

2022

ING Green Bond Framework



do your thing

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Introduction



1. Introduction

Why we're here

ING's purpose is to empower people to stay a step ahead in life and in business. This purpose guides us in everything we do. It represents our conviction in people's potential. We don't judge, coach or tell people how to live their lives. However big or small, modest or grand, we help people and businesses to realise their own vision for a better future. We know people don't need banks; they need banking. 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. It frees them from the constraints that stand between them and their passions and encourages them to do more of the things that give their lives meaning.

Who we are

ING is a global bank with a strong European base. Our more than 57,000 employees serve around 38.4 million customers, corporate clients and financial institutions in over 40 countries. 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 and cash management and trade and treasury services. Customer experience is what differentiates us and we're continuously innovating to improve it. We also partner with others to bring disruptive ideas to the market faster.

What we promise our customers

Clear and easy

Banking doesn't have to be difficult and time consuming. It's all about clear products, plain language, fair prices and simple processes that save both time and money.

Anytime, anywhere

Banking should be possible anytime and anywhere, irrespective of where and how people access our products and services.

Empower

The best financial decisions are informed decisions. Customers want relevant, up-to-date information at their fingertips. They need to understand the available choices, and their implications, both today and for the future.

Keep getting better

Life and business are about moving forward. We will keep looking for ways to improve. With new ideas, new solutions and new approaches to make things easier for our customers. That way, we can all stay a step ahead.

How we help society stay a step ahead

We want to help create a healthy planet with prosperous people. A planet not threatened by the climate crisis. People with basic human rights, decent work, good labour conditions and, ultimately, good financial health. At the very least, we must ensure that our own operations are in line with the low-carbon economy of the future. That our employees are treated well and that neither we nor our suppliers infringe on human rights. But as a bank with hundreds of billions of euros flowing through our books, we have a huge opportunity – and responsibility – to make an impact for the better. We must bring aspects of fighting climate change and protecting human rights into our dialogue with clients and financing decisions. Being sustainable is in all the choices we make – as a lender, as an investor and through the services we offer our customers.



2. ING's sustainability direction

2. ING's sustainability direction

2.1. ESG governance

The global Sustainability department helps cascade sustainability responsibilities to subject-matter experts throughout the various business units. These experts help develop ING's policies, programmes and targets on sustainability-related risks and opportunities, in line with our global sustainability direction. Our global head of Sustainability reports directly to Management Board Banking member Andrew Bester.

The oversight of our sustainability targets lies either with the board member responsible for the business a specific target relates to, or with the board as a whole. For example, oversight of progress on our responsible finance ambitions is vested in the board member responsible for Wholesale Banking. The board's responsibility for social and environmental risks and opportunities is also formalised in our Executive Board Charter.

You can read more on our ESG Governance [here](#).

There is a strong connection between climate change and biodiversity loss. There is also a strong connection between both of these and human rights, as they both present risks to people. In the next paragraphs we describe our approach to these three areas.

2.2. Climate approach

Climate science has continued to evolve and it has become increasingly clear that a more ambitious course of action is necessary. Recently, we increased our ambition to align our lending portfolio with a net zero future by 2050 or sooner. This means we will now evolve our Terra approach to steer our loan book towards keeping the rise in global temperatures to a maximum of 1.5°C, rather than well below 2°C. In increasing our ambition, we joined the Net Zero Banking Alliance (NZBA), and we look forward to working jointly on the transition. The NZBA also covers investment portfolios, and is likely to include capital portfolios in the coming years. While ING currently scopes our alignment targets based on our lending portfolio, we look forward to further developing our approach in future years. The road to net

zero brings many opportunities – such as the creation of new jobs and the financing of new energy technology areas, such as hydrogen, carbon capture and energy storage. ING continues to be a leader in financing this change with our innovative sustainable finance solutions. We see this as an opportunity to use our experience and knowledge to support clients with their transition to a net zero world. We see that our ambition to reach net zero by 2050 goes hand-in-hand with our climate risk goals to become a more climate resilient bank, as supporting our clients and customers in their transition will also improve our exposure to climate risks. We know that actions speak louder than words, which is why along with our commitments, we also present our action plans and where we are in achieving those. We aim to develop our plans as new climate scenarios and expectations emerge. At the same time, we recognise the role that regulators and governments must play to support and facilitate the road to a net zero emission world. ING has worked hard over the years to build a power generation lending book that's 60% renewables, outperforming by far the most ambitious climate goal of the Paris Agreement. We have gone a step further and have announced that we are aiming to grow new financing commitments of renewable energy by 50% by year-end 2025 (from year-end 2021) and will no longer provide dedicated finance to new oil and gas fields. The EU has enshrined its net zero targets into law, with new sweeping legislation already proposed to cut emissions by 55% by 2030 ('Fit for 55'), and we look forward to seeing ambitious national policies to align with this goal.

Find more information on our Climate Approach, Climate Report and Climate Risk Report [here](#).



2.3. Biodiversity

As a bank, ING has an impact on biodiversity and at the same time is exposed to risks related with biodiversity loss. In terms of impact, this mostly is made through our loans to companies. Companies may negatively affect biodiversity through their operations, by changing the integrity of a natural ecosystem. In terms of risk, many businesses also depend on the services that nature provides, such as agricultural companies that need insects to pollinate their crops. The loss of biodiversity, which includes insect populations, poses risks to these companies. As a financier we're exposed to those risks as well.

There is a strong connection between biodiversity loss and climate change. There is also a strong connection between both of these and human rights, as they both present risks to people. A specific topic of interest, because it is relevant to these different themes, is deforestation. Reducing deforestation is a priority for protecting biodiversity and can make major contributions to climate mitigation. To manage risks from biodiversity loss, ING has identified the energy, infrastructure, agriculture and extractives sectors to be highly exposed to biodiversity risk. Biodiversity is integrated into our Environmental and Social Risk (ESR) policy framework¹ and biodiversity risk analysis takes place at both the client and deal level, including project finance.

ING is a signatory of the Equator Principles. To help advance the minimum standard for due diligence and to support responsible risk decision-making, we've contributed to the development of the new Equator Principles (EP) framework. For project finance in scope of an EP assessment, ING applies the International Finance Corporation Performance Standards on biodiversity.

You can read more on ING's approach to [biodiversity here](#).

2.4. Human rights

Conflict, instability, displacement, discrimination, climate change – the world faces major social challenges around human development and human rights. These issues inspire global efforts to secure a truly sustainable and prosperous future for all.

Human rights are universal. This means that every person around the world deserves to be treated with dignity and have their interests considered equally. Governments have the duty to protect

individuals against human rights abuses. The UN Guiding Principles for Business and Human Rights also outline the corporate responsibility to respect human rights. Beyond this, businesses are increasingly recognising their own moral, legal, and commercial responsibility. The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights form the basis for what businesses should adhere to.

On the one hand, businesses can hinder human rights, as evidenced by reports around the world of unsafe working conditions, migrant worker exploitation, and harm done to communities. On the other hand, businesses can help advance human rights by offering access to decent work, creating higher living standards, protecting people's rights and procuring goods in a responsible manner.

As a bank, we make a substantial contribution to human rights as financier, employer, service provider and driver of progress and prosperity. Our impact is on different levels:

- Our workplace
- Our supply chain
- How we do business and who we do business with
- Partnering and sharing knowledge

In our [2018 Human Rights Report](#), ING disclosed our human rights management approach, our policies on human rights, our salient human rights issues, human rights engagements, and our priorities. In [2019](#), we focused on our role as a corporate lender through a pilot where we took a pre-emptive approach by engaging with 29 clients on human rights. In our [2020 update](#), we addressed the changing external landscape, our responses to Covid-19, and a tool for client engagement now in its testing phase. We disclose our progress, governance, policies, due diligence cases, engagements, and actual adverse impacts we're linked to. We do this to create a platform for our stakeholders to reach us and to invite other banks on our journey to shape sector practice.

You can read more on ING's approach to [human rights](#).

¹ ING's environmental and social policies can be found [here](#)



3. Advising and financing our clients

3. Advising and financing our clients

We make our biggest contribution to a sustainable future through our financing. We are committed to better understanding the impact of our lending activities and working with our clients to drive progress on climate action and financial health. We have ambitious targets to guide us. We continue to fund companies and sectors that are helping the transition to a low-carbon economy. This includes funding projects that advance renewable energy, the circular economy and help combat climate change. We support these clients through our climate finance portfolio. We also focus on projects that lead to, for example, affordable housing or basic infrastructure improvements. We call this social impact finance. And we serve clients considered to be environmental, social and governance (ESG) leaders in their respective industries.

ING Green Bond Framework includes residential and commercial buildings and renewable energy, which is elaborated below. For more information regarding other services and products we refer to our webpages [ING Wholesale Banking](#) and [Sustainable business](#).






3.1. Renewables

Renewables and Power sits at the heart of energy transition, supporting decarbonisation and electrification. ING is one of the top 10 European banks for renewables projects. The team works with ING's clients within and outside the energy sector, including project developers, utilities, international oil companies, infrastructure investors and stand-alone project investors. The focus is on core technologies (solar, on/offshore wind and, selectively, geothermal), and a growing segment is battery storage and manufacturing and storage and ancillary services such as grid support. Over the last five years, ING's exposure in renewables has more than doubled and now makes up 60% of our power generation portfolio. There's more we can do, which is why we've set a goal for the yearly amount that we lend to renewables to be 50% more in 2025 compared to 2021.

3.2. Commercial Real Estate Finance

The need for sustainability is irreversible for the real estate sector due to the Paris Climate Agreement and the associated regulations. In the Netherlands, the new Energy Label regulations state that office

buildings must have at least an energy label C by 2023 in order to be let out. To help professional real estate investors with both office buildings and other commercial real estate with an energy label D to G, Business Banking Real Estate Finance Netherlands (ING REF) offers a discounted interest rate on the loan for sustainability if these real estate owners make the jump to energy label A in one go. With this, ING REF wants to convince commercial real estate customers to immediately become more sustainable towards an A energy label. By 2030, ING REF wants to have provided its entire financed commercial real estate portfolio with an A energy label. ING does this with a five-step plan:

	Step 1 ING REF advises	<ul style="list-style-type: none"> When applying for sustainability financing, an action plan is drawn up by CFP Green Buildings, if desired. Van Draeckeburgh adds subsidy advice on demand based on a quick scan. In this case, the costs of both the action plan and the quick scan subsidy are borne by ING.
	Step 2 ING REF finances sustainability	<ul style="list-style-type: none"> You receive 100% financing on the sustainability investment at 2% interest per year and with a term of five years. This is an exceptionally low interest rate, but we consider making real estate more sustainable. A condition for this low rate is that sustainability leads to an energy label A.
	Step 3 ING REF connects	<ul style="list-style-type: none"> If you qualify for the new financing conditions, you will start making the property more sustainable in this step. If you need help with this, we would be happy to put you in touch with our partners.
	Step 4 ING REF appreciates	<ul style="list-style-type: none"> As soon as the sustainability work has been completed, you will also receive an officially deregistered energy label from us and the Energy Robot will be linked to the building. In addition to theoretical consumption, the Energy Robot can also reduce actual energy consumption by identifying energy saving potential of up to 15%, which amounts to half the total sustainably generated energy in the Netherlands.
	Step 5 ING REF compensates	<ul style="list-style-type: none"> As a final step in this process, we will celebrate the sustainability of the building together with you by planting a tree in Het Vastgoedbos. This also allows clients to compensate for their CO² emissions by planting trees in the Netherlands and Bolivia. The forest will cover 19ha forest in the Netherlands (around 75,000 trees) and 170ha in Bolivia equivalent to around 37,500 t CO². This will compensate for 10% of the emissions of all our collaterals and more than 20% of the total loan book.

We've also run pilots in the field of home insulation and housing labels, where we are finding opportunities to improve the energy labels of our financed commercial residential properties. These pilots have already enabled us to support 1,400 of these properties with an energy label (including a plan of approach towards energy label A) and we are working to engage multiple suppliers of insulation measures. On the resourcing side, we have conducted research into circularity and different valuation methods linked to it and we now request a standard sustainable building assessment in every building valuation report.

3.3. Residential Real Estate

Across our mortgage markets, we provide a range of products, services, and information to our clients to engage them on their sustainability journey.

Netherlands

In the Netherlands, in early 2020, we ran activation campaigns on energy labels, following on from our first campaign in 2019. Aimed at energy labels D, E, F, and G, the campaign engaged our mortgage customers to provide a free energy label, giving homeowners insights into improving the sustainability of their homes. This partly resulted in the current status of more than half our portfolio achieving an energy label of either A, B or C. In the ING store, we also created a 'Sustainable living' tab with several customer offers, such as solar panels, and green energy contracts.

The government in the Netherlands also has a lot of initiatives to encourage consumers to green their homes, including a range of subsidies. One of these is the 'Warmtefonds' or Heat Funds, which ING joined as co-financier in May of 2021, contributing €50 million in financing. The fund provides loans on favourable terms to people who want to make their homes or buildings more sustainable. We also contribute our expertise, as we're the primary bank for larger housing associations in the Netherlands. About 1.2 million homes are owned by a housing association. We can advise associations on saving energy and can bring the fund's energy-saving loan to their attention. The fund, which started in 2014, has now provided approximately €600 million in financing to make real estate more sustainable. This is expected to double in the next three years. Since April 2021, we have created an opportunity for customers to increase their mortgage without extra advisory costs to fund sustainable improvements. To keep costs as low as possible, we have also been a strong advocate for desktop taxation for these increases. We introduced the desktop valuation in 2020 at a cost of €69, including VAT. This limits the costs and helps homeowners with extra funding for these improvements.



All ING mortgage advisers in the Netherlands have now also followed the NIBE-SVV training course on advising clients to make their homes more sustainable. Our advisers apply the skills and knowledge from this training in every applicable situation. In addition, we have informed mortgage brokers how they can further engage customers on this topic, in newsletters and in conversation with our relationship managers.

Germany

In Germany, we use multiple customer touchpoints to inform our clients about the importance of energy efficiency, modernisation and sustainable housing. One example is the so-called 'WissensWert' ('Worth Knowing') articles, where we shared various articles on 'Energy Consulting' to help inform our customers. A sustainability page has also been added to the homepage. The page appears only when interested parties search for sustainability keywords in search engines. The page is intended to give potential mortgage customers an overview of the energy-efficient living options.

Currently, we are evaluating the results of customer research conducted on customer preferences and needs with respect to energy efficiency and sustainable housing. In accordance with our guiding principle of customer centricity, we are investigating features and services that would encourage the take-up of a sustainable mortgage product, establish pre-existing knowledge on the subject as well as

an interest in specific additional information. Based on the insights we generate through this research, alongside other initiatives, we plan to create a Minimum Viable Product green mortgage product.

In 2021, we launched a promotion for new buildings that offers an interest rate discount of -10bp on mortgages if our customers either build new or purchase a new build from a developer. The aim is to increase the share of energy-efficient new builds in our portfolio and at the same time support our Sustainable Housing strategy. The promotion was marketed as a climate-friendly campaign. Customers who purchase energy-efficient new builds can enjoy an interest rate discount.

In addition, we would like to mention our collaboration with KfW, a state-owned development bank. Firstly, we are integrating a new set of KfW subsidy programmes with a focus on financing energy-efficient real estate in our product offering at the beginning of July 2021. These programmes subsidise the construction, acquisition and modernisation of energy-efficient real estate as well as individual measures to improve the energy performance of a property.

In addition, we have recently launched an MVP version of a modernisation calculator for residential buildings in collaboration with KfW. The tool provides suggestions for sustainable renovation measures based on the present condition of the house. Moreover, the output informs the homeowner about the potential costs as well as the potential savings over time by implementing each suggested measure. Lastly, the tool refers to appropriate subsidy programmes to help finance the respective measure. For the MVP phase, which is intended to take six months, the scope is limited to a selected group of consultants in our direct sales team to generate customer feedback on the tool and the process. Ultimately, we hope to be able to scale this initiative to provide a benefit to the whole market and to support other regarding sustainable housing efforts.

In view of the increasing regulatory requirements, the improvement of our data management continues to play an important and bigger role. To improve our data management in the future and to be taxonomy-compliant on the road, preparations are underway to implement the energy certificate in our systems as a minimum document for submitting applications. The aim is to ensure that by 2021 customers and brokers will have to submit energy certificates for new business and that the real data on the energy class will be stored.

Belgium

In Belgium, we offered clients an Eco-Renovation loan for energy reduction renovations to their homes. Eco-renovation loans are used when at least 80% of the amount borrowed is to be spent on energy-saving projects, such as replacing water boilers, installing solar panels, double-glazed windows, or insulating floors, walls, and roofs. The loans incentivise customers by offering a lower interest rate. In 2020, 28% of euro renovation loans granted by ING in Belgium were eco-renovation loans. On top of this, in early 2021, the regional government in Flanders launched a specific Flemish renovation mortgage loan, offering a 0% interest rate subsidised by the government if several conditions are met. This measure has so far not resonated strongly with customers, as it can be difficult for them to meet the acceptance criteria.

A commercial campaign was recently launched to promote the initiative and similar offers are also being explored in other regions of the country. We continued to engage customers with advice about sustainable housing on our external website, on topics from EPC labels to subsidies for energy-efficient double glazing. We actively promoted this content to customers through our social media channels. We also continued our work as part of the Febelfin Task Force on sustainable housing, where we are collectively looking for solutions across banks in Belgium. Topics considered by this group include innovations in renovation loans and how to best approach collecting EPC label data.

Poland

In 2020, ING Poland continued to offer an ECO Mortgage Loan which customers can use to finance an energy-efficient home where the demand for usable energy for heating and ventilation does not exceed 40 kWh/m² per year. It is a product for customers who include technological solutions during construction that allow for a reduction in usable energy consumption. The loan is offered with attractive conditions, including no commission for credit granted. Since 2Q2021, ING in Poland has also started to collect data on primary energy use. We hope to be able to extend our ECO mortgage offer and encourage customers to choose ECO solutions.



4. ING Green Bond Framework

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In alignment with ING's sustainability strategy, we have established this Green Bond Framework (hereinafter referred to as the 'Framework') under which ING Group and any of its subsidiaries can issue financial instruments (such as senior bonds, subordinated bonds, covered bonds, commercial papers, medium-term notes and deposits) to finance and refinance assets and projects which contribute to the UN Sustainable Development Goals and the sustainability strategy of ING.

ING established its sustainable debt strategy, via the publication of its first Green Bond Framework, back in 2015 and updated it in 2018, aimed at (re)financing green assets, namely green buildings and renewable energy projects. Since the first publication of the Framework, ING has continued to take important steps to enhance its sustainable debt strategy and sees it as an important tool to support the strong growth of our own sustainable finance portfolio².

4.1. Basis of the framework

In alignment with the ICMA Green Bond Principles ('GBP') 2021³, the Framework is presented through the following key pillars:

- Use of proceeds;
- Process for project evaluation and selection;
- Management of proceeds; and
- Reporting.

The Framework also follows the recommendations of the Green Bond Principles regarding external review.

² See [here](#)








³ [ICMA Green Bond Principles](#)

⁴ ING focusses on the main technical screening criteria of the EU Climate Delegated Act and, where possible, ING may report on compliance with the remaining technical screening criteria as well as Do No Significant Harm (DNSH) criteria

4.2. Use of proceeds

An amount equal to the net proceeds of Green Finance Instruments issued under this Framework will be used to finance and/or refinance, in part or in whole, an Eligible Green Loan Portfolio in accordance with the Eligibility Criteria below⁴.



ICMA GBP categories	Eligibility criteria	Contribution to UN SDGs	Contribution to EU Environmental objectives and economic activity ⁵
Renewable Energy 	Financing or refinancing of production of renewable energy: <ul style="list-style-type: none"> • Solar energy • On- and offshore wind energy 	 	Substantial contribution to Climate Change Mitigation (Article 10) EU economic activities: <ul style="list-style-type: none"> • (4.1.) Electricity generation using solar photovoltaic technology • (4.3.) Electricity generation from wind power
Green Buildings 	Financing or refinancing new or existing buildings: <ul style="list-style-type: none"> • Buildings built before 31 December 2020 with EPC label \geq 'A' • Buildings built before 31 December 2020 belonging to the top 15% of the national building stock based on primary energy demand (PED)⁶ • Buildings built after 31 December 2020 with energy performance at least 10% better than the threshold for Nearly Zero-Energy Buildings ('NZEB') in the local market⁶ • Buildings that have been refurbished, resulting in a reduction of primary energy demand (PED) of at least 30% and validated through an Energy Performance Certificate • Buildings that have been refurbished meeting the criteria for major renovations under applicable building regulations • New, existing or refurbished commercial buildings which received at least one of the following certifications: <ul style="list-style-type: none"> – BREEAM 'Excellent' or above certification – LEED 'Gold' or above certification – DGNB certification 'Gold' and/or above – HQE 'Excellent' and/or above – Other equivalent internationally recognised Green Building certification 	  	Substantial Contribution to Climate Change Mitigation (Article 10) EU economic activities: <ul style="list-style-type: none"> • (7.2.) Renovation of existing buildings • (7.7.) Acquisition and ownership of buildings

⁵ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending regulation (EU) 2019/2088. [See here](#)

⁶ ING may engage external consultants to define the top 15% and NZEB-10% in the context of the national building stock in the countries where any eligible green building assets are located. In countries where there is no definition of NZEB or there is no practical solution to implement NZEB, ING may choose to rely on the top 15% approach

4.3. Process for project evaluation and selection

Projects financed and/or refinanced through Green Bond proceeds are evaluated and selected based on compliance with the Eligibility Criteria.

Alignment of eligibility criteria with the EU Taxonomy Climate Delegated Act

The definition of the Eligibility Criteria takes into account the EU Taxonomy Regulation⁶ and the EU Taxonomy Climate Delegated Act⁷ with the intention to apply them on a best efforts basis as long as there are feasible practical applications in the geographies where ING's assets are located (in terms of local regulation).

Governance of the Green Bond Framework

ING has established a Green Bond Steering Committee which includes representatives from Group Treasury, Group Sustainability, Sustainable Markets, Sustainable Finance as well as subject matter experts from various sectors of allocated assets. The Green Bond Steering Committee will meet at least twice a year.

The Green Bond Steering Committee is responsible for:

- Reviewing from time to time the content of the Framework and updating it to reflect – to the extent possible – changes in corporate strategy, technology, market, or regulatory developments. This also includes monitoring the regulatory developments regarding the EU Regulation related to green bonds (including the implementation of the EU Taxonomy, the EU Taxonomy Climate Delegated Act and the EU Green Bond Standard).
- Defining and evaluating the Eligibility Criteria with regard to the Green Loan Portfolio, including EU Taxonomy Technical Screening Criteria and Do No Significant Harm (DNSH) criteria. When deemed necessary, the criteria of the Framework may be updated to further harmonise with the metrics and thresholds of the EU Regulation.
- Validating on a portfolio level the purpose of the financing and the EU Environmental Objectives⁸ they significantly contribute to and/or Do No Significant Harm (DNSH).

- Procure when needed that third party documents are reviewed or updated such as Second Party Opinion (SPO) and related documents from external consultants and accountants.
- Overseeing the allocation of the proceeds from Green Finance Instruments to the Eligible Green Loan Portfolio and monitoring its evolution over time, to ensure that the amount of green loans equals or exceeds the amount of Green Finance Instruments.
- Overseeing, approving and publishing the allocation and impact reporting, including external assurance statements. ING may rely on external consultants and their data sources, in addition to its own assessment.
- Monitoring internal ESR processes to identify mitigants to known material risks (including climate change adaptation risks) of negative social and/or environmental impacts associated with the Eligible Green Loan Portfolio. In the case of material risks, measures may be contemplated. Such mitigants may include clear and relevant trade-off analysis undertaken and monitoring required where the issuer assesses the potential risks to be meaningful.
- Ensuring that the environmental and social risks potentially associated with the Eligible Green Loan Portfolio are properly mitigated via the due-diligence processes conducted by ING.

⁶ See [here](#)

⁷ See [here](#)

⁸ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending regulation (EU) 2019/2088. See [here](#)

Environmental and Social Risk Management Policy (ESR)

ING ensures that all eligible loans comply with official national and international environmental and social standards and local laws and regulations on a best effort basis. It is part of ING's ESR transaction approval process to ensure, that all its loans comply with internal environmental and social standards, as well as external frameworks such as the Equator Principles, including those financed with the proceeds of the Green Bonds. These eligibility criteria and minimum requirements and ESG related matters are continuously developed and renewed in its external and internal policy frameworks⁹. The implementation of these minimum ESG requirements helps to mitigate the environmental and social risks associated with the Eligible Loan Portfolio.

4.4. Management of proceeds

The proceeds from Green Finance Instruments will be managed by ING in a portfolio approach.

ING intends to allocate the proceeds from Green Finance Instruments to an Eligible Green Loan Portfolio, selected in accordance with the Eligibility Criteria and evaluation and selection process presented above.

ING will strive, over time, to achieve a level of allocation for the Eligible Green Loan Portfolio that matches or exceeds the balance of net proceeds from its outstanding Green Finance Instruments. Eligible Loans will be added to or removed from ING's Eligible Green Loan Portfolio to the extent required. Unallocated net proceeds from Green Finance Instruments will be held in ING's treasury liquidity portfolio, in cash or other short term and liquid instruments, at ING's own discretion.



⁹ ING's environmental and social policies can be found [here](#). Restricted activities are specified in this policy.

4.5. Reporting

ING will publish allocation and impact reports annually, at least until full allocation.

ING will show the allocation and impact of the Green Finance Instruments proceeds to the Eligible Green Loan Portfolio for each Eligible Project Category and on an aggregated basis for all of ING's Green Finance Instruments outstanding.

ING intends to align the reporting with the portfolio approach described in 'Handbook – Harmonised Framework for Impact Reporting (June 2021)'¹⁰.

Allocation reporting



The allocation report will, on a best-efforts basis include:

- The size of the identified Eligible Loan Portfolio, per Eligible Project Category
- The total amount of proceeds allocated to the Eligible Green Loan Portfolio
- The number of eligible loans
- The balance of unallocated proceeds
- The amount or the percentage of new financing and refinancing
- The geographical distribution of the assets (at country level)
- The proportion of the portfolio that is EU Taxonomy eligible and/or aligned

¹⁰ See [here](#)

Impact reporting

Where feasible, the impact report may include:

Eligible project category	Impact report metrics
 Renewable Energy	<ul style="list-style-type: none"> • Total installed capacity in MW • Estimated annual avoided emissions in tons of CO² equivalent
 Green Buildings	<ul style="list-style-type: none"> • Estimated ex-ante annual energy consumption in KWh/m² • Estimated annual reduced and/or avoided emissions in tons of CO² equivalent

The green bond reports will be made available via the ING website:

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

4.6. External review

Second party opinion

This Framework has been reviewed by ISS ESG who has issued a Second Party Opinion. The Second Party Opinion as well as the Green Bond Framework will be made available to the sustainable investors on <https://www.ing.com/Sustainability/Sustainable-business/Green-bond.htm>. In addition, ISS ESG assessed the alignment of ING's Green Finance Framework with the EU Taxonomy Climate Delegate Act.

Verification

ING may request on an annual basis, a limited assurance report of the allocation of the Green Finance Instruments proceeds to eligible assets, provided by its external auditor or any subsequent external auditor.



Disclaimer

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