

ING publishes second progress report on climate alignment

ING today published its [second progress report on Terra](#), ING's approach to steer its €600 billion lending book in line with the well-below two-degree climate goal of the Paris Agreement.

“With the Terra approach, ING aims to be a positive force in the fight against climate change,” said ING CEO Steven van Rijswijk. “Our approach is inclusive and collaborative. We work together with our clients to facilitate their transition to low-carbon technologies. And we've been working together with other banks and experts in defining a methodology standard to ultimately help the financial sector make a bigger impact.”

The progress report presents ING's pathway towards climate alignment in the nine sectors in its portfolio most responsible for climate change: power generation, fossil fuels, shipping, cement, steel, residential real estate, automotive, aviation, commercial real estate. Which sectors are on track for climate alignment and where work is still in progress is illustrated in a Climate Alignment Dashboard (CAD).

Furthermore, targets for all nine sectors are presented to ultimately align our portfolio with the Paris climate goals. We aim to do this by supporting and engaging with existing clients to shift their investments more towards low-carbon technologies and by shifting our own capital allocation choices more towards low-carbon technologies and away from high-carbon. This includes reducing our financing of sectors that require a decline in production over time to meet the Paris goals, such as coal and upstream oil & gas, while financing more renewables.

As announced earlier, this year's Terra progress report for the first time includes the oil & gas sector, including a target. ING aims to reduce financing to upstream oil & gas by 19% by 2040 from 2019 levels. ING will align this portfolio by decreasing exposure and by engaging with clients to facilitate their transition to low-carbon technologies. This includes a relatively sharper decline for oil, while gas as a bridging fuel will more gradually decrease, after an initial increase. We will steer our client base and lending exposure towards low-emissions leaders. Following the Paris-aligned pathway for oil and gas, this target is also in line with the IEA Sustainable Development Scenario (SDS). If a revised SDS transition pathway requires a greater decline in oil and gas production, at a faster rate, that scenario will guide the direction that ING will take.

This sector-specific methodology application was co-developed with our partner the 2° Investing Initiative (2DII) and other banks. Just like the climate alignment methodology for lending portfolios it builds on, this sector-specific application is open-source and available for all banks to use. We think that having an industry-wide standard will increase transparency and therefore collective effectiveness. We will continue to monitor and report on our progress, engaging with clients and other stakeholders to advance on our journey to combat climate change.

Note to editors

The full Terra progress report is available for download [here](#)

For further information on ING, please visit www.ing.com. Frequent news updates can be found in the [Newsroom](#) or via the [@ING_news](#) Twitter feed. Photos of ING operations, buildings and its executives are available for download at [Flickr](#). ING presentations are available at [SlideShare](#).



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ING PROFILE

ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank. The purpose of ING Bank is empowering people to stay a step ahead in life and in business. ING Bank's more than 55,000 employees offer retail and wholesale banking services to customers in over 40 countries.

ING Group shares are listed on the exchanges of Amsterdam (INGA NA, INGA.AS), Brussels and on the New York Stock Exchange (ADRs: ING US, ING.N).

Sustainability forms an integral part of ING's strategy, evidenced by ING's leading position in sector benchmarks by Sustainalytics and MSCI and our 'A-list' rating by CDP. ING Group shares are included in major sustainability and Environmental, Social and Governance (ESG) index products of leading providers STOXX, Morningstar and FTSE Russell.

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