

# UN Principles for Responsible Banking Assessment

This UN Principles for Responsible Banking (PRB) self-assessment template is used to evaluate and report on our alignment with the Principles.

## Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

### Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

#### Response

*ING is a leading European universal bank with global activities. Our more than 60,000 colleagues offer retail and wholesale banking services to customers in over 40 countries. Please see the ING Group Annual Report 2023 ('Annual Report 2023') for a breakdown of countries we operate in for Wholesale and Retail Banking.*

*For further information on portfolio distribution in segments and geographies, please see the introduction chapter in the Annual Report 2023.*

*Our purpose is to empower people to stay a step ahead in life and in business. Our products include savings, payments, investments, loans and mortgages in most of our retail markets. For our Wholesale Banking clients, we provide specialised lending, tailored corporate finance, debt and equity market solutions, sustainable finance solutions, payments & cash management and trade and treasury services.*

#### Links and references

*ING.com > About Us > ING at a glance: <https://www.ing.com/About-us/ING-at-a-glance.htm>*

*Annual Report 2023*

*ING.com > About Us > Strategy: <https://www.ing.com/About-us/Strategy.htm>*

## Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

Yes

No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

UN Guiding Principles on Business and Human Rights

International Labour Organization fundamental conventions

UN Global Compact

UN Declaration on the Rights of Indigenous Peoples (*ref. ING's ESR Framework*)

Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones:

- *ING reports information required by the Pillar III ESG Disclosure Requirements of the EBA (Commission Delegated Regulation EU 2021/637).*
- *The ING ESG Risk team also addresses ESG supervisory expectations such as the European Central Bank's (ECB) Guide on climate-related and environmental (C&E) risks.*
- *The Corporate Sustainability Reporting Directive (CSRD) is a legal framework that requires the issuance of a sustainability report. In July 2023, the European Commission adopted the delegated act of the European Sustainability Reporting Standards (ESRS), which details the reporting rules to be followed ING is undertaking preparation work in 2024 to fully align with CSRD disclosure requirements, due in 2025.*

Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones:

- *UK and Australian Modern Slavery Acts: ING's modern slavery statements can be found here: <https://www.ing.com/Sustainability/Our-Stance/Human-rights.htm>*
- *ING reports as required under the Dutch Gender Diversity Act in our Annual Reports. These can be found here: <https://www.ing.com/Investors/Financial-performance/Annual-reports.htm>*
- *ING is also undertaking preparation work in 2024 to fully align with CSRD disclosure requirements, due in 2025.*

None of the above

Other: Dutch Corporate Governance Code 2022.

### Response

*ING's strategy is built around our purpose of empowering people to stay a step ahead in life and in business and making the difference for people and the planet. We do this by providing a*

### Links and references

*ING.com > About us > Strategy:  
<https://www.ing.com/>*

*superior customer experience and putting sustainability at the heart of what we do.*

*We have a role in society to define new ways of doing business that align with economic changes, growth and social impact. Climate change is one of the world's biggest challenges, threatening societies as we know them today. We're determined to be a banking leader in building a sustainable future for customers, society and the environment. We want to lead by example by striving for net zero in our own operations. We also want to play our part in the low-carbon transformation that's necessary to achieve a sustainable future, aiming to steer our financing towards meeting global climate goals and working with clients to achieve their own sustainability goals.*

*As a large bank serving customers in 38 countries, we contribute directly and indirectly to virtually all SDGs through the clients and projects we finance. We choose to focus on the SDGs that we can impact the most, using our business strategy and purpose to guide us.*

*Through our approach to sustainability in the areas of climate action, financial health and human rights, and through the customers and projects we finance, we mainly contribute to the following SDGs: decent work and economic growth (goal 8), reduced inequalities (goal 10), responsible consumption and production (goal 12) and climate action (goal 13). In doing so, we work with other financial institutions, multinational enterprises and industry organisations to advance our understanding of the SDGs and capture impact opportunities.*

*More details on our value creation model and how this links to the four SDGs (goals 8, 10, 12 and 13) can be found below and in our Annual Report 2023.*

*ING's climate alignment strategy is guided by our Terra approach. Using Terra, we analyse the most carbon-intensive parts of our portfolio and aim to steer our loan book towards net zero by 2050 or sooner so as to play our part in keeping global warming within 1.5°C compared to pre-industrial levels. We developed the Terra approach in 2019 in partnership with the 2° Investing Initiative (2DII), using their Paris Agreement Capital Transition Assessment (PACTA) for Banks tool (itself co-developed by ING). Since then, we've continued to improve and expand Terra in collaboration with 2DII, also involving new partners like RMI's Center for Climate Aligned Finance (CCAF), which ING became an official strategic partner of in 2022.*

[About-us/Strategy.htm](#)

Annual Report 2023  
> Putting sustainability at the heart of what we do – and for more details see: [ING.com > Sustainability > Sustainability approach:](#)

<https://www.ing.com/Sustainability/Sustainability-approach.htm>

ING.com > Sustainability > Partnerships and collective action > Sustainable development goals:

<https://www.ing.com/Sustainability/Partnerships-and-collective-action/Sustainable-development-goals.htm>

Annual Report 2023  
> About this report > Creating value

ING Climate Report 2023 ('Climate Report 2023') > Terra: net-zero in our portfolio

We are also guided by our ESR policy framework, which we update regularly. We want the framework to reflect changing social norms and regulation relating to sustainability, and to challenge our own increasingly strong commitments on the topics of human rights and climate change.

The ESR policy framework is reviewed regularly to ensure we adequately identify and manage not only existing but also new environmental and social risks. We conducted a full review of the ESR policy framework in 2021, following reviews in 2018, 2015 and 2012. This was done with the active participation of internal and external stakeholders.

We actively manage potential climate and human rights risks through our framework and regularly engage with stakeholders to inspire clients, peers and others to do the same. We updated our human rights policy to reflect our commitment to the United Nations Guiding Principles and improved transparency through our regular human rights reporting.

ING's endorsements and memberships can be found here: <https://www.ing.com/Sustainability/Partnerships-and-collective-action/How-we-engage.htm>

ING.com >  
Sustainability >  
Sustainable business  
> Environmental and  
social risk (ESR)  
<https://www.ing.com/Sustainability/Sustainable-business/Environmental-and-social-risk-ESR.htm>

## Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

### 2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly<sup>1</sup> and fulfil the following requirements/elements (a-d)<sup>2</sup>:

**a) Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

<sup>1</sup> That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

<sup>2</sup> Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

<p><b>b) <u>Portfolio composition:</u></b> Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope</p> <p>i) by sectors &amp; industries<sup>3</sup> for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products &amp; services and by types of customers for consumer and retail banking portfolios.</p> <p>If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.</p>	
<p><b>c) <u>Context:</u></b> What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?<sup>4</sup> Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> <p><i>This step aims to put your bank's portfolio impacts into the context of society's needs.</i></p>	
<p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)<sup>5</sup>? Please disclose.</p>	
<p><b>d) For these (min. two prioritized impact areas):</b></p> <p><b><u>Performance measurement.</u></b> Has your bank identified which sectors &amp; industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&amp;inclusion as your most significant impact areas, please also refer to the applicable indicators in the <a href="#">Annex</a>.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p> <p><i>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</i></p>	
<p><u>Response</u></p> <p><i>ING's impact analysis covers ING Group. Our main geographies are shown in the Annual Report 2023:</i></p>	<p><u>Links and references</u></p> <p><i>Annual Report 2023 &gt; ING at a glance</i></p>

<sup>3</sup> 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

<sup>4</sup> Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

<sup>5</sup> To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

**Wholesale Banking**

International network and global franchises  
Map highlights countries where ING has an office



Wholesale Banking has approximately 4,000 economic ultimate parent clients.

(\*) ING's corporate head office is located in Amsterdam, The Netherlands

**Retail Banking**

Australia  
Belgium  
Germany  
Italy  
Luxembourg  
Netherlands\*  
Spain  
Poland  
Romania  
Turkey



ING has approximately 38.6 million Private Individual customers.

**ING's portfolio composition is included in the 2023 Annual Report:**

**Annual Report 2023 > Credit Risk**

**Portfolio analysis per business line (\*)**

Rating class	Wholesale Banking		Retail Banking		Retail Challenger & Growth Markets		Corporate line		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>IN € billions</b>										
<b>Outstandings per line of business (*)</b>										
Investment grade	52,665	49,606	310	324	34,375	32,492	2,284	2,529	89,634	129,032
2-4 (AAA)	60,059	49,210	2,029	7,871	52,568	40,490	6	12	115,654	97,502
5-7 (A)	95,320	79,292	44,026	45,471	68,051	61,422	147	320	227,543	186,504
8-10 (BBB)	123,081	129,709	118,340	117,172	27,955	56,046	2,357	2,833	271,731	305,760
11-13 (BB)	52,946	56,409	53,022	55,965	26,796	46,057	4	4	129,756	129,616
Non-investment grade	14,36 (B)	12,234	13,693	16,872	14,274	12,459	11,662		43,565	39,579
17 (CCC)	1,127	1,858	2,128	2,051	985	1,014	392	299	4,608	5,150
18 (CC)	2,523	3,564	3,363	3,304	594	519			4,481	5,306
Performing Restructuring loans	19 (C)	535	711	876	962	437	490		1,848	2,183
Non-performing loans	20-22 (D)	4,093	4,354	4,506	4,762	3,038	2,900		11,671	11,700
<b>Total</b>	<b>415,914</b>	<b>428,616</b>	<b>253,241</b>	<b>250,056</b>	<b>257,211</b>	<b>253,391</b>	<b>5,186</b>	<b>5,997</b>	<b>931,552</b>	<b>938,061</b>
<b>Industry</b>										
Private individuals	2,330	32	165,447	163,243	193,020	191,550			361,387	354,831
Central banks	10,139	10,006			21,740	23,941	2,269	1,495	34,144	35,042
Natural Resources	40,511	44,695	1,259	1,160	624	694			42,394	46,549
Real Estate	24,904	26,426	23,675	22,648	2,936	3,439			51,515	52,513
Commercial Banks	31,742	42,216	117	194	8,008	5,711	2,515	2,911	46,046	50,662
Non-Bank Financial Institutions	55,313	54,274	1,400	1,379	890	904	280	438	57,889	56,594
Central Governments	45,116	41,622	2,124	2,880	5,180	3,838	1	1,016	52,621	49,546
Transportation & Logistics	27,106	25,474	4,105	4,030	1,679	1,471			32,890	30,982
Utilities	23,324	22,683	2,024	1,865	380	350			25,509	24,698
Food, Beverages & Personal Care	13,903	13,661	2,007	1,766	2,976	2,969			23,308	23,613
Services	9,128	9,300	11,596	11,606	1,716	981	24	33	22,621	22,546
General industries	12,059	11,711	5,680	5,753	3,406	3,381			21,126	20,865
Lower Public Administration	6,213	6,002	6,885	5,921	10,608	9,725			23,704	21,666
Other	40,748	50,009	21,583	22,014	6,513	8,005	32	104	76,922	77,932
<b>Total</b>	<b>415,914</b>	<b>428,616</b>	<b>253,241</b>	<b>250,056</b>	<b>257,211</b>	<b>253,391</b>	<b>5,186</b>	<b>5,997</b>	<b>931,552</b>	<b>938,061</b>

**Our GRI materiality assessment, our value creation model assessment, and our ongoing stakeholder engagement (as described further in our response to Principle 4 below) cover all of ING Group's portfolio.**

**Annual Report 2023 > How we create value**

**The value creation model shows how our strategy enables value to flow through our business and how we use different types of input to create long-term value for stakeholders. This also includes the impact that we generate for society and our planet, which we link to four UN Sustainable Development Goals (SDGs) - 8: decent work and economic growth, 10) reduced inequalities, 12) responsible consumption and production, and 13) climate action:**

# How we create value for our stakeholders

## Inputs

- Human capital**
  - 62,866 employees
  - Development and education
  - Focus on vitality and working conditions
  - Diversity, inclusion and belonging
- Intellectual capital**
  - Skills, knowledge and experience
  - Our business values
- Financial capital**
  - €2.86 bn equity
  - €674 bn deposits
  - €140 bn issued debt
- Manufactured capital**
  - Property and equipment
  - Branches and offices
  - Adoption of ING (Private) Cloud (63%) and Touchpoint (64%)
  - Purchased services
- Natural capital**
  - Total operational footprint (scope 1, 2 and scope 3) business travel of 296 CO2e
- Social capital**
  - Primary customer growth of 750,000
  - Partnerships and coalition-building

## Our strategy: Making the difference

Our purpose is to **empower people to stay a step ahead in life and in business.**

**Our priorities**

- Superior customer experience**
  - We put the customer at the centre. A superior customer experience is how we will stand out.
- Sustainability at the heart**
  - We aim to be a leader in environmental sustainability by protecting the planet, and by supporting our customers to make the necessary transition.
- Our enablers**
  - Providing seamless digital services**
    - Completely digital customer journeys
    - Robust, always-on channels
    - Data-enabled personalised experiences
  - Using our scalable tech & ops**
    - Modular & scalable foundation
    - Globally usable building blocks and scalable hubs
    - Faster & easier adoption of new technologies
    - More cross-border collaboration
  - Staying safe & secure**
    - Fraud, cyber and data protection
    - Robust know-your-customer processes
    - Operational resilience and system reliability
    - High quality of assets
  - Unlocking our people's full potential**
    - Talent & leadership
    - Culture & organisation
    - Employee experience

## Our business model

Providing fully fledged banking services tailored by client type.

- Our promise to customers is to make banking frictionless, removing barriers to progress and giving people confidence in their ability to make decisions and to move forward.
- Private individuals and smaller SMEs**
    - Private individuals: Mobile first
    - Smaller SMEs: digital first, mobile first
    - Supported by remote sales and service teams
  - Bigger SMEs and mid-corporates**
    - Primary face-to-face personal relationship model
    - Sector experts
    - Supported by digital services
  - Corporate clients & financial institutions**
    - Face-to-face personal relationship model with sector expertise
    - Network with global reach; sustainability pioneers
    - Supported by digital services

## Our output

- Financial products and services provided
  - Net Promoter Score, ranked No.1 in 5 of 19 retail markets
  - 67% mobile-only customers
  - 500+ brands
- €11.5 bn mobilised to finance transition
  - Collaboration on climate-related initiatives
  - Financial contributions of 4.26.3 mtn
  - Financial health
  - Over 100 financial partners (scope 1, 2 and 3)
  - Lowest fuel cost savings of €29.5 bn
- 53% workload on private cloud
  - 94% customer service metrics using Blueprint
  - Operational availability of 99.56% for critical banking and 99.78% for wholesale banking
  - 34% operations workload in scalable hubs
  - 71% digital index score
- Stable risk-weighted assets
  - High service and system availability
  - 99.4% for state and adequate KYC checks
  - Low risk coobation loss provisions
- 31% women in senior management
  - Digital banking
  - Organisational health index
  - Employee turnover of 9%
- Total income of €22.6 bn
- Net income of €1.8 bn
- Net result of €7.3 bn

## Our outcome



## Our impact

- Easy, instant, personal and relevant experience. Global reach with local experts, sector expertise, and sustainability pioneers
- Defining new ways of doing business, balancing sustainability impact and economic growth
- Fair treatment of suppliers, leveraging the potential of partners, and ongoing compliance
- The right leaders, skills and organisation unlocking the full potential of our people
- Deliver a sustainable and attractive return

## Our stakeholders



To help understand the topics that are most important for ING, a materiality assessment is carried out among internal and external stakeholders. It is conducted in line with Global Reporting Initiative (GRI) guidelines. It follows a three-year cycle that consists of an extensive materiality assessment followed by two light, annual updates. An extensive analysis took place in 2023. The process examined relevant internal ING documentation and sought in-depth analysis on peers, industry trends and regulation. We've incorporated the views of stakeholder groups in the impact assessment. The outcome of this process has resulted in the determination of material topics that ING reports on. These topics were approved by ING's Executive Board:

Phase I, compilation of a long list    Phase II, compilation of a short list    Phase III, prioritisation



This phase involves the compilation of a comprehensive and wide spectrum of topics that are relevant to ING. These include ESG factors, and company specific (non-ESG) factors for further assessment.



Once the long list is established, it is narrowed down to a short list which includes the topics that ING exerts the most significant impact on. These are determined by surveying relevant stakeholders.



This phase involves prioritising the impact and ranking the topics in order of their importance. This is based on the significance of the impact, its contribution to ING's strategic objectives (including sustainability goals), and stakeholder interests.

Annual Report 2023 > The world around us

## Materiality matrix



The materiality assessment is performed in alignment with GRI standards. Moving from GRI Materiality Assessment to Double Materiality, in line with the European Sustainability Reporting Standards (ESRS) requirements, will be one of the first actions in 2024 as we determine which topic requirements and which ESRS to report on in the Annual Report 2024. See the ESG appendix to the Report of the Executive Board ('ESG appendix') for the definition of our material topics.

Further, in anticipation of the Corporate Sustainability Reporting Directive (CSRD), which will apply as of January 2024, we are introducing a dedicated ESG chapter in our Annual Report 2023, for the first time. This provides more information about ESG topics, in the lead up to the CSRD Statement which will be published in the Annual Report 2024. Together, these approaches to impact contribute to the UNEP FI PRB requirements for impact analysis.

**On the basis of these analyses of impact, ING has identified (1) climate change mitigation and (2) financial health & inclusion as priority areas for target setting under the PRB.**

We continue our work on human rights, as reported on in our 2022 PRB assessment. We report ING's latest human rights assessments and results in our 2023 Human Rights Report, available on ING.com.

**Climate change mitigation:**

For climate change mitigation, we have noted context and challenges throughout our Climate Report 2023.

Our targets are focused on the most carbon-intensive parts of our loan book; see 'portfolio scoping' at p. 49 of the Climate Report 2023.

Annual Report 2023 > ESG appendix

**Climate change mitigation:**

Climate Report 2023, in particular pp. 47 ff., available at:

<https://www.ing.com/Media/EditPage/2023-Climate-Report-1.htm>



For *financial health & inclusion*, we have noted context and challenges in the 2023 UNEP FI PRB Summary Report: *Commitment to Financial Health and Inclusion*, p. 30. ING is initially focusing on the Netherlands (its home market, with almost eight million private individual customers) and on increasing the financial health of its customers.

ING's financial health and inclusion target (detailed below on page 13) addresses two main priorities, as found in the 2023 UNEP FI PRB Summary Report: *Commitment to Financial Health and Inclusion*, that in the Netherlands [as a demographic in general]: (a) 24% of working people do not save for their pension next to the first pillar (i.e. state pension), and (b) 25% of people do not make any financial plans at all.

Our performance measurement identified an initial value of 1.07 million in 2022 in the number of Dutch customers with products connected to long-term saving and investment plans. The target includes all digital primary customers that have been with ING Netherlands for at least a year. Of these customers, those who (i) use automatic savings option for their savings account and/or (ii) have set periodic investments for their investment products will contribute to the target. Updates on implementation will be reported in summer 2024 in the next UNEP FI summary report.

*Financial health & inclusion:*

<https://www.unepfi.org/industries/banking/commitment-to-financial-health-and-inclusion-summary-report/> - page 30

### Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?<sup>6</sup>

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

(1) *Climate change mitigation*

(2) *Financial health & inclusion*

How recent is the data used for and disclosed in the impact analysis?

<sup>6</sup> You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:  
(optional)

## 2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

**a) Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with<sup>7</sup> have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

*You can build upon the context items under 2.1.*

### Response

#### *Climate change mitigation:*

*To align a portfolio with net zero, we need climate scenarios to benchmark against.*

*We believe that the scenarios used should always reflect the most recent scientific information from recognized institutions, like the IEA, if available. (The IEA's Net Zero Emissions by 2050 Scenario (NZE) also incorporates key energy-related UN SDGs, such as SDG 7.)*

*The scenarios for power generation, oil & gas, steel, automotive and aviation are all based on the International Energy Association's (IEA) Net Zero Emissions by 2050 Scenario (NZE). For commercial real estate and residential real estate, we have used the CRREM 1.5°C pathways, which are*

### Links and references

#### *Climate change mitigation:*

*Climate Report 2023, p. 47 ff., available at:*

*<https://www.ing.com/MediaEditPage/2023-Climate-Report-1.htm>*

<sup>7</sup> Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

also based on the IEA NZE scenario. For cement and shipping, we have different scenarios.

Please refer to the Climate Report 2023 for further details.

**Financial health & inclusion:**

We are working with the United Nations Environment Programme Finance Initiative [UNEP FI] under the Principles for Responsible Banking to contribute to setting a measurement standard for financial health impact for our industry.

We have chosen the UNEP FI core indicator CS010: customers with products connected to long-term savings and investments plans.

**Financial health & inclusion:**

<https://www.ing.com/Sustainability/Sustainable-business/Financial-health.htm>

**b) Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	...	
	...	
	...	

Impact area	Indicator code	Response
Financial health & inclusion	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

<u>Response</u>	<u>Links and references</u>
<p><i>Climate change mitigation:</i></p> <p>The Terra Toolbox in the Climate Report 2023, p. 54, sets out the baseline, methodologies, targets and pathways for each Terra sector target.</p> <p><i>Financial health &amp; inclusion:</i></p> <p>Baseline year: 2022</p> <p>Indicator: CS010 of the Financial Health Core Indicators of UNEP FI: customers with products connected to long-term savings and investments plans.</p> <p>Target: A 25% increase by 2030 (from an initial value of 1.07 million in 2022) in the number of Dutch customers with products connected to long-term saving and investment plans, with a 5% increase by year-end 2023.</p>	<p><i>Climate change mitigation:</i></p> <p>Climate Report 2023, p. 47 ff, available at:  <a href="https://www.ing.com/MediaEditPage/2023-Climate-Report-1.htm">https://www.ing.com/MediaEditPage/2023-Climate-Report-1.htm</a></p> <p><i>Financial health &amp; inclusion:</i></p> <p><a href="https://www.ing.com/Sustainability/Sustainable-business/Financial-health.htm">https://www.ing.com/Sustainability/Sustainable-business/Financial-health.htm</a></p> <p><a href="https://www.unepfi.org/industries/banking/commitment-to-financial-health-and-inclusion-summary-report/">https://www.unepfi.org/industries/banking/commitment-to-financial-health-and-inclusion-summary-report/</a> - page 30</p>

**c) SMART targets** (incl. key performance indicators (KPIs)<sup>8</sup>): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

<u>Response</u>	<u>Links and references</u>
<p><i>Climate change mitigation:</i></p> <p>The Terra Toolbox in the Climate Report 2023, p. 54, sets out the baseline, methodologies, targets and pathways for each Terra sector target.</p> <p>In December 2023, following the COP 28 climate conference, ING announced two further strategic actions to support an accelerated energy transition: to phase out the financing of upstream oil and gas activities by 2040 and the aim to realise €7.5 billion of annual commitments in renewable energy finance, by 2025. In 2023, ING committed €4.2 billion to the financing of renewables.</p>	<p><i>Climate change mitigation:</i></p> <p>Climate Report 2023, p. 47 ff., available at:  <a href="https://www.ing.com/MediaEditPage/2023-Climate-Report-1.htm">https://www.ing.com/MediaEditPage/2023-Climate-Report-1.htm</a></p> <p>Annual Report 2023</p>

<sup>8</sup> Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

<p><i>Financial health &amp; inclusion:</i></p> <p>Target (including the 2023 KPI): A 25% increase by 2030 (from an initial value of 1.07 million in 2022) in the number of Dutch customers with products connected to long-term saving and investment plans, with a 5% increase by year-end 2023.</p>	<p><i>Financial health &amp; inclusion:</i></p> <p><a href="https://www.ing.com/Sustainability/Sustainable-business/Financial-health.htm">https://www.ing.com/Sustainability/Sustainable-business/Financial-health.htm</a></p> <p><a href="https://www.unepfi.org/industries/banking/commitment-to-financial-health-and-inclusion-summary-report/">https://www.unepfi.org/industries/banking/commitment-to-financial-health-and-inclusion-summary-report/</a> - page 30</p>
<p><b>d) <u>Action plan:</u></b> which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	
<p><u>Response</u></p> <p><i>Climate change mitigation:</i></p> <p>As mentioned in our 2022 UNEP FI PRB assessment, detailed action plans for each Terra sector can now be found in the ING 2023 Climate Report.</p> <p>These include our actions in support of customers/clients &amp; portfolio; in collaboration with industry &amp; market; and to engage with government &amp; policy.</p> <p>Please see the Risk Management section for details of how ING analyses and manages climate risk. The table at p. 41 shows the impact climate risk can have on various risk areas, what has been done to address it and what steps have been defined for the coming period</p> <p><i>Financial health &amp; inclusion:</i></p> <p>See above for our target and 2023 milestone.</p> <p>The target includes all digital primary customers that have been with ING Netherlands for at least a year. Of these customers, those who (i) use automatic savings option for their savings account and/or (ii) have set periodic investments for their investment products will contribute to the target.</p>	<p><u>Links and references</u></p> <p><i>Climate change mitigation:</i></p> <p>Climate Report 2023, p. 47 ff., available at: <a href="https://www.ing.com/MediaEditPage/2023-Climate-Report-1.htm">https://www.ing.com/MediaEditPage/2023-Climate-Report-1.htm</a></p> <p>Climate Report 2023, pp. 33-41, available at: <a href="https://www.ing.com/MediaEditPage/2023-Climate-Report-1.htm">https://www.ing.com/MediaEditPage/2023-Climate-Report-1.htm</a></p> <p><i>Financial health &amp; inclusion:</i></p> <p><a href="https://www.unepfi.org/industries/banking/commitment-to-financial-health-and-inclusion-summary-report/">https://www.unepfi.org/industries/banking/commitment-to-financial-health-and-inclusion-summary-report/</a> - page 30</p>

*We are taking actions to achieve the target, for example, using in-app communications offering customers products connected to long-term savings and investment plans. The action plan is in progress.*

**Self-assessment summary**

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: climate change mitigation	... second area of most significant impact: financial health & inclusion	<i>(If you are setting targets in more impact areas) ... your third (and subsequent) area(s) of impact: ... (please name it)</i>
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

**2.3 Target implementation and monitoring (Key Step 2)**

**For each target separately:**

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

**Or, in case of changes to implementation plans (relevant for 2<sup>nd</sup> and subsequent reports only):** describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

<u>Response</u>	<u>Links and references</u>
<p><i>Climate change mitigation:</i></p> <p>We continue to monitor, measure and report our progress on our Terra targets. The latest updates were provided in the Climate Report 2023. The Climate Action Dashboard at p. 55 shows a one-page graphical overview of the climate alignment of all sectors in scope. For each of the ten (sub-)sectors, the graph shows the emission intensity of our portfolio, the scenario, our pathway towards 2030 and the alignment indicator.</p> <p>Details on the review and addition of targets and actions plans are set out in the Climate Report 2023.</p> <p><i>Financial health &amp; inclusion:</i></p> <p>ING disclosed in the July 2023 UNEP FI Commitment to Financial Health and Inclusion – Summary Report that to monitor progress towards achieving its targets, we will periodically track the base growth in the number of primary digital customers who have an investment account and a savings account with at least one active savings plan every month.</p> <p>We are taking actions to achieve the targets, for example, using in-app communications offering customers products connected to long-term savings and investment plans.</p> <p>We achieved an increase of 9% from the baseline by the end of 2023.</p>	<p><i>Climate change mitigation:</i></p> <p>Climate Report 2023, p. 47 ff., available at: <a href="https://www.ing.com/MediaEditPage/2023-Climate-Report-1.htm">https://www.ing.com/MediaEditPage/2023-Climate-Report-1.htm</a></p> <p><i>Financial health &amp; inclusion:</i></p> <p><a href="https://www.unepfi.org/industries/banking/commitment-to-financial-health-and-inclusion-summary-report/">https://www.unepfi.org/industries/banking/commitment-to-financial-health-and-inclusion-summary-report/</a> - page 30</p>

## Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

### 3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers<sup>9</sup> in place to encourage sustainable practices?

<sup>9</sup> A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

Yes       In progress       No

*Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?*

Yes       In progress       No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities<sup>10</sup>). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

*This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).*

Response

*ING aims to play an important role in accelerating our clients' transition to net zero by 2050. To improve how we advise and finance clients in support of their transitions, we're increasingly incorporating sustainability- and climate-related considerations in our decision-making processes. For example, ING's Green-Light Committee (GLC), the body that validates the fit and alignment of potential transactions with the bank's strategy and priorities, now also reviews transaction proposals from a climate-alignment perspective. The GLC assesses information on the (prospective) client's current climate performance, their net-zero targets and transition plans, and these climate-related factors are considered alongside other due diligence and acceptance criteria such as the client's financial standing and our mandatory ESR screening.*

*We are guided by our ESR policy framework, which we update regularly. We want the framework to reflect changing social norms and regulation relating to sustainability, and to challenge our own increasingly strong commitments on the topics of human rights and climate change.*

*If clients in scope of our ESR framework don't meet those standards and aren't willing to change, we don't do the deal. As we assess potential clients and deals, our approach is to have a dialogue and support them in improving their environmental and social impact where possible. Our response to funding requests is often, "yes, but...", outlining improvements that the company will have to make first. We feel that this is how we can make the most positive impact. One example is with our client Wilmar, which is detailed*

Links and references

*Climate Report 2023, pp. 24 – 28; p. 30; and p. 57 ff. (in relation to client/customers of each Terra sector), available at: <https://www.ing.com/Media/EditPage/2023-Climate-Report-1.htm>*

*ING.com > Sustainability > Sustainable business > Environmental and social risk (ESR)*

<sup>10</sup> Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.



here: <https://www.ing.com/Sustainability/Sustainable-business/Environmental-and-social-risk-ESR.htm>

### 3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

#### Response

*ING's Sustainable Finance team is at the forefront of our engagement approach to corporate clients. The team works in collaboration with ING's front-office relationship managers to advise clients on translating their climate and sustainability ambitions into their financing through innovative sustainability-linked structures and 'use of proceeds' solutions like green and social financing, also providing advice on ESG ratings and other ESG-related topics. Pages 26-28 detail sustainable finance products offered by ING and include a walk-through of a sustainability-linked loan.*

*In 2023 we mobilised €115 billion of financing for our clients that contributes to their transition. This is up from €101 billion in 2022. The total number of sustainability transactions we supported in 2023 was 792, up nearly 62% percent from 491 in 2022, where sustainability-linked loans and bonds and green loans and bonds are the four main categories that make up the vast majority of volume mobilised.*

*In the absence of clear definitions on the terminology and use of the term 'sustainable', ING defined 'volume mobilised' as the internal and external measurement of progress. We are committed to supporting our clients in their sustainable transition through our product offering and set ourselves the target to mobilise EUR 125 billion volume by 2025. We differentiate between green and social products and sustainability linked products. For green and social products, the proceeds are dedicated to finance assets that are in line with the Green or Social Loan/Bond Principles, hence, finance a specific sustainable economic activity.*

*Sustainability-linked products are a client engagement product and designed to change the behaviour of a client and steer their transition. The Sustainability-Linked Loan Principles by the LMA are the main market guidance. Our*

#### Links and references

*Climate Report 2023, pp. 24 – 28; p. 30; p. 57 ff. (in relation to client/customers of each Terra sector), available at:*

*<https://www.ing.com/Media/EditPage/2023-Climate-Report-1.htm>*

*Annual Report 2023 > ESG Overview: Environment*

*Additional information on the scope, definition and methodology of volume mobilised is included in the ESG Appendix and can be found on our website:*

*[www.ing.com/Sustainability/Performance-and-reporting.htm](http://www.ing.com/Sustainability/Performance-and-reporting.htm)*

product offering applies to our lending, as well as to our investment activities on capital markets.

Our [Environmental and Social Risk \(ESR\) Framework](#) aims to ensure that environmental and social risks are properly identified, assessed, and mitigated. The ESR Framework is regularly revised to reflect ING's risk appetite, organisational changes, market changes and/or regulatory demands.

ING.com > Sustainability > Sustainable business

<https://www.ing.com/Sustainability/Sustainable-business.htm>

## Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

### 4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups<sup>11</sup>) you have identified as relevant in relation to the impact analysis and target setting process?

Yes       In progress       No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

#### Response

*In addition to the stakeholder engagement for the value creation model and materiality assessment detailed at 2.1 above, ING believes that an inclusive approach is the only way we can make any meaningful positive impact. From climate to human rights and financial health, we seek to increase our impact through partnerships and coalition-building.*

*For example, we joined the Net-Zero Banking Alliance in August 2021, and updated our portfolio-related targets to align with global climate goals aimed at achieving a net-zero world by 2050.*

#### Links and references

ING.com > Sustainability > Partnerships and collective action > How we engage  
<https://www.ing.com/Sustainability/Partnerships-and-collective-action/How-we-engage.htm>

<sup>11</sup> Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

We are also working with UNEP FI under the PRB to contribute to setting a measurement standard for financial health impact for our industry.

We also engage with our employees, shareholders and other investors, suppliers, customers, labour unions, civil society organisations, political groups, regulators and policy-makers. Our stakeholder view also includes sustainable research and ratings agencies plus the peer banks and standard-setters we strive to collaborate with, as well as the think tanks, academics and others with potentially relevant knowledge that we seek to learn from. For materiality and human rights saliency assessments we consult stakeholder groups in a qualitative and quantitative manner.

The ongoing dialogue with stakeholders can help to drive internal change at ING, including by enhancing our ESR management policy and improving awareness of the wider impact of our business conduct. Equally, ING can drive change and contribute to standard-setting by sharing subject-matter expertise with external expert platforms and think tanks such as the RMI Center for Climate-Aligned Finance, and working groups related to bodies like UNEP FI and the NZBA.

More information about and examples of our stakeholder engagement can be found at: <https://www.ing.com/Sustainability/Partnerships-and-collective-action/Stakeholder-engagement-and-dialogue.htm> and in ING's 2023 Annual Report.

ING.com >  
Sustainability >  
Partnerships and  
collective action >  
Stakeholder  
engagement and  
dialogue

<https://www.ing.com/Sustainability/Partnerships-and-collective-action/Stakeholder-engagement-and-dialogue.htm>

## Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

### 5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes       In progress       No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

*Sustainability is an overarching priority of ING's overall 'Making the difference' strategy, and sustainability and climate-related topics are therefore a regular item on the the Management Board Banking's (MBB) agenda. In addition, as we take steps to further integrate and embed climate action into the business, many of the other topics on the MBB's regular meeting agenda have a sustainability angle. This means that the MBB is discussing and taking decisions on sustainability- and climate-related topics on a frequent basis. The MBB also has a role in the global ambition-setting and oversight of our Terra climate-alignment approach.*

*For all major ESG-related regulatory programmes and/or opportunities, dedicated Steering Committees have been set up with the aim of ensuring that relevant ESG-related regulations and programmes are monitored, assessed, and implemented. The ESG Sounding Board, comprised of around 15 senior leaders from across the organisation, helps guide the development and implementation of our strategy related to ESG topics, as well as monitoring and reporting on our progress.*

*The financial health and inclusion target is monitored monthly.*

*ING aims to align its remuneration policy with its risk profile and considers the broader interests of all stakeholders. To that end, targets in areas such as customer centricity, risk & regulations, sustainability and people are just as important as financial results. At least 50% of our Executive Board's variable remuneration targets are based on nonfinancial performance criteria, including ESG-related targets. See the 2023 Climate Report for more details on remuneration practices linked to sustainability targets.*

Links and references

*Climate Report 2023, p. 15, available at: <https://www.ing.com/Media/EditPage/2023-Climate-Report-1.htm>*

*See also Our ESG governance approach, Annual Report 2023*

*Climate Report 2023, p. 17, available at: <https://www.ing.com/Media/EditPage/2023-Climate-Report-1.htm>*

**5.2 Promoting a culture of responsible banking:**

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

<p><u>Response</u></p> <p><i>To be successful in our aim to put sustainability at the heart of what we do requires that we empower our colleagues to contribute to our sustainability approach and climate action. As a key preparatory step, we try to make sure that our colleagues are highly engaged with our strategy and all sustainability-related topics, especially climate action. We seek to raise awareness and equip colleagues with the relevant knowledge and skills, along with a “we can, we will” mindset, to put sustainability and climate action into practice within and outside of the workplace.</i></p> <p><i>In support of this goal, we’re developing a global sustainability learning programme. The first delivery of this programme is a specially developed e-learning called 'Putting sustainability at the heart', made available to the global ING organisation in April 2023. This foundational e-learning covers the fundamentals of our sustainability approach (including on climate and financial health &amp; inclusion) as well as the challenges, dilemmas and trade-offs we face as ING and our customers transition to a net-zero world. As of end-August 2023, nearly 38,000 employees had completed the course. This foundational course is supplemented by a full suite of complementary online training material, including deep-dives into topics like Terra and climate action. More details on our efforts to upskill and empower our organisation can be found at p. 32 of the Climate Report 2023.</i></p>	<p><u>Links and references</u></p> <p>Climate Report 2023, p. 32, available at: <a href="https://www.ing.com/Media/EditPage/2023-Climate-Report-1.htm">https://www.ing.com/Media/EditPage/2023-Climate-Report-1.htm</a></p>
<p><b>5.3 Policies and due diligence processes</b></p> <p>Does your bank have policies in place that address environmental and social risks within your portfolio?<sup>12</sup> Please describe.</p> <p>Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.</p>	
<p><u>Response</u></p> <p><i>The ESG Risk Framework outlines ING’s approach to managing ESG risk as a driver of existing risk types. The ESG Risk Framework assists us in managing ESG risk effectively by applying the risk management process at varying levels and within specific ING business processes. The Framework aims to ensure that information about risks derived from the risk management process is adequately reported and used as a</i></p>	<p><u>Links and references</u></p> <p>Climate Report 2023, pp. 16-17, available at: <a href="https://www.ing.com/Media/EditPage/2023-Climate-Report-1.htm">https://www.ing.com/Media/EditPage/2023-Climate-Report-1.htm</a></p>

<sup>12</sup> Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistleblower policies etc., or any applicable national guidelines related to social risks.

*basis for decision-making at all organisational levels. It's also used to explain to external stakeholders how ING manages ESG risk.*

*The governance of ESG risk is integrated and aligned with the existing Risk governance structure, in which the respective risk categories / risk types are functionally steered by the global risk domains. The ESG Risk department aims to ensure that the various risk domains adequately adapt and account for ESG risk.*

*Environmental and social risk (ESR) is a Wholesale Banking risk function that's part of the second line of defence of ING (the first line being the business itself).*

*Our [Environmental and Social Risk \(ESR\) Framework](#) aims to ensure that environmental and social risks are properly identified, assessed, and mitigated. The ESR Framework is regularly revised to reflect ING's risk appetite, organisational changes, market changes and/or regulatory demands.*

ING.com >  
Sustainability >  
Sustainable business

<https://www.ing.com/Sustainability/Sustainable-business.htm>

### **Self-assessment summary**

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes  No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes  No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes  In progress  No

# Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

## 6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes       Partially       No

If applicable, please include the link or description of the assurance statement.

### Response

*For the limited assurance report on the UN PRB self-assessment we refer to the Annual Report 2023.*

## 6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other:

- *In 2023 we published our climate alignment baselines and targets in the Climate Report 2023. The report is published in line with the requirements in the Net Zero Banking Alliance (NZBA) Guidelines for Climate Target Setting for Banks.*
- *ING has published Human Rights Publications in line with the UN Guiding Principles on Business and Human Rights. These can be found here:*  
<https://www.ing.com/Sustainability/Performance-and-reporting/Reporting.htm>
- *Value Creation Model of the International Integrated Reporting Framework.*

### Links and references

*Please see 2023 Annual Report for information about use of each of these standards and frameworks; and the 2023 Climate Report for use of TCFD.*

## 6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis<sup>13</sup>, target setting<sup>14</sup> and governance structure for implementing the PRB)? Please describe briefly.

### Response

*We will continue to work with UNEP FI under the PRB, as well as with other collective groups, partnerships and stakeholders, to undertake our action plans and drive impact. We are also part of the core group of banks contributing to the PRB 2030 Vision.*

## 6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- |  |  |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance                               | <input type="checkbox"/> Customer engagement             |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank                           | <input type="checkbox"/> Stakeholder engagement          |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability    |
| <input type="checkbox"/> Conducting an impact analysis   | <input checked="" type="checkbox"/> Data quality         |
| <input type="checkbox"/> Assessing negative environmental and social impacts                   | <input type="checkbox"/> Access to resources             |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies            | <input type="checkbox"/> Reporting                       |
| <input type="checkbox"/> Setting targets   | <input type="checkbox"/> Assurance                       |
| <input type="checkbox"/> Other: ...  | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

*Please refer to ING's Climate Report 2023, page 11, 'Scope and boundaries' for more information.*

<sup>13</sup> For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

<sup>14</sup> For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.