systems and flood defence systems 	<ul style="list-style-type: none"> Pollution prevention and control; Climate change adaptation 	<ul style="list-style-type: none"> » Amount of water/wastewater purified or reused (litres) and % reduction » Wastewater treated per year (litres)
Green Buildings	<ul style="list-style-type: none"> » Acquisition, new construction, renovation, maintenance and operation of new or existing buildings that meet or will receive internationally recognized environmental standards such as: <ul style="list-style-type: none"> - LEED gold or above certification, or equivalent certifications under other internationally recognized building standards such as BREEAM (excellent to outstanding)* and Green Star (5 star and 6 star)**, within the last 5 years And <ul style="list-style-type: none"> - Achieve a minimum 30% emissions improvement against ASHRAE 90.1 criteria (a part of the LEED standard) or equivalent stringency of additional emissions improvements under other building standards OR <ul style="list-style-type: none"> - Meet the carbon hurdles set in the IFC's Edge tool - Meet the GRIHA 4 to 5 Star Rating and IGBC Gold 	<ul style="list-style-type: none"> Climate change mitigation; Climate change adaptation 	<ul style="list-style-type: none"> » Building assets by type and green building certification level » Energy savings per year (MWh) » Annual GHG emissions reduced/avoided (tCO2eq)
Sustainable Management of Living Natural Resources and Land/Ocean Use	<ul style="list-style-type: none"> » Environmentally sustainable fishery with certification to Marine Stewardship Council (MSC) or equivalent labels, and aquaculture with Best Aquaculture Practices (BAP) or Aquaculture Stewardship Council (ASC) equivalent certification; » Environmentally-sustainable forestry with certification to Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or equivalent, including afforestation or reforestation, and preservation or restoration of natural landscapes » Sustainable management of agriculture via implementation of sustainable agriculture techniques and sustainable agricultural production. Examples may include: <ul style="list-style-type: none"> - Remediation and restoration of degraded soil - Minimum or no use of synthetic fertilizer and pesticide - Crop rotation - No-till farming - Precision farming - Drip irrigation - Zero Budget Natural Farming » Projects that manage, conserve, and restore the health of coastal and marine ecosystems » Projects that prevent, control, and reduce waste from entering the coastal and marine environments » Research on living sources and biodiversity protection 	<ul style="list-style-type: none"> Biodiversity; Natural resource conservation 	<ul style="list-style-type: none"> » Area covered by sustainable agricultural land management practices (hectares) » Annual average quantity of pollutants/plastics removed/diverted from the ocean (tonnes) » Area of protected or restored land/ocean habitat (ha)
Circular Economy and Waste Management	<ul style="list-style-type: none"> » Eco-efficient and circular economy adopted products, technologies, processes and impact assessments » Projects that contribute to waste prevention and collection, waste reduction and waste recycling such as: <ul style="list-style-type: none"> - The development, operation and upgrade of recycling facilities for metals, plastic or paper - Collection, treatment or remediation of hazardous waste or contaminated soil - Reuse, repurpose, or recycle all waste from landfills and incineration to reduce the impact of electronic waste on the environment - Waste to energy with energy recovery efficiency of at least 25% and emissions below 100 gCO2e/kWh 	<ul style="list-style-type: none"> Natural resource conservation 	<ul style="list-style-type: none"> » Number of products with circular design » Waste diverted from landfill per year (tonnes) » Waste that is prevented, minimised, reused or recycled (tonnes)
Pollution Prevention and Control	<ul style="list-style-type: none"> » Air pollution and greenhouse gas mitigation equipment (e.g., flue gas desulfurisation, selective catalytic reduction, fabric filters, carbon capture) 	<ul style="list-style-type: none"> Pollution prevention and control 	<ul style="list-style-type: none"> » GHG emissions or pollutants reduced/avoided per year(tCO2eq)
Climate Change Adaptation and Resilience	<ul style="list-style-type: none"> » Climate change adaptation infrastructure - flood defense, climate observation and early warning systems » Sustainable management of resilience of natural and urban eco-systems such as integrated watershed management, public health, food security, drainage, network infrastructure, etc. 	<ul style="list-style-type: none"> Climate change adaptation 	<ul style="list-style-type: none"> » Number and type of adaptation and resilience measure installed

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> » Loans to companies in aspirational districts » Support projects for target population such as persons with disabilities and young people, and equal pay for work of equal value » Nari Shakti Scheme to support women founded start-ups/MSMEs which are majority-owned or majority - managed by women 	<ul style="list-style-type: none"> Quality education; Gender equality; Decent work & economic growth; Reduced inequalities 	<ul style="list-style-type: none"> » Number of start-ups / SMEs supported or funded » Number of beneficiaries, by gender » Number of locations reached (number of villages, blocks or towns) » Jobs created, supported, and/or retained
Access to Essential Services	<ul style="list-style-type: none"> » Financing related to the construction and operation of, or supply of equipment to, public hospitals and healthcare facilities » Financing related to the construction and operation of, or supply of equipment to, public education facilities (e.g., schools, universities, teaching and vocational centres), and related infrastructure (e.g., student housing) » RSETI Centres and training courses with the objectives of providing self - employment training programmes 	<ul style="list-style-type: none"> Goodhealth & well-being; Quality education; Sustainable cities & communities 	<ul style="list-style-type: none"> » Number of beneficiaries / potential beneficiaries » Number of locations reached (number of villages, blocks or towns) » Number of people provided with skill development / vocational training
Employment Generation	<ul style="list-style-type: none"> » Creation of meaningful and fair employment for targeted communities such as female » MSME financing and microfinance : support MSMEs under TReDS: <ul style="list-style-type: none"> - Providing loans at discounted rate and enlarged lending volume - Waiving collateral requirement with accelerated process » Loans to entities involved in assisting the decentralized sector in the supply of inputs and marketing of output of artisans, village and cottage industries » Bank loan to street vendors under PM Svanidhi 	<ul style="list-style-type: none"> Quality education; Gender equality; Decent work & economic growth 	<ul style="list-style-type: none"> » Number of jobs created, by gender » Number of SMEs and start-up supported or funded
Affordable Housing and Social Infrastructure	<ul style="list-style-type: none"> » Bank loans for affordable housing projects under Pradhan Mantri Awas Yojana » Corporate loans to public agencies for development and construction of affordable housing » Corporate loans used for the development and construction of housing mandated for low income individuals or households » Development of affordable basic infrastructure (e.g. clean drinking water, sewers and sanitation) » Telecommunication projects to promote digital inclusion in unconnected or underserved communities 	<ul style="list-style-type: none"> Shelter for everyone; No poverty; Decent work & economic growth 	<ul style="list-style-type: none"> » Number of housing units built or refurbished » Amount of housing/social infrastructure loans disbursed to qualifying borrowers

Endnotes

- 1 Point-in-time assessment is applicable only on the date of assignment or update.
- 2 [India Climate & Energy Dashboard](#), accessed on 21 November 2025.
- 3 [Green Hydrogen Certification Scheme of India](#), April 2025.
- 4 [Energy transition: India's journey to net zero](#), October 2024.
- 5 [Electric Vehicles](#), accessed on 21 November 2025.
- 6 See endnote 4.
- 7 [Target of Doubling Energy Efficiency](#), 3 April 2025.
- 8 [Aqueduct: Water Stress Atlas](#), accessed on 21 November 2025.
- 9 [Eurostat: Water Statistics](#), accessed on 21 November 2025.
- 10 See endnote 2.
- 11 [Drivers of flash floods in the Indian sub-continental river basins](#), 15 July 2025.
- 12 [Towards Resilient and Prosperous Cities in India](#), 23 May 2025.
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- 18 [How to improve outcomes for India's next generation through financial literacy](#), 15 September 2025.
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- 20 [Share of government health expenditure in the total health expenditure has increased from 29.0 % To 48.0 % between FY15 and FY22](#), 31 January 2025.
- 21 [Health expenditure in relation to GDP](#), 13 November 2025.
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REPORT NUMBER 1464900