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Application of the Dutch  
Tax Governance Code by  
ING Groep N.V. (FY 2023)

# Contents

## Application of the Dutch Tax Governance Code

Introduction	3
Chapter A. Approach to tax: tax strategy and tax principles	4
Chapter B. Accountability and tax governance	5
Chapter C. Tax compliance	6
Chapter D. Business structure	8
Chapter E. Relationships with tax authorities and other external stakeholders	9
Chapter F. Tax transparency and reporting	10

# Introduction

In May 2022, the Dutch Tax Governance Code (**Code**) was presented by the Confederation of Netherlands Industry and Employers, a non-governmental entrepreneurs' organization (VNO-NCW) (**Confederation**). The Code was drawn up in consultation with companies representing a large proportion of Dutch listed companies, including ING Groep N.V. (**ING Groep** or **ING**). As part of this process input from the trade union movement, NGOs, tax experts and academics has also been taken into account. This Code should lead to more responsible tax governance, more transparency on and public understanding of the tax position of Dutch listed companies. The Confederation says it strongly believes its Code will help to build trust and answer the public call for increased tax transparency and accountability of companies. The Code should also enable stakeholders to gain a better insight and understanding of companies' compliance with national and international tax rules. To meet the ambitions in this Code, companies will have to make a serious effort. By endorsing this Code, the companies state that they do not use tax havens for tax avoidance purposes.

The Code aims to provide more insight into the tax approach of large international companies and the taxes they pay. Because taxes are a vital source of revenue for countries around the world to fund essential services like education, healthcare and public transport, sound tax governance and paying a fair share of taxes at the right time

is considered an important element of sustainable tax practices. The intention has been to align the Code as much as possible with existing standards and disclosures.

The Dutch international companies, including ING Groep, which endorsed the Code are required to apply the principles and best practices of the Code or to explain why they deviate. The Code aims at a broad commitment of companies to endorse the ambitions expressed in this Code.

ING Groep's application of the Code is based on the official [Dutch text of the Code](#) which is available on the internet site of the Confederation. The Confederation also provided an unofficial [English translation of the Code](#) which is included in this booklet and can be found on the internet site of the Confederation.

This booklet, which will be updated annually, describes how ING Groep applies the Code. If applicable, it is indicated that and why it deviates from the Code. In the column "Source: www.ing.com" ING Groep only refers to a source that is publicly available.

ING Groep recognises that applying the Code's principles and best practices needs continuous attention.

# Chapter A. Approach to Tax: Strategy and Tax Principles

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Source:  
[www.ing.com](http://www.ing.com)

## A. Approach to Tax: Tax Strategy and Tax Principles

The company sees tax not as a cost factor only, but as a means for social economic cohesion, sustainable growth and long-term prosperity.

ING Groep applies this principle.

- [ING Tax Principles](#)
- Chapter 'Sustainability at the heart' in the AR 2022

1. The company's approach to tax is based on a tax strategy and set of principles approved by the board of directors, the supervisory board, or delegated sub-committee (the board).

ING Groep applies this best practice provision.

- [ING Tax Principles](#)
- Art. 14.1a. Supervisory Board Charter

2. The company reports at least annually to the board on tax risks and adherence to the tax strategy and principles.

ING Groep applies this best practice provision.

- [Income taxes](#)
- Art. 14.1a. Supervisory Board Charter

3. The company's tax strategy and principles apply to all group entities.

ING Groep applies this best practice provision.

- [Income taxes](#)

4. The company's tax principles apply to how the company operates in its relationships with employees, customers and contractors.

ING Groep applies this best practice provision.

- [ING Tax Principles](#)

# Chapter B. Accountability and Tax Governance

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<p><b>B. Accountability and Tax Governance</b></p> <p>Tax is a core part of corporate social responsibility and governance and is overseen by the board.</p>	<p>ING Groep applies this principle.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Income taxes</a></li> <li>• Article 6.1e Management Board Charter</li> <li>• Article 14.1a Supervisory Board Charter</li> </ul>
<p><b>1.</b> The board is accountable for the tax strategy, principles and tax risk management.</p>	<p>ING Groep applies this best practice provision.</p>	<ul style="list-style-type: none"> <li>• <a href="#">ING Tax Principles</a></li> <li>• Article 6.1e Management Board Charter</li> <li>• Article 14.1a Supervisory Board Charter</li> <li>• Articles 1.1, 1.2.j Audit Committee Charter</li> <li>• Article 1.1 Risk Committee Charter</li> </ul>
<p><b>2.</b> The company has a tax control framework that sets out the tax controls and risk management.</p>	<p>ING Groep applies this best practice provision.</p>	<ul style="list-style-type: none"> <li>• Chapter 'ESG overview' in the Annual Report 2023</li> </ul>
<p><b>3.</b> Internal or external auditors regularly review the company's tax controls as part of the audit of its financial results.</p>	<p>ING Groep applies this best practice provision.</p>	<ul style="list-style-type: none"> <li>• Chapter 'ESG overview' in the Annual Report 2023</li> </ul>

# Chapter C. Tax Compliance

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<p><b>C. Tax Compliance</b></p> <p>The company is committed to comply with the letter, the intent and the spirit of the tax legislation of the countries in which it operates and to pay the right amount of tax at the right time.</p>	<p>ING Groep applies this principle.</p>	<ul style="list-style-type: none"> <li>• Principle 'Business rationale' in <a href="#">Tax principles</a></li> </ul>
<p>1. The company prepares and files all tax returns required, providing complete, accurate and timely disclosures to all relevant tax authorities.</p>	<p>ING Groep applies this best practice provision.</p>	<ul style="list-style-type: none"> <li>• Principle 'Transparency' in <a href="#">Tax principles</a></li> </ul>
<p>2. The company's responsible tax planning is based on reasonable interpretations of applicable law and is aligned with the substance of the economic and commercial activity of its business.</p>	<p>ING Groep applies this best practice provision.</p>	<ul style="list-style-type: none"> <li>• Principle 'Business rationale' in <a href="#">Tax principles</a></li> <li>• <a href="#">Income taxes</a></li> </ul>
<p>3. The company will not undertake transactions or engage in arrangements of which the sole purpose is to create a tax benefit that is in excess of a reasonable interpretation of relevant tax rules.</p>	<p>ING Groep applies this best practice provision.</p>	<ul style="list-style-type: none"> <li>• Principle 'Business rationale' in <a href="#">Tax principles</a></li> <li>• <a href="#">Income taxes</a></li> </ul>

**Text Dutch Tax Governance Code**

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4. The company will only claim tax incentives in line with the policy intent of such tax incentives and provided such incentives are generally available.	ING Groep applies this best practice provision.	<ul style="list-style-type: none"><li>• <a href="#">Tax principles</a> under 'More information on tax compliance and tax risk management'</li></ul>
5. If the company seeks certainty in advance from tax authorities to confirm an applicable tax treatment, based on full disclosure of all relevant facts and circumstances.	ING Groep applies this best practice provision.	<ul style="list-style-type: none"><li>• Principle 'Relationship with tax authorities' in Tax principles</li></ul>

# Chapter D. Business Structure

## Text Dutch Tax Governance Code

### D. Business Structure

The company will only use business structures that are driven by commercial considerations, are aligned with business activity and have genuine substance.

1. The company does not use so-called tax havens for tax avoidance. All entities in tax havens exist for substantive and commercial reasons.
2. The company pays tax on profits according to where value is created within the normal course of commercial activity.
3. The company uses the arm's length principle, in line with guidelines issued by the OECD, and applies this consistently across its businesses, contingent on local laws.

### Application by ING Groep Apply, deviate or not applicable

ING Groep applies this principle.

ING Groep applies this best practice provision.

ING Groep applies this best practice provision.

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### Source: www.ing.com

- Principle 'Business rationale' in [Tax principles](#)
- [Income taxes](#)
- Principle 'Business rationale' in [Tax principles](#)
- Principle 'Business rationale' in [Tax principles](#)
- Principle 'Business rationale' in [Tax principles](#)

# Chapter E. Relationships with Tax Authorities and Other External Stakeholders

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Source:  
www.ing.com

## E. Relationships with Tax Authorities and Other External Stakeholders

Mutual respect, transparency and trust drive the company's relationships with tax authorities and other relevant external stakeholders.

ING Groep applies this principle.

- Principle 'Relationship with tax authorities' in [Tax principles](#)

1. The company seeks to develop cooperative relationships with tax authorities, and relevant other authorities, based on mutual respect, transparency and trust.

ING Groep applies this best practice provision.

- Principle 'Relationship with tax authorities' in [Tax principles](#)
- [Income taxes](#)

2. The company seeks to engage constructively in national and international dialogue with governments, business groups and civil society to support the development of effective tax systems, legislation and administration.

ING Groep applies this best practice provision.

- [Income taxes](#)

3. The company will work collaboratively with tax authorities to achieve early agreement on disputed issues and certainty on a real-time basis, wherever possible. Where there is controversy, the company will strive to resolve the controversy by applying these principles.

ING Groep applies this best practice provision.

- Principle 'Relationship with tax authorities' in [Tax principles](#)

# Chapter F. Tax Transparency & Reporting

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Source:  
[www.ing.com](http://www.ing.com)

## F. Tax Transparency and Reporting

The company regularly provides information to its stakeholders, including investors, policy makers, employees, civil society and the general public, about its approach to tax and taxes paid. The company will therefore publish the following information:

ING Groep applies this principle.

- [Tax principles](#)

1. A tax strategy or policy and its tax risk management strategy.

ING Groep applies this best practice provision.

- [Tax Principles](#)
- Chapter 'ESG overview' in the Annual Report 2023

2. A list of entities, with ownership information and a brief explanation of the type and geographic scope of activities.

ING Groep applies this best practice provision.

- Note 31 "Information on geographical areas", Consolidated financial statements in Annual Report ING Groep N.V. 2023

3. Annual information on the corporate income tax the company accrues and pays on a cash basis at a country level.

ING Groep applies this best practice provision.

- Note 31 "Information on geographical areas", Consolidated financial statements in Annual Report ING Groep N.V. 2023

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4. The total tax borne and collected by the company, globally or per country, including corporate income taxes, property taxes, (non-creditable) VAT and other sales taxes, employer/employee-related taxes, and other taxes that constitute costs to the company or are remitted by the company on behalf of customers or employees, by category of taxes.

ING Groep partly deviates from this best practice provision.  
ING Groep is currently working on the enhancement of the financial accounting data as to be able to report in more detail on other taxes besides corporate income taxes paid and accrued

- Note 31 "Information on geographical areas", Consolidated financial statements in Annual Report ING Groep N.V. 2023 with respect to corporate income taxes.

5. Information on financially material tax incentives (e.g. tax holidays), including an outline of the incentive requirements and when it expires.

ING Groep applies this best practice provision.

- [ING Tax Principles](#) under 'More information on tax compliance and tax risk management'

6. An outline of the advocacy approach the company takes on tax issues, the channels through which the company engages in regard to policy development, and the overall purpose of its engagement.

ING Group applies this best practice provision.

- [Income taxes](#)