

A person is paragliding over a valley with mountains in the background. The parachute is large and colorful, with sections of blue, purple, yellow, red, and orange. The person is wearing a black jacket and a helmet. The background shows a valley with green fields, small towns, and mountains under a clear blue sky.

Walk the talk

**Sustainability at the heart of our
business**

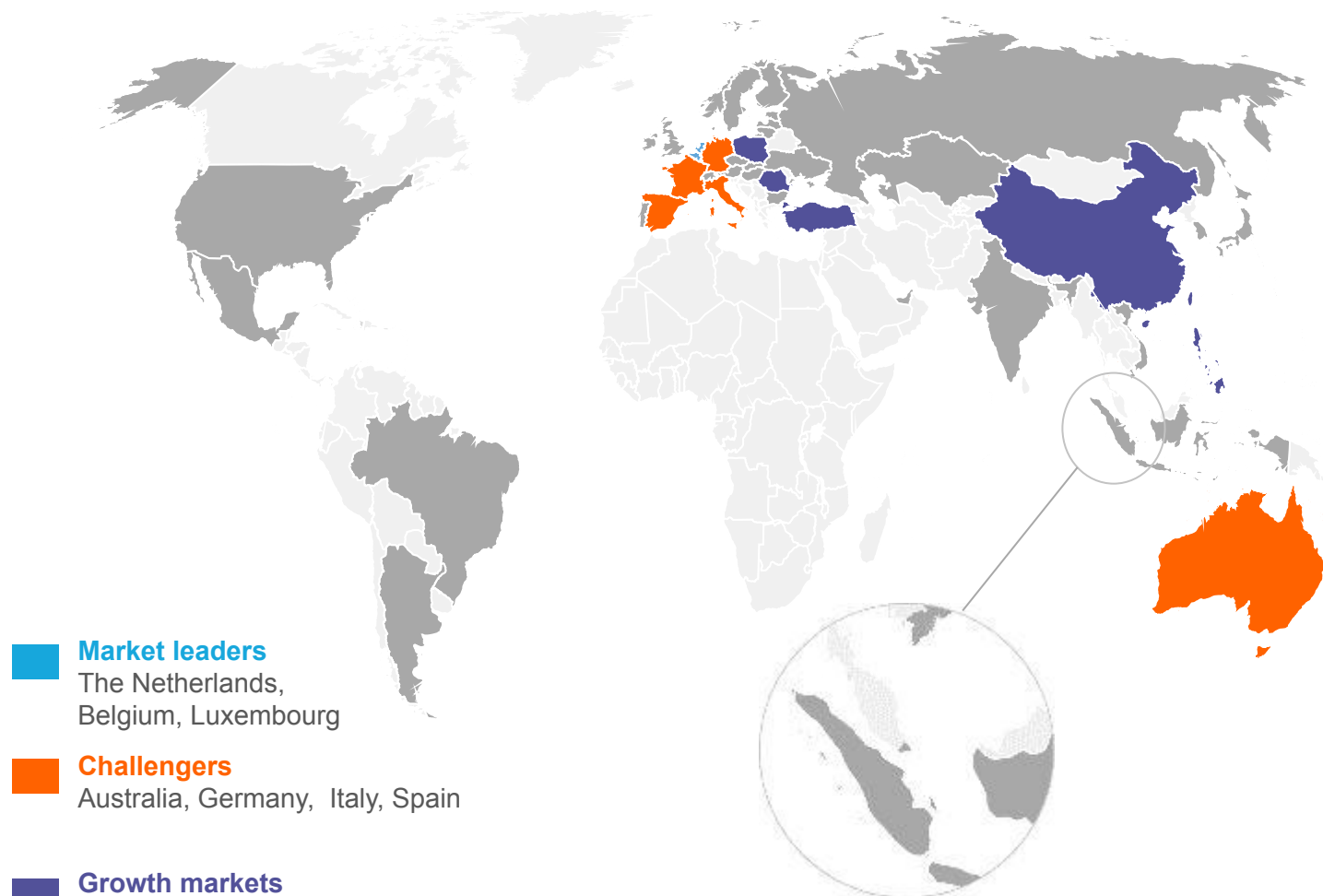
Stati Generali della Green Economy – Rimini, 7th November 2023

Silvia Colombo, Head of Communication and CSR ING in Italy



do your thing

A global financial institutions in more than 40 countries



- Market leaders**
The Netherlands, Belgium, Luxembourg
- Challengers**
Australia, Germany, Italy, Spain
- Growth markets**
Poland, Romania, Turkey, The Philippines and our stakes in Asia
- Wholesale Banking activities only: international network and global franchises**

Net Promoter Score (NPS)



#1

In 6 Paesi su 10

Clients



>38 mln

Profit 2022



3,6 € mld

Total assets 2022



968€ mld

Employees



>58.000

Putting sustainability at the heart of what we do

We put our financing to work as we strive to build a sustainable future for our company, our customers, society and the environment.



Aligning economic growth with positive environmental and social impact

Our role as a bank

We want to be a banking leader in building a sustainable future for our company, our customers, society and the environment. How?

We focus on climate



We lead by example by striving for net zero in our own operations.



We finance the transition that is necessary to achieve a sustainable future, steering our financing towards meeting global climate goals.

We collaborate



We work with clients to achieve their own sustainability goals, increasing our impact through partnerships and coalition-building.

We



We pay attention to the most relevant environmental and social risks while fostering the protection of biodiversity and human rights across our relationships.

We work to advance financial health and inclusion for our customers and communities.

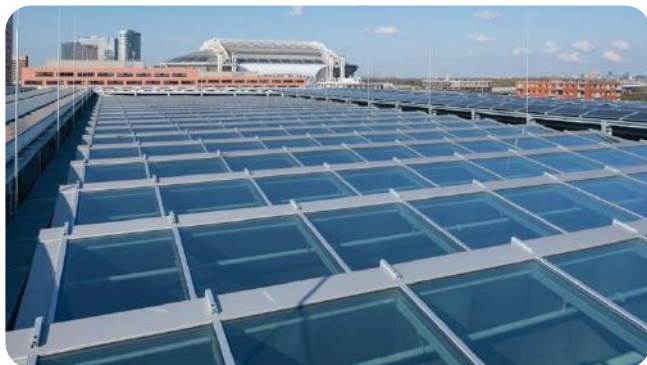


We empower our colleagues to contribute to it all.

We focus on climate



Striving for net zero in our own



- Reduce scope 1, 2 and 3 CO₂e emissions from **our own operations**
- Sustainable **procurement standards** to encourage suppliers to act responsibly.

Empowering our clients



- Provide leading **product / service innovations** to empower customers
- Aim to steer the most carbon intensive parts of our **lending portfolio** towards net zero by 2050
- Mobilise finance that supports our **clients in their transitions**.

Making an impact



- **Co-develop net-zero sector pathways** with peers, experts and the industry
- **Disclose progress** on climate alignment and climate risk management annually.
- **Help clients** limit their potential negative impact on biodiversity, while also helping them make positive changes and managing biodiversity risks.

*Society is transitioning to a low-carbon economy. So are our clients, and so is ING.
We finance a lot of sustainable activities, but we still finance more that's not.*

Terra – our climate alignment approach

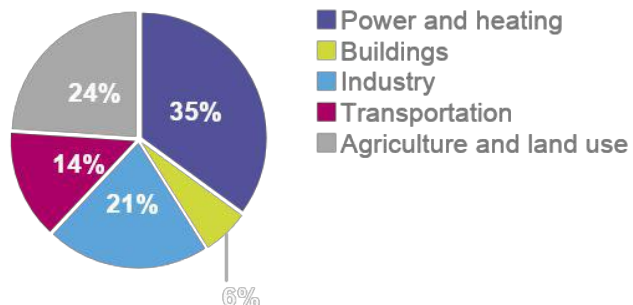
Ambition: Steer the most carbon intensive parts of our loan book towards net zero by 2050 or sooner and contribute to keeping global warming within 1.5 degrees compared to preindustrial levels

Impact-based

- Focus on the most carbon-intensive sectors, responsible for the vast majority of GHG emissions



Global GHG breakdown per sector



Science-based

- Toolbox approach
 - Apply the best-fit methodology per sector
 - Specific targets per sector
- Application of **science-based scenarios**
- Use of physical asset-level-data



POSEIDON PRINCIPLES

Engagement-driven

- Engagement** with current clients to help them **transition** to greener way of doing business
- Selecting prospect clients also based on their stance on sustainability



Terra – for example: the automotive sector

- We **measure the current mix** of our clients' production of internal combustion engine vehicles compared to zero-emission vehicles and how clients plan to shift this balance over time.
- We can then compare this with what **science-based transition pathways** prescribe for the automotive sector in order to reach the net-zero by 2050 goal.
- The analysis doesn't only tell us what **needs to shift**, but also **how much and by when**.
- This is where **financing** comes in – and where ING can have an impact.



We focus on climate: Climate Report 2023

displayed data covers full-year 2022

Terra sector alignment

| | |
|--------------------------------|--------------------------|
| Oil & Gas: Upstream | on track |
| Power Generation | on track |
| Automotive | on track |
| Shipping | on track |
| Steel | close to on track |
| Aviation | close to on track |
| Cement | close to on track |
| Residential Real Estate | not on track |
| Commercial Real Estate | n/a: new reporting scope |
| Oil & Gas: Mid- and Downstream | n/a: newly included |

Expanding Terra

- Oil & Gas: mid- & downstream
- Commercial Real Estate: global Wholesale Banking book
- Coming soon: Business Banking sub-sectors dairy farming, inland shipping, road transportation
- Coming soon: Trade and Commodity Finance, to cover full oil & gas value chain
- Coming soon: Aluminium sector

Integrating in the business

- Climate considerations embedded in corporate client & transaction approval process
- Per sector transition plans to guide climate action
- Tool for assessing client transition plans

Setting standards

- Contributing to sustainable aluminium principles
- Joined Partnership for Carbon Accounting Financials (PCAF)
- Leading NZBA working groups on steel & automotive

€101 billion

financing volume mobilised* that contributes to clients' transitions

(target: €125 billion annually by 2025)

491 sustainability deals

supported in 2022

(increase of 20% versus 2021)

78%

reduction in scope 1 & 2 emissions from ING buildings (vs. 2014)
(target: 90% reduction by 2030)

Strengthening governance & risk management

- ESG topics frequently on management board agenda
- Improved business-level governance for Wholesale and Retail Banking
- ESG Risk department established as part of Risk function

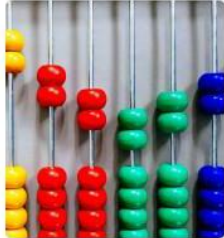
New oil & gas policies

- Restriction of dedicated finance to midstream (infrastructure) activities that unlock new fields
- Aim to reduce the combined volume of traded oil & gas we finance

* Volume mobilised for Wholesale Banking clients includes loan products, capital markets, derivatives and advisory propositions that support clients by financing their sustainable activities and contribute to their transition to a more sustainable business model. In cases where ING is appointed in an ESG lead role the pro-rata share of the transaction is included, otherwise ING's final take is included.

Climate report 2023

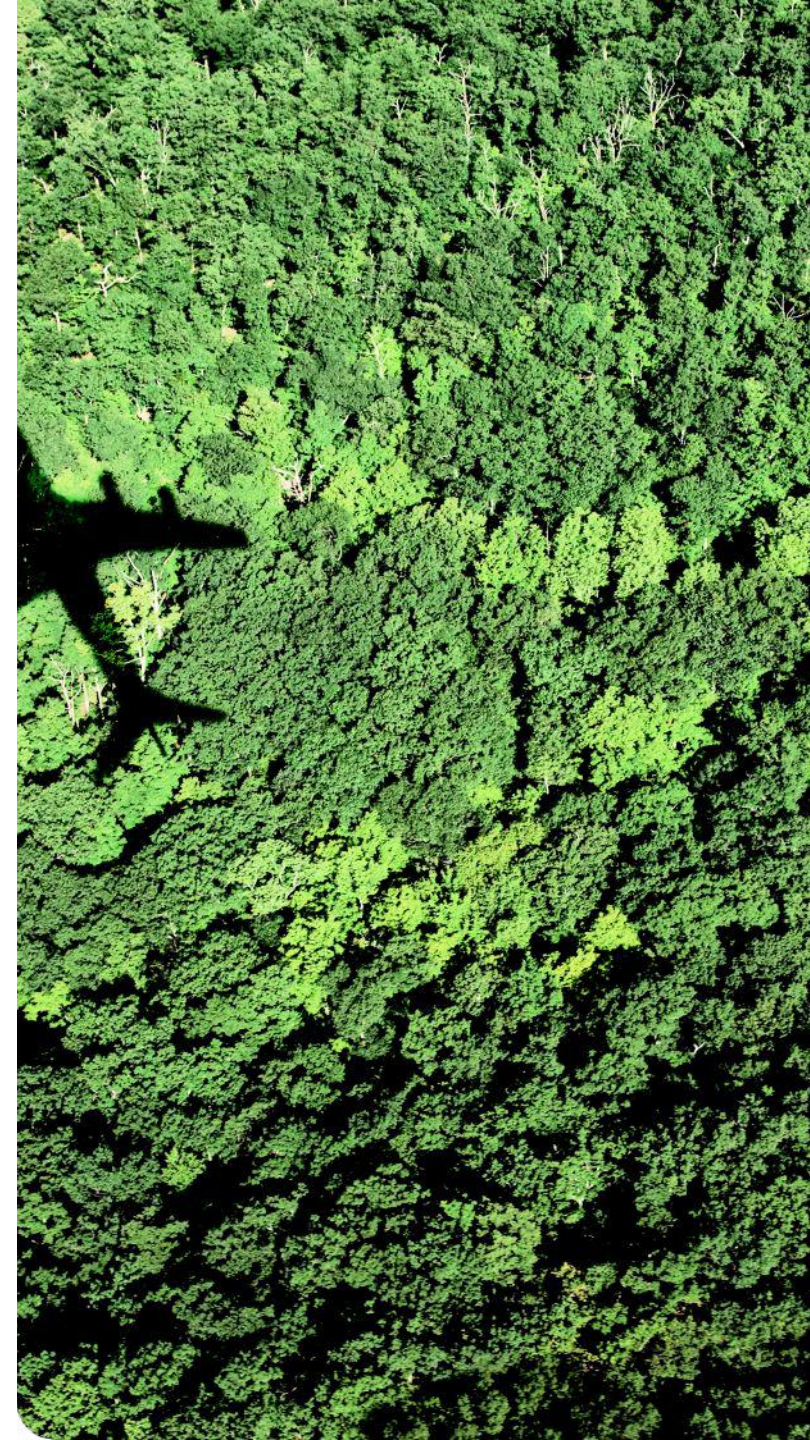
www.ing.com/Sustainability/Performance-and-reporting



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About CSRD

- ✓ ING welcomes the CSRD reporting as opportunity to **transparency and measurement**
- ✓ FI's opportunity to **balance ESG risks & opportunities to finance the transition**
- ✓ **CSRD in the right direction:** should be the reference for other regulations
- ✓ **EU public authorities** to develop or approve **science-based transition pathways per sector**, including quantitative intermediate targets
- ✓ **Reliable auditing** for reliable reporting: precise definitions in the upcoming secondary legislation
- ✓ ING requests EU public authorities to create **incentives for firm for the transition** to be inclusive and limit ESG credit risks





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