



ING's approach to the Modern Slavery Act

Introduction

As a global bank with more than 37 million customers, we believe it is our role to help society meet the challenges it faces. We recognise that we have potential to impact human rights through our operations across sectors and geographies. As reflected in other public statements and reports, we see that businesses and human rights are becoming increasingly regulated and recognised internationally. This presents a growing sense of business accountability and duty to respect human rights proactively. Within our Wholesale Banking activities, harmful child labour and forced labour were identified as salient human rights issues in our [2018 Human Rights Report](#). Each of our three [subsequent human rights publications](#) provide further information on our business, policies, due diligence, location of risks, performance management and capacity building on the topic of human rights. In 2022 we continued to further strengthen our human rights agenda and disclosures. An overview of key updates can be found in our [2021/2022 Human Rights Review](#).

Our business

We are a global bank with a strong European base, offering retail and wholesale banking services to customers in over 40 countries in Europe (including the UK), North America, the Middle East, Asia and Australia. Our activities connect us to millions of people and businesses across the globe. In March 2022, in line with our aim to put sustainability at the heart of what we do, we updated our governance approach of environmental, social and governance (ESG) matters. At the Supervisory Board level we've created a special ESG Committee responsible for supervising our ESG performance and advising the MBB on dilemmas.

ING's purpose is empowering people to stay a step ahead in life and in business. Therefore, we strive to live up to our purpose and create value as a bank, as an employer and in society. We protect people's savings and offer them loans to help them make purchases – from everyday transactions to buying a home – that improve the quality of their lives. We advise people on how to invest for future needs and help them buy securities, such as stocks and bonds. We work with companies to optimise their daily operations, whether they need working capital to make payroll or export their goods overseas. We provide financing and support to governments so they can build infrastructure, such as housing, transportation, schools and other vital public works, that enhance their economies and the living standards of their people. By lending to clients large and small, we help them grow, creating jobs and economic value at home and in communities across the globe. In our own operations we purchase goods and services from thousands of suppliers around the world.

On one hand, businesses can help advance human rights in a number of different ways, including by offering access to decent work, creating higher living standards, protecting children's rights and procuring goods in a responsible manner. On the other hand, businesses can also hinder human rights, as evidenced by reports around the world of forced labour, by offering unsafe working conditions, by exploiting migrant workers and harming local communities.

As a bank, our impact can be on different levels due to the various roles that we have:

- via our workplace (as an employer);
- via our supply chain (as a procurer of goods and services);

- via our customers, including corporate clients, and business partners (as a provider of financial, advisory and other products and services);

ING is committed to conducting business in an honest way. We do this by complying with applicable laws, regulations and standards in markets and jurisdictions we operate in. As a member of the financial sector, we help shaping industry standards through multiple engagement platforms and working groups. ING's respect for human rights and their integration into our business engagements are guided by the standards established in:

- the Universal Declaration of Human Rights (UDHR);
- the eight Fundamental International Labour Organisation Conventions ('ILO Conventions');
- the Corporate Responsibility to Respect Human Rights under the UN Guiding Principles on Business and Human Rights;
- the UN Global Compact, which encourages companies to conduct business in a responsible manner by following common principles in the field of human rights, labour, the environment and anti-corruption;
- the OECD Guidelines for Multinational Enterprises;
- and the Equator Principles

ING supports eliminating all forms of human trafficking, labour suppression, forced and harmful child labour that go under the general term of 'modern slavery'. Within our own organisation we support eliminating such crimes among those we do business with through screening and monitoring capabilities, external engagement and by using integrated crime-detection strategies within our controls.

In 2022, ING has taken specific steps:

- During our salient human rights issue assessment in Retail Banking, we recognised that human trafficking and modern slavery is a potential human rights issue. We recognise that failure to detect signals of money laundering related to human trafficking and modern slavery may result in the lives of customers and/or other people being substantially harmed. On p. 20 in the 2021/2022 Human Rights Review, we present identification and control systems that we have in place;
- We have been following up on outputs from the Dutch Banking Sector Agreement on Human Rights. For example, we continued to increase our leverage and develop our approach to client engagement and portfolio risk management of salient human rights issues (including harmful child labour and forced labour) by advancing our human rights engagement tool and developing a human rights dashboard, that will help us to identify whether we should engage clients promoting respect for human rights, divest or take no action. This tool is currently being tested and its outcomes will be assessed to understand how clients progressed in their human rights commitments since the last engagement exercise in 2019. On p. 46 in the 2021/2022 Human Rights Review we disclose the timeline of the development of the tool.
- We have been working together with Shift, which is the leading centre of expertise on the UN Guiding Principles on Business and Human Rights (UNGPs). We are a part of Shift's

Business Learning program and with their support we hosted internal knowledge sessions on the UNGPs.

- We participated in this year's virtual annual meeting of the Thun Group. The latest developments on human rights due diligence obligations and the human rights impacts of climate transition plans were discussed. The Thun Group was initially established in 2011 to support the integration of the UNGPs into banking activities. The group consists of bank representatives who informally share best practices among participant members to deepen the understanding and application of the UNGPs across a range of different banking activities.
- Upon the proposal of ING in the UK, the University of Leeds is hosting a PhD scholarship that started in the autumn of 2022. This research focuses on the role of institutions in the City of London and particularly Barings Bank, which ING acquired in 1995, in financing slavery in the 18th and the early part of the 19th centuries.

Our workplace

With over 58,000 employees, we aim to be a responsible employer that provides staff with good working conditions and opportunities for personal growth.

Our business centres around trust, as we can only maintain our stakeholders' confidence and preserve our company's reputation by acting with honesty, professionalism and integrity. This, and more, is outlined in our [Orange Code](#) – our ING set of values and behaviours. The Orange Code underpins all people, processes and tools including performance management. We also have ongoing local and global communication programmes regarding the Orange Code within ING.

In 2020 we rolled out our updated Code of Conduct which builds on the values and behaviours in our Orange Code and links them to our policies, minimum standards and guidelines. It sets out the 10 principles for conduct we expect from our employees in their everyday activities. This includes the principle that every ING employee is entitled to a safe working environment. Fostering a safe working environment enhances employee engagement, improves wellbeing and creates a strong performance culture. ING does not tolerate discrimination, harassment, bullying, sexual or other forms of intimidation, aggression and violence.

New joiners receive an introduction training on our code of conduct. Each year existing employees are asked to confirm their commitment to adhere to the values and behaviours of the ING Code of Conduct.

We're committed to respecting all human rights, but there are some rights we consider particularly relevant and fundamental for our workforce. These include freedom of association, having a healthy and safe workplace, collective bargaining, and freedom from discrimination.

Our supply chain

With more than €4.0 billion spent annually through over 16,000 suppliers worldwide, we have an opportunity to drive our sustainability ambitions through our own supply chain. By having a process in place that encourages suppliers to act responsibly, we strive to make a significant impact. As a financial institution, our suppliers are mainly service suppliers ranging from IT, Operation, Facility Management, Marketing, HR. Involving suppliers that align with our sustainability standards – including zero tolerance towards Modern Slavery – should help to make a difference.

Our global Know Your Supplier (KYS) process is aimed at protecting ING from doing business with Suppliers engaging in undesirable practices or that are financially, socially or environmentally unsound. The KYS process facilitates the compliance with regulatory and policy requirements when selecting, and working with suppliers and outsourcing partners. These requirements stem from areas such as Procurement policy, Financial Economic Crime, Anti-Bribery and Corruption, Environmental and Social Risk, Sustainability, Modern Slavery and other relevant regulatory requirements and policies.

Within our KYS process, suppliers are taken through different levels of due diligence, each level having various dependencies. In the first level suppliers are screened for various risks and performance such as Environmental and Social risks. Suppliers that require further due diligence must confirm and / or acknowledge that they do and will comply with specific ING policies. One of the questions addressed to our suppliers in this process specifically refers to legislation in relation to Modern Slavery, including human rights (e.g. protection of human rights, no human rights abuses) and labour (e.g. no forced and compulsory labour, abolish harmful child labour). Our approach will help us to make informed decisions on the important topic of human rights in our supply chain. Only when suppliers will successfully complete the full KYS process, they will attain “Qualified” status and may be ready to become potential ING suppliers.

While we are proud of the sustainability criteria already in place in our KYS process, we are aware that this is an ongoing process and an evolving area which requires constant attention to comply with current and new developments.

How we do business and who we do business with

As a bank, our financing choices can help society to become more sustainable and behaving in a more socially responsible way.

Our [Environmental and Social Risk \(ESR\) Framework](#) is built on ING’s values and its underlying commitment to respect human rights and the environment. Combined, they define the underlying ESR considerations for all business conduct. Under these pillars, ING has developed policies aimed to identify, assess and manage business engagement in certain activities and sectors that are more vulnerable to environmental and social risks and impacts. For instance, the basic ESR screening is applicable to account opening, derivative and settlement products and proprietary investments. A more elaborate screening is applicable to lending risk products and money market products. For cash management and strategic products, the ESR screening is tailored to the risks associated with the client risk profile and / or the use of funds. Wholesale Banking clients and lending transactions are assessed, monitored and evaluated against the requirements of ING’s ESR Framework. Our Business Banking clients are subject to a self-evaluation when active in pre-selected industries as defined in the ESR Framework: animal husbandry, employment agencies, building materials (wood), fruit-growing and horticulture, shipping and ports, home construction and house building, freight, clothing and footwear and leather products, chemical advanced materials, farm products and food (effectively meat products).

Human rights are captured in an overarching [human rights policy](#) (p. 27 in the ESR Framework) that applies to all industry sectors in which ING operates. Within our defined high-risk sectors in the ESR Framework, the following sector policies specifically address the increased risk of harmful child and forced labour: Energy, Manufacturing, Forestry and Agri-Commodities, and Metals and Mining. We conduct enhanced due diligence in transactions identified as high risk for human rights, to make sure they are in line with our human rights policy and ESR Framework. In addition, when we learn through

research or from third parties that our clients might be linked to human rights violations, we will engage with those clients.

We also apply the Equator Principles in project financing which prohibits ING to finance projects linked to forced labour and harmful child labour. As part of the alignment with the International Finance Corporation Performance Standards under the Equator Principles, promoting safe and healthy working conditions and the avoidance of forced labour and harmful child labour is essential when financing projects.

The ESR governance and assessment tools that ING has in place help us to evaluate our corporate clients and we periodically review the client/transaction throughout the entire lifetime of the relationship with ING. ING takes a risk-based approach on ESR topics, meaning that the higher the perceived risk level, the more extensive the due diligence process and review will be. Depending on the level of risk assigned, a review typically occurs every 1-5 years. The ESR team also provides training to front office, risk and compliance colleagues on the ESR Framework and the application of the Equator Principles worldwide.

ING joined the Dutch Banking Agreement on Human Rights (DBA) in 2016, together with other Dutch banks, trade unions, NGOs and the Dutch government. A mapping of our actions resulting from the DBA over time can be found on p. 6 of our [Human Rights Review 2021/2022](#).

Our policies

Alongside the policies already mentioned, and those extensively explained within our Human Rights Reporting, we also support responsible business conduct by abiding to the following policies:

Know Your Customer (KYC) Policy

By performing customer due diligence and monitoring transactions ING aims to detect and prevent the financial system from being misused in criminal activities, including money laundering and terrorist financing, for the safety and security of our customers and society. As a result of frequent evaluation of the business from economic, strategic and risk-based perspectives, ING, with limited exception, does not engage in business involving certain countries including Cuba, Iran, North Korea, Sudan, Syria and the Crimea region. ING has a policy not to enter into new relationships with clients from these countries and processes are in place to discontinue existing relationships involving these countries. This is in addition to the ESR Framework as described above.

For more info, see: <https://www.ing.com/About-us/Compliance/KYC-and-anti-money-launderingmeasures.htm>

Anti-Bribery and Corruption Policy

ING addresses financial crime risks related to bribery and corruption through regularly assessing the risks of our activities, as well as of our client and third-party relationships. ING is committed to conducting business in an honest and ethical manner and has a zero-tolerance approach to bribery and corruption in all relationships and business dealings, wherever we operate.

For more info, see: <https://www.ing.com/About-us/Compliance/Zero-Tolerance-BriberyStatement.htm>

Whistleblower Policy

The Whistleblower Policy is in line with the Orange Code values ('we are honest, prudent and responsible') intended to encourage and protect whistleblowers who come forward and report (alleged) concerns:

- encouraging a culture in which whistleblowers can raise concerns where they have reasonable grounds to suspect criminal conduct, unethical conduct or other misconduct without having to fear any adverse consequences;
- increasing the likelihood of alerting management to concerns so they can be addressed to help ING getting a better and safer business by preventing non-compliance with the Orange Code, Policies, laws and regulations, which may lead to impairment of ING's integrity, financial loss, regulatory sanctions and/or reputational damage.
- is applicable to employees (as defined within the Whistleblower Policy), former employees, candidates, and parties with whom ING has a business relationship (such as contractors, subcontractors and suppliers), collectively referred to as whistle-blowers in this Policy.

For more information see: <https://www.ing.com/About-us/Compliance/Whistleblower-Policy.htm>

Complaints Procedure

We have updated our complaints procedure on 31 March 2021 which is accessible via the following link: <https://www.ing.com/Aboutus/Compliance/Complaints.htm>

It is open to all third parties and specifically refers to the possibility to address human rights issues via this channel.

Conclusion

This statement has been produced in accordance with the requirements of section 54 of the United Kingdom Modern Slavery Act 2015. This statement may also contain information relevant to the Australian Modern Slavery Act. It will be reviewed annually and updated as deemed necessary. It has been reviewed by senior managers and key stakeholders within ING and was last approved by our Board on 19 June 2023.

Statement signed on 20.06.23.

Ljiljana Čortan, Executive Board member and Chief Risk Officer