

A photograph showing two workers in white t-shirts and grey work pants installing solar panels on a red-tiled roof. The workers are positioned on a metal rail system, and the solar panels are mounted on a white metal frame. The background is a clear blue sky.

# ING Global Green Funding Framework

September 2024



# Content



- CFO Foreword** ..... 3
- ING at a glance** ..... 5
- Our Strategy ..... 6
- How We Create Value ..... 7
- Our ESG Governance Approach** ..... 9
- ESG Governance ..... 9
- ESG Risk ..... 10
- Environmental and Social Risk (ESR) team ..... 11
- ESG Disclosures ..... 12

- Our Sustainability Strategy** ..... 14
- Our Climate Ambition ..... 15
- Our Approach to Nature ..... 17
- Our Approach to Human Rights ..... 19
- Our Approach to Financial Health ..... 19
- Partnerships ..... 20
- Engaging with, advising and financing clients for positive climate impact** ..... 22
- Green Buildings ..... 22
- Renewable Energy ..... 25
- We Finance More ..... 26

- ING Global Green Funding Framework** ..... 28
- Sustainable Asset & Liability Classification Scheme ..... 29
- ING Global Green Funding Framework ..... 30
- Use of Proceeds ..... 30
- Process for Project Evaluation and Selection ..... 34
- Management of Proceeds ..... 36
- Reporting ..... 37
- External Verification ..... 39
- Disclaimer ..... 40

## CFO Foreword

We aim to play a leading role in accelerating the transition to a low carbon economy. It is therefore my privilege to introduce the latest iteration of our Global Green Funding Framework. This updated framework supports our ongoing commitment and strategic pillar - putting sustainability at the heart of what we do. It also provides a robust structure to help steer investments into assets that will assist in reaching the targets set forth by the Paris Climate Agreement, the EU Environmental Objectives and the UN SDGs.

As the sustainable finance landscapes evolves, this update integrates the latest regulatory developments in ESG, including the introduction of a sustainable asset classification mechanism, which enables us to recognise sustainable finance activities and label them consistently throughout the Group, in line with the EU Taxonomy or market standards.

Furthermore, we have extended our range of liability instruments, offering a more diversified approach to funding green initiatives. This expansion allows us to better meet the growing demand for green investments, providing our clients and stakeholders with more opportunities to contribute to a sustainable economy.

We are committed to driving positive change through our financial decisions and engaging with our stakeholders, and this framework aims to achieve that our green funding initiatives deliver meaningful environmental benefits.

We look forward to continuing our collaboration with clients, investors, and stakeholders as we collectively work towards achieving our sustainability goals.



A handwritten signature in black ink that reads "Tanate".

Tanate Phutrakul

Chief Financial Officer

24 September 2024





# 1. ING at a glance



# ING at a glance

As a global bank, we have an important role in promoting and supporting economic, social and environmental progress through our inclusive and collaborative approach to drive our purpose in empowering people to stay a step ahead in life and in business.

ING is a leading European universal bank with global activities. As of August 2024, we employ more than 60,000 people serving more than 39 million private individual customers in our retail business and 4,000 economic ultimate parent clients in Wholesale Banking across 35 countries.

Our Retail Banking business, which includes Private Individuals, Business Banking, and Private Banking, offers individuals, self-employed and micros, small to medium-sized businesses (SMEs) and mid-corporates a full range of products and services covering payments, savings, insurance, investments, mortgages and secured and unsecured lending. Our Wholesale Banking business provides corporate clients and financial institutions with specialised lending, tailored corporate finance, debt and equity market solutions, sustainable finance solutions, payments and cash management and trade and treasury services.



### Wholesale Banking

**International network and global franchises**  
Map highlights countries where ING has an office



Wholesale Banking has approximately 4,000 economic ultimate parent clients.

On 2 March 2022 we announced that we no longer do new business with any Russian companies due to the invasion of Ukraine. We have reduced our exposure significantly since then.

ING does not have a banking license in the US and is therefore not permitted to conduct banking activities in the US. Through its wholly owned subsidiary ING Financial Holdings Corporation and its affiliates, ING offers a full array of wholesale financial products such as lending, corporate finance and a full range of financial markets products and services to its corporate and institutional clients.

Figure 1 ING's global presence.



## Our Strategy

ING’s purpose is empowering people to stay a step ahead in life and in business. Our strategy – **growing the difference**<sup>1</sup> – is built around this purpose. In a world that is constantly changing, we aim to be digital and sustainability pioneers, skilled at adapting to the trends impacting our business. Our two overarching priorities are **i) providing superior value for customers** and **ii) putting sustainability at the heart of what we do**.

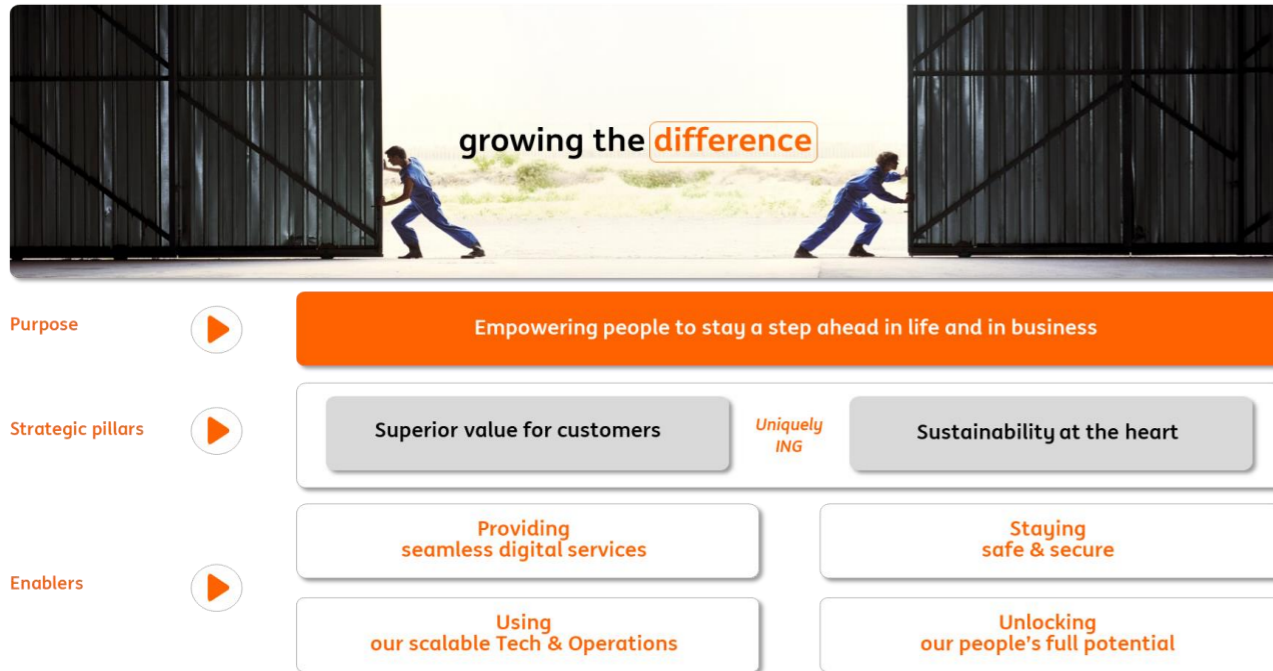


Figure 2 ING Growing the difference strategy.

**In this next stage of our strategy, we have identified priorities that are ‘uniquely ING’**, as our ambition to make banking as easy and frictionless as possible has been instrumental in the success we have had until now and will be ever more important as we move forward. As described in **Figure 2**, these uniquely ING priorities are supported by four ‘enablers’: i) *providing seamless digital services*, ii) *using our scalable technology and operations*, iii) *staying safe and secure*, and iv) *unlocking our people’s full potential*.

### i) Superior value for customers

Our promise is to make banking frictionless, removing barriers and giving people confidence to make decisions and move forward. This frees our customers from constraints and encourages them to do more of what gives life meaning. For individual customers and small businesses, ING emphasises mobile banking, while for mid-corporate and Wholesale Banking clients, it’s about personal relationships and superior sector expertise supported by seamless digital delivery. Customers are our reason for being. At every step of their ING journey, they should feel an emotional connection with us. Banking is a relationship, and the best relationships make people feel valued, confident, empowered, and in control.

### ii) Putting sustainability at the heart of what we do

We aim to define new ways of doing business that align with economic changes, growth and social impact. Climate change is one of the world’s biggest challenges, threatening societies as we know them today. We’re determined to be a banking leader in building a sustainable future for customers, society and the environment. We want to lead by example by striving for net zero in our own operations. We also want to play our part in the low-carbon transformation that’s necessary to achieve a sustainable future, aiming to steer our financing towards meeting global climate goals and working with clients to achieve their own sustainability goals.

<sup>1</sup> For more information on ING’s growing the difference strategy, please visit [About us – Strategy](#).



## How We Create Value

As a bank, we play an important role in promoting and supporting economic, social and environmental progress. Our biggest contribution to our stakeholders is made by fulfilling our function as a bank. We process payments, keep customers' money and their data safe, extend loans, make investments and provide other financial services to customers.

There are many ways we can create value for stakeholders. For example, customers entrust us with their money and expect us to meet their needs. We enable them to do so by offering loans and other financial products and services. By doing this in a profitable way, we can maintain adequate capital levels, invest in our business and distribute cash to our shareholders. We aim to develop human capital by offering learning and development opportunities to employees, equipping them with skills and capabilities for the future. At the same time, our actions may involve risks for our stakeholders. We manage these risks through a comprehensive risk management into strategic planning and daily business activities. For more information, please see Risk Management section - [ING 2023 Annual Report](#).

Our approach is inclusive and collaborative, working with others to make a bigger impact. We believe that no single sector, much less one bank, can solve global issues like climate change, or financial crime. When it comes to tackling challenges like these, we are dependent on collective action for real, positive change. By working together with governments and other businesses, banks can help develop sustainable ways to deal with economic challenges, tackle climate change and protect customers, the bank and the financial system against financial economic crime.

In this Green Funding Framework, we aim to align with ING's sustainability strategy by offering the investors the opportunities to invest in green bonds and other green funding instruments that contribute to a more sustainable and low carbon economy. In line with how ING creates value for its stakeholders, this framework along with the reports will show the impact that ING creates through green funding by linking to the UN SDG goals. Further details see **Section 5 Green Funding Framework**.





## 2. ESG Governance



# Our ESG Governance Approach

Our ESG governance approach reflects ING's strategic priority to put sustainability at the heart of what we do, and we've integrated and aligned our ESG governance with the existing business-as-usual governance of the bank. For more information, please see [ING 2023 Annual Report](#) (page 41).

## ESG Governance

### Supervisory Board

The ESG Committee assists the Supervisory Board with matters relating to the various areas of ESG, including the development of ESG strategy and its integration in the company, and generally monitoring and advising on relevant ESG developments.

### Management Board Banking

ESG is a regular topic on the Management Board Banking (MBB) agenda and all members have ESG-related key performance indicators that are cascaded through ING's business lines.

### Global Head of Sustainability

Our global head of Sustainability reports directly to the CEO. Sustainability/ESG leads in major countries have a functional line to the global head of Sustainability to create a stronger connection between global and local activities.

### ESG Sounding Board

The ESG Sounding Board, comprised of senior leaders from across the organisation, helps guide the development and implementation of our strategy related to ESG topics, as well as monitoring and reporting on our progress.

### ESG Risk Committee

The ESG Risk Committee (ERC) is a standing committee at ING involved in matters related to ESG risk. It is the primary oversight committee for ESG risk matters such as ESG risk methodologies, ESG risk internal and external reporting, ESG Risk Framework, and the manner in which we address regulatory requirements related to ESG risk. The ERC oversees the management of ESG risk for ING Group.



## ESG Risk

ESG risk, and in particular climate risk, is not identified as an independent risk category/risk type. Rather, it is a set of drivers affecting the likelihood and severity of existing risk categories/risk types. Therefore, ESG risk management is embedded within all risk categories/types. The ESG risk framework outlines ING’s approach to managing ESG risk as a driver of existing risk types. For details, please see [ING 2023 Annual Report](#) (pages 55 and 188).

### ESG Risk Department

The ESG Risk department is a function that is part of ING’s second line of defence. The ESG Risk department is responsible for adapting ING’s risk management framework to account for ESG risk, and challenges and provides oversight on the implementation of ESG risk practices by the first line of defence.

The ESG Risk department is responsible for:

- Maintaining the ESG risk framework and related policies and mandatory instructions
- Addressing the requirements of ESG risk regulations and supervisory guidance, such as the European Central Bank’s guide on climate-related and environmental (C&E) risks
- Setting ESG risk appetite
- Identifying and assessing ESG risk
- Monitoring and reporting ING’s ESG risk profile

### Managing ESG risk - ESG Risk Framework

The ESG risk framework assists in managing ESG risk effectively through the application of the risk management process at varying levels of the organization. The risk management cycle describes the processes by which ING can identify, assess, measure, mitigate and monitor ESG risk integrated within the existing risk types. For more information, please see [ING Annual Report 2023](#) – Environmental, social and governance risk.

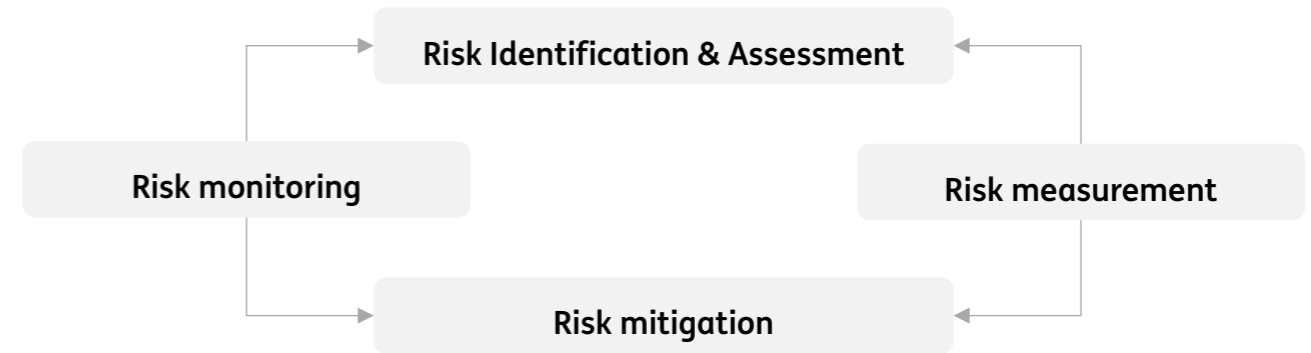


Figure 3 ESG Risk Management at ING



## Environmental and Social Risk (ESR) team

Due to global exposure of our Wholesale Banking's operations, we have a specialised [Environmental and Social Risk \(ESR\)](#) team that's part of the second line of defence within Wholesale Banking. (the first line being the business itself). The ESR team is responsible for developing policies and procedures regarding the identification, assessment, and mitigation of environmental and social risks associated with the clients and transactions the bank finances. The department takes the lead in communicating our standards internally and in training internal stakeholders.

The ESR team also has an advisory role to support the deal principals, senior credit officers, and approval authorities on individual transactions. The degree of the ESR team's engagement in transactions is dependent upon:

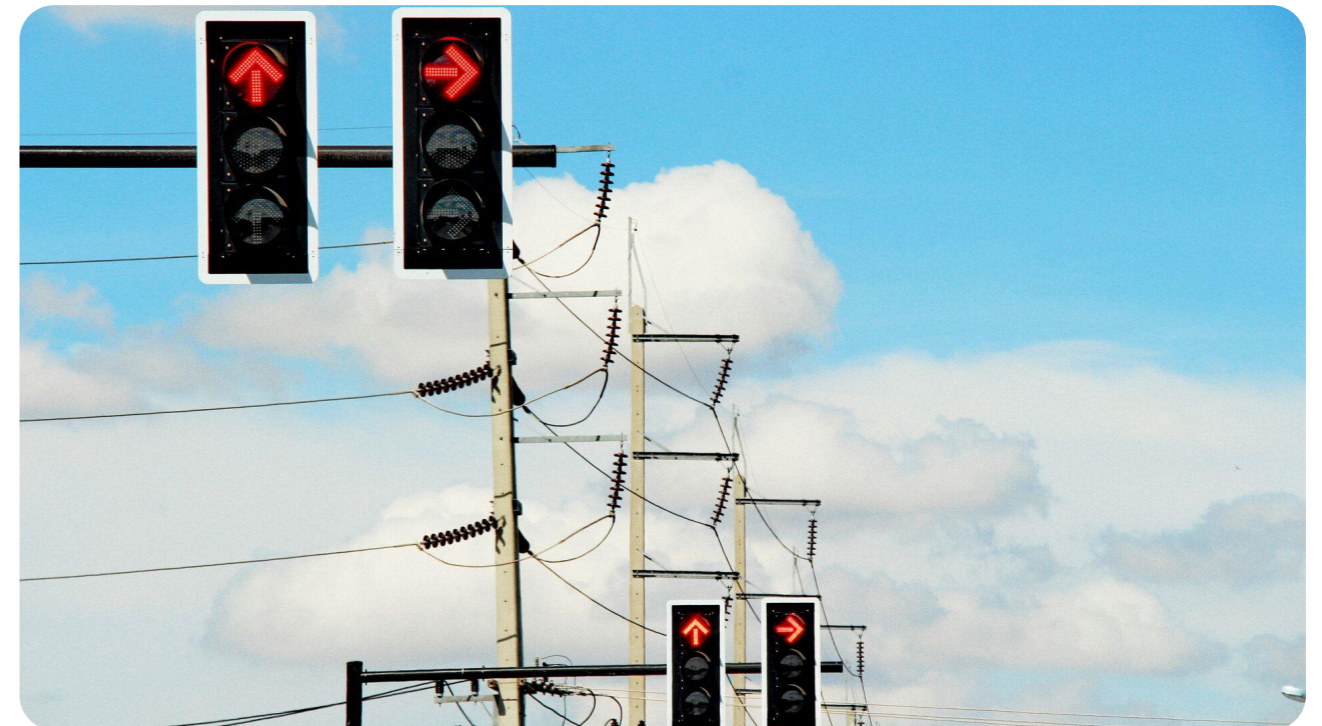
1. The risk profile of the client, project, or business engagement.
2. ING's exposure.
3. The actual risks screened.

In some locations, an ESR-delegated adviser may be appointed if mutually agreed upon by the head of ESR and the regional head. Such a role would support the senior credit officer (SCO), who is responsible for ESR in the region.

Committees involved in managing environmental and social risks include the Global Credit & Trading Risk Policy Committee (GCTP) and the Global Credit Committee for Transaction Approvals (GCCTA). The GCTP approves the policies, methodologies, and procedures related to ESR. The GCC-TA approves transactions that entail taking higher environmental and social risks.

### The ESR function encompasses the following activities:

- Create and maintain policies for sensitive industry sectors
- Assess transactions for environmental and social risk
- Monitor high-risk clients to assess compliance with sustainability criteria
- Spread ESR awareness throughout ING
- Participate in European and global advisory groups (e.g., OECD advisory group, steering committee to the Equator Principles, Thun Group of Banks) to help bring all banks to the same high standard





## ESG Disclosures

Environmental, Social, and Governance (ESG) is an area of significant and increased focus for governments and regulators, investors, ING's customers and employees, and other stakeholders or third parties (e.g., non-governmental organisations or NGOs). As a result, an increasing number of laws, regulations and legislative actions have been introduced to address climate change, sustainability and other ESG-related matters, including in relation to the financial sector's operations and strategy. Such recent regulations include the EU Taxonomy regulation and EU Green Bond Standard, which broadly focus on disclosure obligations, standardised definitions and classification frameworks or environmentally sustainable activities. Other regulations such as the EU Corporate Sustainability Reporting Directive (CSRD) and the Sustainable Finance Disclosure Regulations (SFDR) are also in place.

Given this growing focus on sustainability disclosures, where possible, our objective is to align our reporting to the broader ING's ESG disclosures, both regulatory and voluntary. This encompasses everything from the eligibility criteria selecting the sustainable assets for the allocation report to the impact indicators shown in the impact report. Our commitment to this alignment underscores our dedication to transparency and accountability in our sustainability efforts.

### EU Taxonomy - Green Asset Ratio

ING has published its first **Green Asset Ratio** in March 2024 in [ING 2023 Annual Report](#). The Annual Report has included a detail section on ESG Overview with an ESG appendix showing how ING assess balance sheet items through the lens of the EU Taxonomy. The ratio shows the EU Taxonomy aligned assets as a percentage of the total assets in the scope of the GAR.

### Other non-financial information regarding ING

For other information such as gender pay gap, headcount breakdown by region, gender and age group, % of women in senior management positions, and employee turnover %. Please visit '*Other information and appendices*' of [ING 2023 Annual Report](#).

## Financed emissions

ING publishes absolute financed emissions associated with our direct lending and investment activities, also known as absolute GHG scope 3 category 15 emissions. Analysing financed emissions helps us to identify hotspots in our portfolios. For the relevant hotspots, where available data and methodologies allow, we select the most suitable methodology and metric to apply to each sector's activities as per our Terra toolbox approach.

We calculate our absolute financed emissions using the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by the Partnership for Carbon Accounting Financials (PCAF). Emissions data and financial data are input for our absolute financed emissions calculation. We gather emissions data from, among others, PCAF and the Carbon Disclosure Project (CDP) and financial data from internal databases and Standard & Poor (S&P) Capital IQ.

An overview of ING's financed emissions is provided in the 'Environment' section of the [ING 2023 Annual Report](#). A breakdown of the results for lending portfolio (in NAICS) is also provided. The relevant disclosure information on financed emissions (Scope 1 & 2) can also be found in the Pillar 3 reports in ING.

### EBA ESG Pillar 3 reporting

The EBA ESG Pillar 3 requirements features (i) a set of 10 quantitative templates that request banks to disclose climate-related risks and actions to mitigate them, together with exposure to green assets and (ii) qualitative information on their ESG strategies, governance and risk management arrangements with regard to ESG risk. It should be noted that the EBA ESG Pillar 3 requirements will become binding following a phased-in approach, with a transitional period for certain disclosures until 2025 (reference date: 31 December 2024). For year-end 2023, templates 1, 2, 4, 5, 6, 7, 8, and 10 were disclosed. For the underlying additional pillar 3 disclosures, please visit [ING Annual Reports](#).



# 3. ING Sustainability Strategy



# Our Sustainability Strategy

As part of our strategic pillar in putting sustainability at the heart, we have the opportunity to play a leading role in financing the change that is needed. At ING, our ambition is to help accelerate the transition – because it matters to us as a bank, to our clients and to society.

## Sustainability has been on ING’s agenda for decades

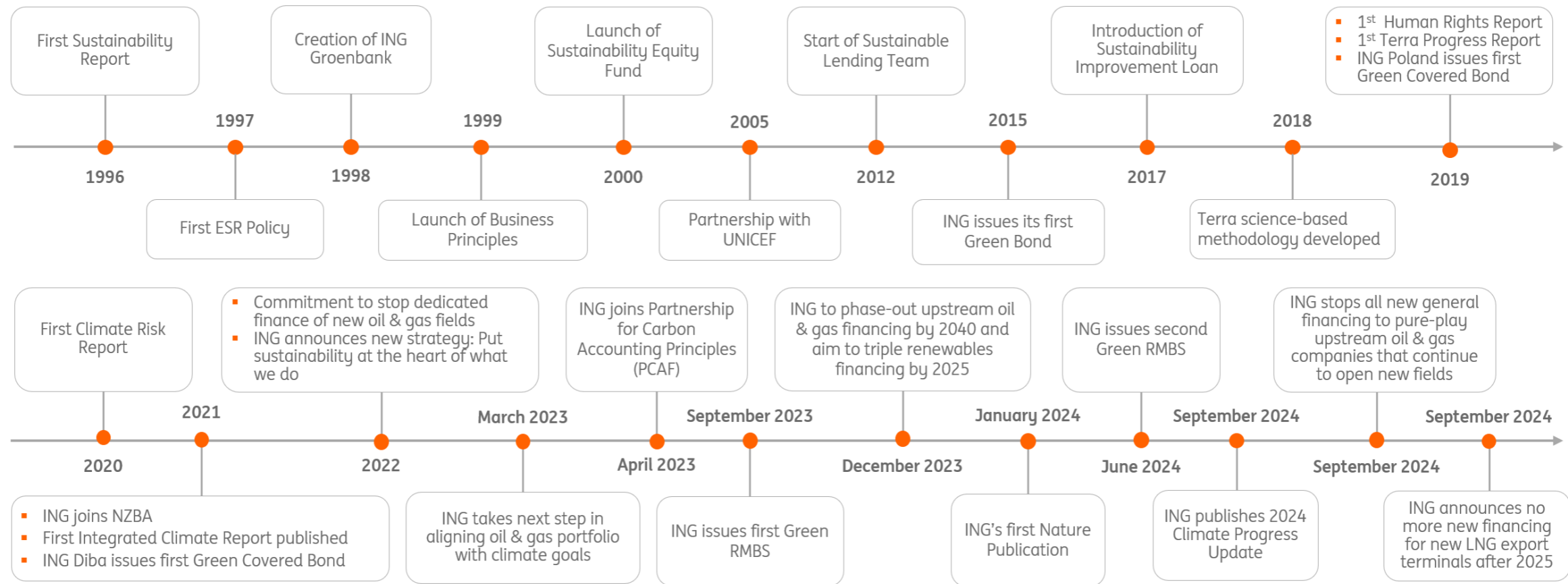


Figure 4 ING's sustainability journey



## Our Climate Ambition

ING's ambition is to be a banking leader in accelerating the low-carbon transition. As a systemically important bank, we believe that showing leadership means helping our customers and society decarbonise and drive down emissions in an inclusive way. We aim to be a frontrunner in financing the future economy, and we want to find ways to empower people to prepare for the future. The transition requires new systems that also protect nature and respect human rights, and we have a role in financing the change that needs to happen. In our latest [Climate Progress Update](#) we share our progress on the global path to net zero, along with the latest steps we're taking to achieve our climate objectives and to support customers and society with theirs.

### Driving down emissions: supporting businesses in their transition to net zero

As a bank, the most significant contribution we can make to help drive down global emissions is to engage with our clients and steer our portfolios for net-zero alignment. In our latest [Climate Progress Update](#), we share how we have developed our engagement with clients to accelerate their plans for transition - and how we intend to strengthen that engagement in the future. Our analysis of clients' climate disclosures and transition planning guides our decision-making and informs discussions with clients about their transition strategy and how ING can support them. In the latest, [Climate Progress Update](#) we also provide a progress update on our 'Terra' approach, through which we steer our portfolios in high-emitting sectors towards net-zero alignment by 2050.

### Building up a sustainable future: financing technologies and solutions for a low-carbon world

We have a role to play in mobilising the finance needed to make the low-carbon transition a reality. This includes backing the technologies and solutions that will contribute to a low-carbon world. ING aims to continue to evolve and innovate its approach to sustainable financing. This includes how we strive to make connections and support collaboration both within particular value chains and across them, with the goal of supporting the development of the systemic solutions necessary to accelerate the transition.

### Including everyone in the transition: finding new ways to enable people to stay a step ahead on climate

We believe most people want to play a role in the transition and our climate action approach includes finding ways to enable people to play their part, starting with existing and prospective retail customers. In our latest [Climate Progress Update](#), we share the latest on how we empower mortgage customers to make their homes more sustainable, and how we advocate for change in housing policy.



## Key enablers for effective climate action

### How we partner and advocate change

Progress can only be driven through collaborative action and partnering and advocating for change. We do this by working together across the industry and sectors, with governments, policymakers, and civil society. We continue to play an active role in the development and adoption of methodologies and frameworks that support decarbonisation at the sector level.

### Our key enablers

To achieve our ambition, we also strive to:

- Apply effective climate governance
- Manage climate and environmental risk
- Upskill and empower our colleagues for an effective sustainability culture
- Continue to strive for net zero in our own operations
- Enhance our climate & environmental (C&E) data capabilities
- Contribute to framework- and methodology-setting
- Partner and advocate for impact

Climate action is a fast-changing, dynamic landscape, and our approach needs to evolve to keep pace. That is why we are taking a holistic approach to climate action that spans climate change mitigation, climate adaptation, nature and biodiversity, and human rights and just transition. For more information, please see our latest [Climate Progress Update](#).

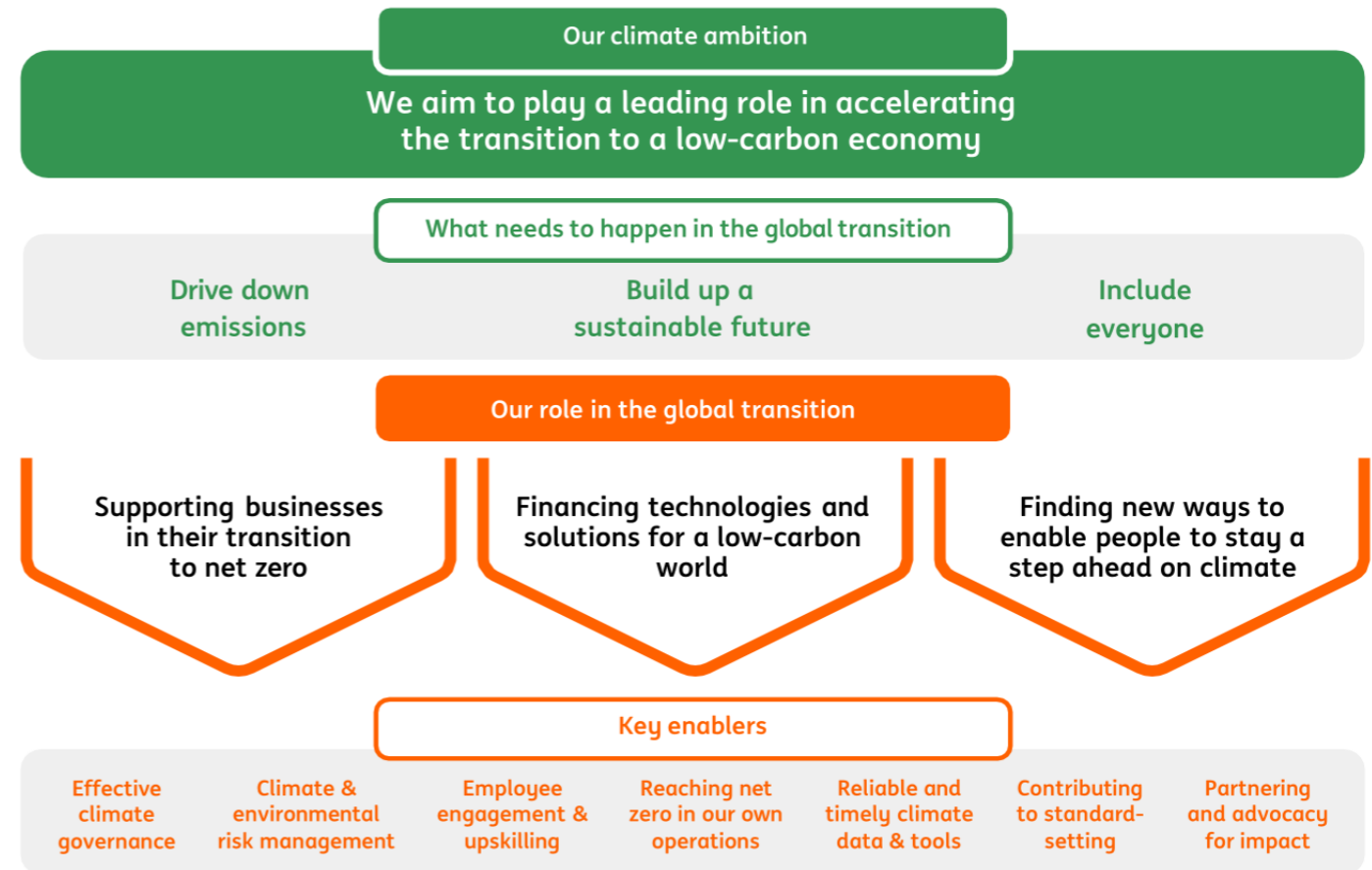


Figure 5 ING's Climate Ambition

For more information, please see our latest [Climate Progress Update](#)



## Our Approach to Nature

Nature is essential for human existence, good quality of life, and economic prosperity. That's why contributing to halt and ultimately reverse nature loss, is becoming an increasingly important part of ING's sustainability approach.

[Our approach to nature](#) supports ING's overall 'Growing the difference' business strategy, which aims to put sustainability at the heart of what we do. This means defining new ways of doing business that align economic growth with sustainable impact. We recognise that while we finance a lot of sustainable activities, we still finance more that's not, and we're focused on making progress together with our clients, step by step. According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), the five main direct drivers of biodiversity loss are: changes in land and sea use (30%), direct exploitation of organisms (23%), climate change (14%), pollution (14%), and invasive alien species (11%). These drivers together cause biodiversity, and nature, to weaken and decline. In fact, according to the scientific community including IPBES, the decline of nature will have impactful consequences for society, economy and human wellbeing if not halted.

Fortunately, science also tells us that it is not too late to make a difference. Our efforts to steer the most carbon-intensive parts of our lending portfolio towards net zero by 2050, called our Terra approach, enable us to engage our clients on climate change and in that way, we attempt to address one of these main drivers of nature loss. ING's nature approach builds on and complements our climate approach by addressing the other main drivers of nature loss.



Our [nature publication](#) explains our ambitions, objectives, actions and methodologies in more details.



## How do we reach these strategic priorities?

We aim to empower our clients to contribute to halting and reversing nature loss and setting out objectives to support the goals of the Kunming-Montreal Global Biodiversity Framework.

### 1. Manage nature-risk and impacts

We assess our impacts on nature via our Environmental and Social Risk (ESR) framework. While this overarching policy sets out our principles, expectations of clients, and restricted activities, certain sectors which have a higher risk of adverse impact on nature, such as mining or agriculture, have a sector-specific policy.

### 2. Steer our portfolio and engage with clients to halt and reverse nature loss

We aim to engage with and encourage our clients to reduce the pressures their activities put on nature, improve their management of nature-related dependencies, impacts, risks, and opportunities, and disclose relevant nature-related metrics. As a bank, sustainable finance has a role in supporting the sustainable transition of companies by using financial products to incentivise clients to make business decisions and take actions that benefit nature.

### 3. Promote nature-mainstreaming internally and externally

Internally, we continue building our organisational governance, knowledge, and culture to nature. Externally, we collaborate with stakeholders to advance knowledge, standards and methodologies on nature. For example, we contribute to the global development by taking part in TNFD forum and Finance Leadership Group on Plastics.





## Our Approach to Human Rights

Human rights are universal. This means that every person in the world deserves to be treated with dignity and respect, and to enjoy their rights equally. It is not only governments that have a role to play in realising human rights. Businesses now increasingly recognise their own moral, legal and normative corporate responsibility to respect human rights. In our decisions we aim to balance the interests of various stakeholders, while operating within international norms and working to align with leading practices.

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 [human rights report 2022/2023](#) we detail the reassessment of the most severe human rights issues with regards to our workforce and Wholesale Banking activities and our first assessment of salient human rights issues in our role as a procurer of goods and services.

For more information, please see "[Sustainable Business – Human Rights](#)".

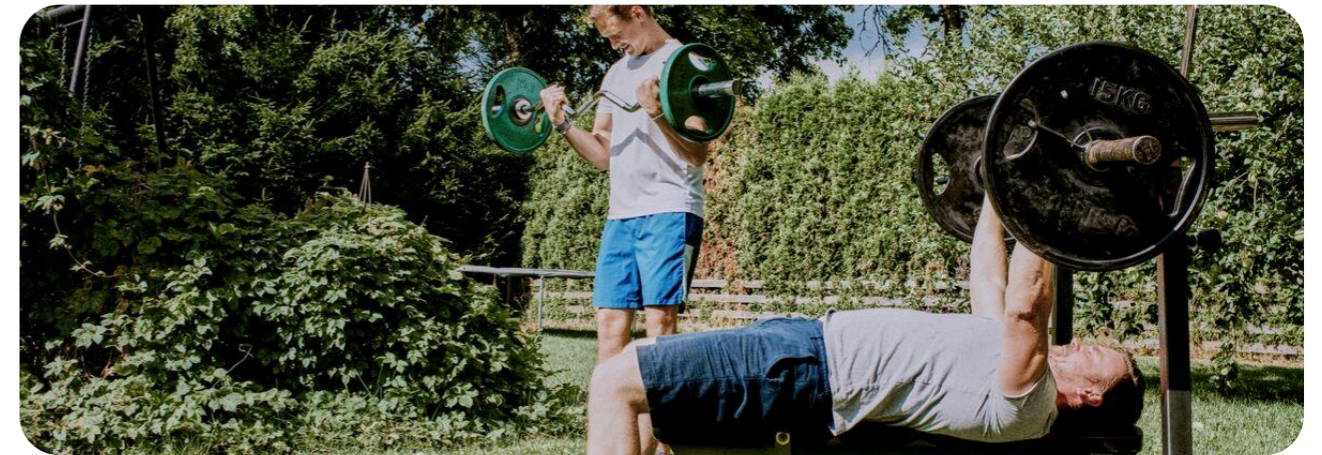
## Our Approach to Financial Health

ING believes financially healthy people contribute to a healthy economy and drive social progress. That's why we aim to steer our customers and communities towards improved financial health. We can make a difference by helping people to stay a step ahead of their financial challenges. Plus, it's one of the ways we contribute to the United Nations [Sustainable Development Goals](#), particularly towards sustainable and inclusive economic growth (goal 8) and reduced inequalities (goal 10).

What makes people financially healthy? They can pay their bills, they have no problematic debts, they have savings set aside, and they're planning for the future. As such, they're generally happier because they're better able to reach their goals, whether that's buying a new car, their dream home, expanding their family or retiring from their job: whatever it is that moves them.

We aim to make our biggest impact on improving financial health in three ways: through financial inclusion, by helping people manage their everyday finances and helping them plan for the future and protect their dreams.

For more information, please see – "[Sustainable Business – Financial Health](#)".





## Partnerships

No one sector, much less one bank, has the ability to solve the world's problems. We believe that an inclusive approach is the only way we can make any meaningful positive impact. From climate to human rights and financial health, we seek to increase our impact through partnerships and coalition-building. Please visit "[How we Engage](#)" for more information.

### ING endorses (is a signatory of)

- Children's Rights and Business Principles (CRBP)
- The Core Conventions of the International Labour Organisation (ILO)
- EU Transparency Register
- Financial Stability Board's (FSB) Task Force on Climate-Related Financial Disclosures (TCFD) recommendations
- OECD Guidelines for Multinational Enterprises
- United Nations Environment Programme Finance Initiative Principles for Responsible Banking (PRB)
- United Nations Global Compact (UNGC)
- United Nations Guiding Principles on Business and Human Rights (UNGPR)
- United Nations-backed Principles for Responsible Investment (PRI)
- The Universal Declaration of Human Rights (UDHR)

### ING is a member of, for example:

- The Academy of Business in Society (ABIS)
- Association for Financial Markets in Europe (AFME)
- Climate Markets and Investment Association (CMIA)
- Equator Principles Association (EP)
- European Banking Federation
- European Financial Services Round Table (EFR)
- EUROSIF (VBDO)
- Institute of International Finance (IIF)
- International Capital Market Association (ICMA)
- International Integrated Reporting Council (IIRC)
- Loan Markets Association (LMA)
- Roundtable on Sustainable Palm Oil (RSPO)
- Thun Group of Banks
- United Nations Environment Programme Finance Initiative (UNEP FI)
- United Nations-convened Net-Zero Banking Alliance





# 4. Advising & financing our clients



# Engaging with, advising and financing clients for positive climate impact

As a bank, the most significant contribution we can make to help to accelerate the transition to a low-carbon economy is to support our clients and customers – be it companies in carbon-intensive sectors where their ability to drive down emissions can make the greatest impact, or customers to whom we provide finance for making their homes more environmentally-friendly. In our latest [Climate Progress Update](#), we share how we have developed our engagement with clients to accelerate their plans for transition - and how we see strengthening that engagement in the future. Our assessment and evaluation of client's climate disclosures and transition planning will enhance our client-related decision-making process and improve how we engage with existing and prospective clients.

In this framework, we put an emphasis on i) Green Buildings, as we have a considerable financed emissions in real estate that we aim to align with net zero ambitions, and ii) Renewables, as we strive to be a banking leader in driving the energy transition. However, we finance more sustainable activities across various sectors in both of our Wholesale and Retail businesses, which we strive to include in this framework over time.

To mainstream sustainability across ING's financial product and services offerings, internal guidelines on sustainable finance/lending have been developed. The guidelines cover the sustainable finance businesses including, but not limited to governance, sustainable finance product characteristics, and reporting.

## Green Buildings

### Commercial real estate

ING provides lending to the Commercial Real Estate (CRE) sector in both our Business Banking (BB) and Wholesale Banking (WB) segments. Our Wholesale Banking activities are focused on providing financing solutions for an international and institutional client base, including global asset managers, exchange-listed real estate companies/REITs<sup>2</sup>, pension funds, insurance companies, and family investment offices. Within Business Banking, we serve both SMEs and mid-corporate clients (such as private investors and family offices).

Both the BB and WB CRE teams provide financing for different kinds of asset classes, mainly residential, offices, logistics, and retail.

#### Our actions in support of clients & portfolio:

- Since our 2023 Climate Report, all new Wholesale Banking transactions, where data is available, are benchmarked against the CRREM convergence pathway, and either need to meet minimum standards for sustainable financing, or have a transition plan in place.
- In 2023, we collected and assessed the transition planning of more than 100 of our largest Wholesale Banking clients (including scope 1, 2, and 3 emissions, targets, and investment plans for achieving energy label 'A' or equivalent by 2030). We continued to develop tooling to track the implementation and progress of these plans.

<sup>2</sup> Real Estate Investment Trusts



- We organised specific training sessions for real estate sector colleagues, focused on understanding client transition plans, and how to use relevant tooling to assess and monitor such plans.
- We increased the number of sustainability improvement loans within our Wholesale & Business Banking to real estate clients, and supported more clients to develop their Green Finance Frameworks.
- We are working to collect action plans from all our Business Banking clients in the Netherlands commercial real estate sector, which should reflect renovations to buildings to reach a minimum of A-label by 2030. We also conducted a physical climate risk assessment of our RE BB NL portfolio focusing on the biggest climate risks in the Netherlands.
- In Belgium, we are already implementing initiatives to empower our customers. These include an eco-renovation loan that supports customers to improve the energy performance of their buildings to an EPC target. We've also made a digital tool available to our CRE clients, called the 'Sustainable Buildings Guide', which provides insights on the costs and the impact of renovations on the EPC of their building(s). And we've entered into partnership with two prominent real estate consultancies, Bopro and Stadim, to provide relevant services to our clients, advising them on energy audits, certifications, and transition planning.

For more information, please see our latest [Climate Progress Update - Our Role in the Transition - Commercial Real Estate](#).

## Residential Buildings

We can have an impact on the new mortgages that we approve and accept into our book, for example, through incentivising customers to purchase energy-efficient homes or renovate for improved energy efficiency within 24 months post-purchase (as we're doing in the Netherlands). However, due to the low numbers of most-efficient homes in the housing stock, we need to look at additional ways to broaden our impact by supporting customers to make their homes more sustainable and therefore also more cost-efficient.

We focus on financing sustainable homes and renovations through secured and unsecured lending. We offer sustainable mortgages which provide an incentive to customers choosing energy-efficient homes in the Netherlands, Germany, Belgium, Spain, Poland, Romania, and Italy.





## Netherlands

In the Netherlands, we provide various tooling to enable our customers to take action for a more sustainable home. For example, we provide customers with access to the digital platform [HomeQgo](#) that enables them to plan their sustainable renovations.

In addition, amongst various initiatives, we focus on financing sustainable homes and renovations through secured and unsecured lending for the Netherlands.

- We offer other mortgage features that encourage renovation, for example, higher loan-to-value ratios to cover the cost of renovations, and options for existing mortgage customers to increase their borrowing to cover renovation cost.
- We offer sustainable mortgages which provide an incentive to customers choosing energy-efficient home.
- We aim to raise awareness and educate customers about the benefits of sustainable renovation through customer communications (e.g., newsletters).

Samenwerking van **homeQgo** | **ING**

Hulp nodig van homeQgo? ☎ 085 - 30 30 885

**Je huis verduurzamen?**  
Makkelijk en snel geregeld via homeQgo

Vraag direct offertes aan

- ☀ Zonnepanelen scan
- 🏠 Isolatie scan

## Germany

In Germany, we can now direct customers to relevant contractors working in energy consulting or installation of solar panels and heat pumps based on the client's postcode. More than 25,000 customers visited our site for partnership connections in the first three months after their launch.

Amongst the various initiatives, in Germany, we focus on the below:

- We offer sustainable mortgages which provide an incentive to customers choosing energy-efficient homes.
- Our mortgage advisors discuss sustainable renovations with customers.
- We offer unsecured sustainable consumer loans that can be used for energy-efficiency renovations.

**Wohnkredit mit Umweltbonus** Überblick Wohnkredit Alle Kredite FAQ Kredit anfragen

**Energieeffizient wohnen - umweltfreundlicher in die Zukunft**

Wir unterstützen Sie bei der Finanzierung einer **energieeffizienten Modernisierung** Ihrer Immobilie mit **günstigen Zinsen** und pflanzen gemeinsam mit unserem Partner Bergwaldprojekt e.V. **2 Bäume für Sie zur Wiederherstellung der deutschen Wälder.**

Berechnen Sie gleich Ihr **ganz persönliches Zinsangebot** (Effektiver Jahreszins von 3,69 % bis 9,99 %; [Konditionen + Repräsentatives Beispiel](#)).

Nutzen Sie den günstigen Moment und sichern sich Ihren **persönlichen Bestzins** für die nächsten Jahre.

**Jetzt unverbindlich anfragen**



## Other retail market sustainable housing initiatives

We are committed to empowering our customers throughout their sustainable renovation journey in other retail markets.

In Belgium and Poland, the following key initiatives are also currently in place.

- **Providing Advice:** It is mandatory for ING's trained mortgage advisors to discuss sustainable renovations with customers.
- **Providing financing, including access to subsidies:** We offer sustainable mortgages which provide an incentive to customers choosing energy-efficient homes.

Our Residential Real Estate sector transition plan recognises that, moving forward, ING's transition alignment will need to follow national trajectories - such as the local transposition of the EPBD IV in Europe.

For more information, please see our latest [Climate Progress Update - Our Role in the Transition - Residential Real Estate](#).

## Renewable Energy

Renewables and Power sits at the heart of energy transition, supporting decarbonisation and electrification. In December 2023, we announced a new target for the financing of renewable power generation. This was in response to the call for action made at COP28 in Dubai, where governments pledged to triple global renewable energy capacity by 2030. In 2022, we had announced our aim to increase annual renewables financing by 50% from the base of €1.5 billion in 2021. Our new target amount of €7.5 billion in annual renewables financing by 2025 is a more-than-tripling of the previous target and is five years ahead of the COP28 guidance.

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.

To be able to achieve the new 2025 target, ING has (i) invested in our business by hiring more professionals in various locations around the world and (ii) reduced the internal return hurdle requirements for renewables.

### Our actions in support of clients & portfolio:

- ING has continued to support clients developing stand-alone or co-located battery storage solutions.

### Our actions in collaboration with industry & market:

- ING also supports industry platforms, like our recent sponsorship of an Aurora Renewable Energy Summit in London.

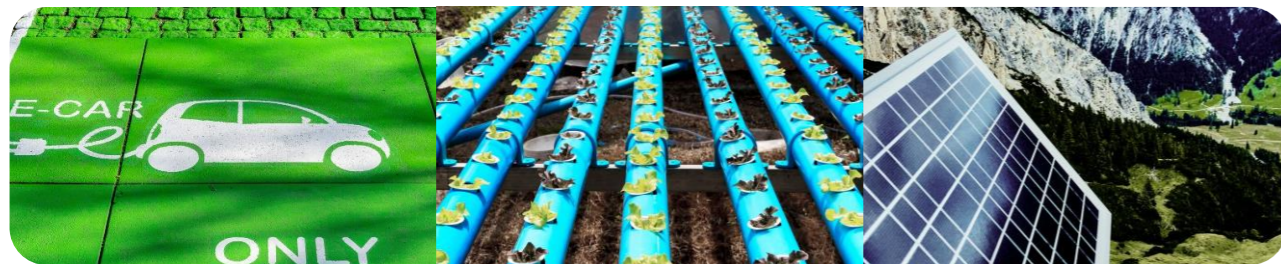


## We Finance More

With a diverse portfolio across business lines, we provide sustainable products and services across various sectors and locations. Our Terra Approach has the ambition to steer the most carbon intensive parts of towards net zero by 2050 or sooner and contribute to keeping global warming within 1.5 degrees Celsius compared to pre-industrial levels. This means we will engage with current clients to help them transition to more sustainable ways of doing business and collaborate with others to drive industry best practice and standards. To do so, we have now changed our Wholesale Banking volume mobilised target from €125 billion in 2025 to €150 billion by 2027.

In this framework, we put an emphasis for Green Buildings and Renewables as we have a considerable exposure in real estate, and we strive to be a banking leader in driving the energy transition. However, we finance more sustainable activities across various sectors. For example, in the automotive sector, we continue to stimulate the shift to electric vehicles (EVs) and invest in the accelerated roll-out of EV-related (charging) infrastructure, shifting subsidies from fossil fuel to renewable power. We also finance additional activities in Telecommunications and Healthcare, as well as many others. To cater for the various sectors that we finance, we also offer various products such as sustainability-linked loans, green loans in our Wholesale Banking activities. All these sectors and products we offer play an important role in our transition to a more sustainable business model.

Lastly, as certain data and methodologies for determining the eligibility of sustainable sector activities become more and more accessible in light of the ESG disclosure regulations and market developments; we aim to include additional sectors and geographies in this framework over time.



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.

See how we're progressing on [ing.com/climate](https://www.ing.com/climate).





# 5. ING Green Funding Framework



# ING Global Green Funding Framework

In alignment with ING's sustainability strategy, we have established a Global Green Funding Framework (hereinafter referred to as the "Framework") to be able to issue any Green liability instrument such as green covered bonds, green senior and subordinated bonds, green structured notes, green Residential Mortgage Backed Security (RMBS), green commercial papers, green deposits or green current accounts to finance and refinance assets and projects that contribute to the transition to a net zero economy (such instruments hereinafter referred to as "Green Funding Instruments"). We hereby aim to promote further investments into assets that will assist in reaching the targets set forth by the Paris Climate Agreement, the EU Environmental Objectives and the UN SDGs.

## Rationale of Framework Update

Since our inaugural Group Green Bond issuance in 2015, we have actively engaged in green issuances at the Group level, as well as covered bonds and green securitisations across various ING entities.

The primary motivation for this framework update is the ever-evolving landscape of sustainable finance and its regulations. Since the last update of the Green Bond Framework in 2022, both regulations and market standards have advanced. Concurrently, ING has announced a renewed strategic focus on sustainability in 2022. In response to these changes, we strive to adapt and align with market best practises and regulations.

This updated Framework incorporates ING's revised sustainability strategy and ESG governance. It also considers the latest developments in ESG disclosure regulations. Additionally, we are implementing a sustainable asset classification system to clearly

define sustainable activities within ING and its business lines. This system allows us to consistently categorise sustainable projects across various businesses and product segments using a harmonised approach.

We have also revised our eligibility criteria in response to regulatory developments. Specifically, the updated criteria will be closely aligned with ING's ESG disclosure requirements such as the Green Asset Ratio (GAR) with an emphasis on alignment with the latest EU Taxonomy requirements. For instance, we have removed green building certificates from the eligibility criteria for Green Commercial Buildings for this framework.

Over time, ING aims to achieve compliance with the EU Taxonomy Regulation, where applicable and feasible, and on a best-effort basis. This is due to the diverse range of projects and activities financed by ING and the various locations in which we operate. Our goal is to enable our investors to contribute to the transition towards a net zero economy. We aim to achieve this by providing a transparent framework that further supports ING's sustainability ambitions.





## Sustainable Asset & Liability Classification Scheme

To further enhance the transparency on sustainable assets & liability management within ING and to further facilitate our net zero ambition, we have developed an internal group-wide Sustainable Asset Classification Scheme (hereinafter referred to as the 'classification scheme') that enables us to recognise sustainable finance activities and label them consistently throughout the Group.

The Classification Scheme (Figure 6) was developed in cooperation with the business lines responsible for lending in each respective sector/portfolio/country. It is embedded into the overall ESG Risk Framework, where specific procedures are defined for identifying economic activities eligible for the Eligible Green Loan Portfolio. Where relevant, the Classification Scheme is incorporated into the Sustainable Finance (lending) Guidelines of the business lines and countries.

The classification scheme is developed in light of regulations such as the EU Taxonomy and market standards (such as the International Capital Market's (ICMA) Green Bond principles, Climate Bond Standards, LMA/LSTA/APLWA's Green Loan Principles, etc.) to enhance the scrutiny when identifying sustainable economic activities and liability instruments.

For clarity, funding instruments launched under a format other than bonds (i.e., deposits, commercial paper, securitised bonds, structured and promissory notes) will also adhere to the four core components of the ICMA Principles described in this framework. They will also comply with any specific regulation on Green funding products applicable at the time of launch (further described in the Use of Proceeds – eligibility criteria in this framework).

In the classification scheme, we outlined three main parameters:

- i) **Parameter 1:** ING's internal ESG due diligence requirements; and
- ii) **Parameter 2:** Use of Proceeds; and
- iii) **Parameter 3:** Relevant regulations & market standards for the eligibility criteria.

## Classification Scheme

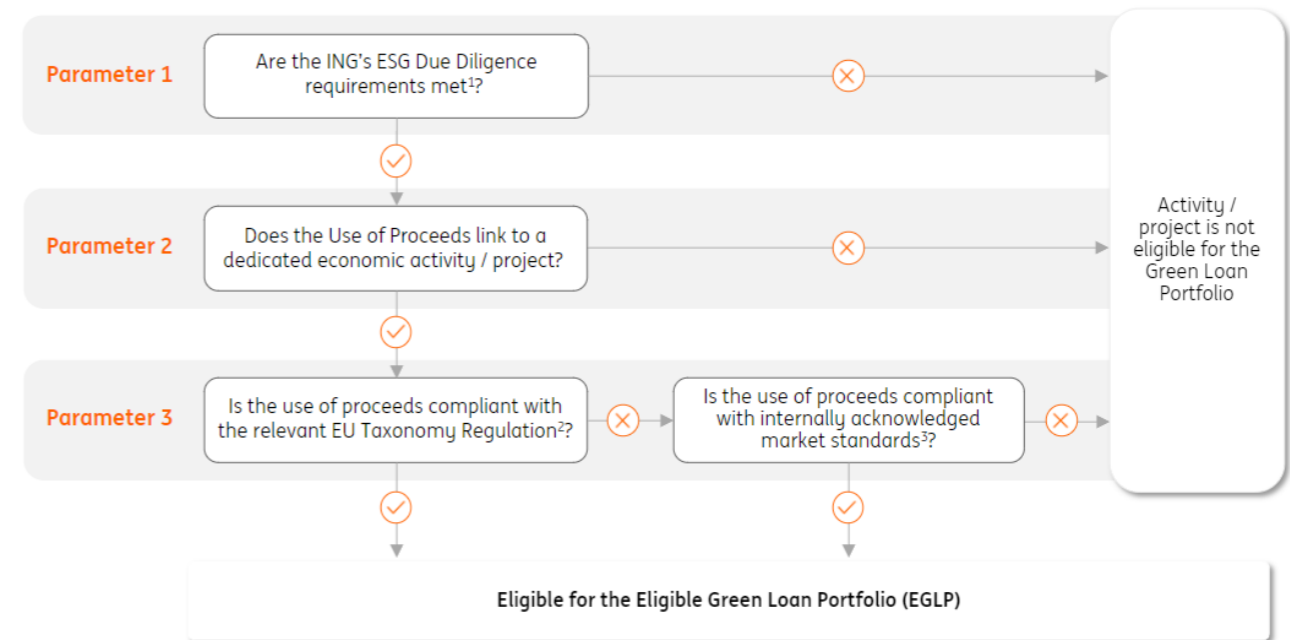


Figure 6 ING's Sustainable Asset classification Scheme

1. ING's ESG Due Diligence, where applicable consist of KYC framework and the ESR framework and the relevant guidelines and requirements set forth in the internal Sustainable Finance/Lending guidelines of the relevant business lines.
2. The EU Taxonomy Regulation (EU) 2020/852 of the European Parliament. In particular, the Substantial Contribution criteria for eligible economic activities, and relevant taxonomy delegated acts (the "Delegated Acts")<sup>3</sup>
3. ING's internal eligibility criteria based on market practice such as the LMA/LSTA/APLWA's Green Loan Principles<sup>4</sup>.

<sup>3</sup> [EU Taxonomy Delegated Acts](#).

<sup>4</sup> [LSTA Green Loan Principles](#)

## ING Global Green Funding Framework

ING’s Global Green Funding Framework aligns with the [2021 edition \(with June 2022 Appendix I\) of the Green Bond Principles \(GBP\) of the International Capital Markets Association \(ICMA\)](#) and aligned with the four core components: **1) Use of Proceeds, 2) Process for project evaluation & selection, 3) Management of Proceeds, 4) Reporting.**

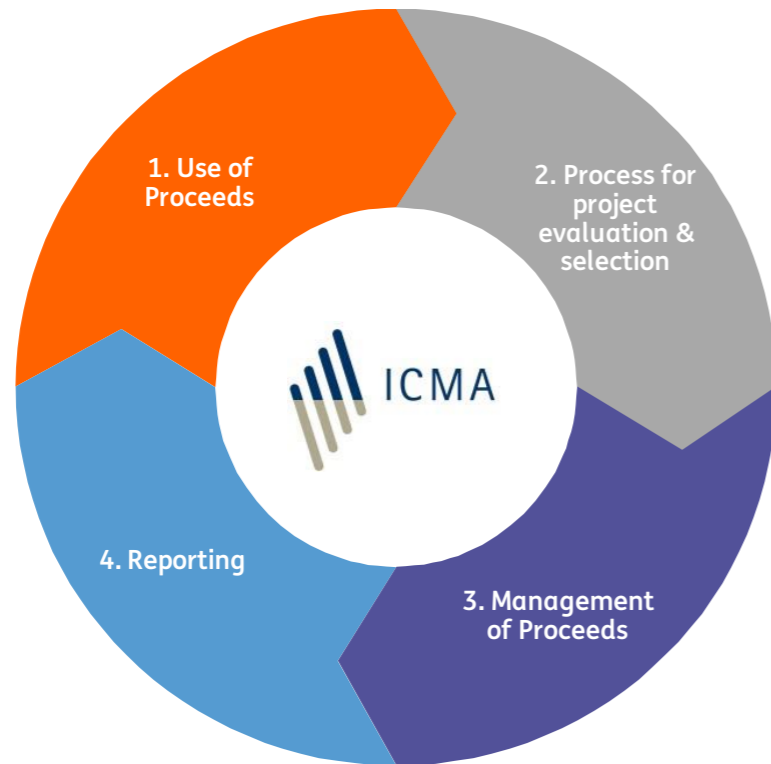


Figure 7 ICMA Green Bond Principles

## Use of Proceeds

An amount equal to the net proceeds of Green Funding Instruments issued under this Framework will be used to finance and/or refinance, a portfolio of “Eligible Green Loans” as defined by the eligibility criteria set out in this section.

### Contribution to the EU Environmental Objectives, the EU Taxonomy Regulation, and the EU Taxonomy Climate Delegated Act

The eligibility Criteria will enable the Eligible Green Loans funded under this Framework to make a substantial contribution to the achievement of the EU Environmental Objectives<sup>5</sup>. The definition of the eligibility criteria outlined in this section takes into account the EU Taxonomy Regulation and the EU Taxonomy Climate Delegated Act <sup>6</sup> Substantial Contribution Criteria (“**EU Taxonomy Criteria**”).

ING’s internal eligibility criteria (as described in the classification scheme above) are applied for activities where the EU Taxonomy is not fully available or not practical based on current market practices and available data or pre-existed the EU Taxonomy. Over time, the aim of ING is to adapt this Framework in order to match with the EU Taxonomy, where relevant, possible and on a best effort basis, given the breadth of projects and activities financed by ING, and the diverse locations ING operates. In the case where EU Taxonomy alignment is reported, it will be reflected in the Allocation Report (See section ‘Reporting’).

The EU Taxonomy establishes a system to classify environmentally sustainable economic activities by setting out metrics and thresholds. ING is closely monitoring the developments of the EU Taxonomy<sup>7</sup>. When deemed necessary by ING, the relevant internal frameworks and policies may be changed to further harmonise with the metrics and thresholds of the EU Taxonomy. If such changes are made, related to criteria in this Green Funding Framework, the framework’s eligibility of Use of Proceeds categories may also be updated.

<sup>5</sup> 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.](#)

<sup>6</sup> [EU Taxonomy delegated act](#)

<sup>7</sup> The EU Taxonomy regulations are being interpreted by ING, and some of the provisions remain unclear, subject to ING’s interpretation.



### Contribution to the UN SDGs

ING’s value creation model shows how the strategy enables value to flow through our business and how we use different types of inputs to create long-term value for stakeholders. This also includes the impact that we generate for society and our planet, which we link to four SDGs: 8) Decent work and economic growth, 10) reduced inequalities, 12) responsible consumption and production, and 13) climate action. In particular, the Green Funding Framework focuses on economic activities that contributes to 13) climate action and other SDGs that collectively contribute to ING’s value creation model.

#### ING’s value creation model - SDG focus<sup>8</sup>:



In alignment with ING’s sustainability ambitions and support of the wider UN SDG 2030 agenda, the eligible green project categories chosen in this Framework aims to contribute to the achievement of the below UN SDGs and related sub-targets<sup>9</sup>.



Figure 8. UN Sustainable Development Goals, for more information please [visit](#).

<sup>8</sup> Please visit [ING 2023 Annual Report for ING’s contribution to UN SDG goals](#)

<sup>9</sup> [Mapping between ICMA Eligible Categories and UN SDGs based on ICMA’s high level mapping](#)



## Green Buildings

*Residential & Commercial Real Estate*

**Category:** *Financing or refinancing new or existing buildings*

### EU Taxonomy

- (7.7.) Acquisition and ownership of buildings

### Contribution to EU Environmental Objective<sup>10</sup>

- Substantial Contribution to Climate Change Mitigation

### Criteria

#### Buildings built ≤ 2021

- Buildings built before 31 December 2020 with EPC label ≥ 'A'
- Belonging to the top 15% of the national building stock based on primary energy demand (PED)<sup>11</sup>

#### Buildings built ≥ 2021

- 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 market<sup>5</sup>

### Contribution to UN SDGs



<sup>10</sup> 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.](#)

<sup>11</sup> 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 use the top 15% approach.





## Renewable Energy

Solar & Wind

**Category:** *Financing or refinancing of production of renewable energy:*

### EU Taxonomy

- (4.1.) Electricity generation using solar photovoltaic technology
- (4.3.) Electricity generation from wind power

### Contribution to EU Environmental Objective<sup>12</sup>

- Substantial Contribution to Climate Change Mitigation

### Criteria:

- Solar energy
- On- and offshore wind energy

### Contribution to UN SDGs



<sup>12</sup> 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.](#)

## Process for Project Evaluation and Selection

Projects financed and/or refinanced through the Green Funding Instruments are evaluated and selected based on compliance with the eligibility criteria described in the previous section.

For Green Buildings, ING will select and track the Eligible Green Loans, where possible, based on the information from the official land register of the respective country where the asset is located<sup>13</sup>. The information is received from specialist building consultant(s) or data providers, where the methodology and data is described in the impact report or a separate methodology report.

In alignment with the wider ESG disclosures of ING Group, ING will identify and keep records of new and existing mortgages that meet the eligibility criteria. The green mortgage register will be kept by ING, and ING will select from which Eligible Green Loans from the register that are available for green funding.

For Renewable Energy, together with the relevant business lines within ING, GT Sustainability Team will identify the Eligible Green Loans in accordance with the eligibility criteria described in the Use of Proceeds section of this framework.

### Group Treasury Sustainability Team

ING Group Treasury has set up a specialised Centre of Expertise team for sustainability. The team takes the lead in embedding sustainability in Group Treasury’s functions and supports the business in developing and executing ING’s sustainability strategic initiatives.

## Sustainable ALM Steering Committee (Sustainable ALM SteerCo)

In 2023 the ING Green Bond Committee has been replaced by the Sustainable ALM SteerCo. The SteerCo oversees all ING's global Sustainable liability and asset initiatives. See **Figure 9** for the participants of the Sustainable ALM SteerCo.



Figure 9 Participants of Sustainable ALM Programme

<sup>13</sup> Recently, the EPBDIV is adopted by the European Union. Member States will have two years to transpose it in their national law. Accordingly, the Member States will be required to update their EPC methodology in accordance with EPBD IV. In addition, the EPBDIV introduces a new definition of a net-zero building for A label certificates. This means that in time, the EPC labels may be subject to change, which may have an impact on our EPC database.



## Main Responsibilities of the Sustainable ALM SteerCo

- The Sustainable ALM SteerCo meets monthly and is the final approver and advisor of topics responsible by the GT Sustainability Team (as outlined below).
- Monitoring body of green funding instruments where the Sustainable ALM SteerCo oversees the allocation of proceeds from green funding instruments to the Eligible Green Loan Portfolio.
- Publication of Green Funding Reporting & Investor Presentations will be approved by the Sustainable ALM SteerCo and ING's External Presentation Committee.

## Main responsibilities of the GT Sustainability Team

- 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 Delegated Acts and the EU Green Bond Standard).
- Defining and evaluating the eligibility criteria regarding the Eligible Green Loan Portfolio, including EU Taxonomy Technical Screening Criteria and Do No Significant Harm (DNSH), and Minimum Safeguards (MS) criteria. When deemed necessary, the criteria of the Framework may be updated to further harmonise with the metrics and thresholds of the relevant EU Regulations.
- 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 Funding 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 Funding Instruments.

- 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.
- Overseeing the process of managing the environmental and social risks of the Eligible Green Loan Portfolio and verifying, on a best effort basis that these associated risks are properly mitigated via the due-diligence processes and other methodologies used by ING.



## Environmental and Social Risk Management Policy (ESR)<sup>14</sup>

ING selects the eligible loans that comply with official national and international environmental and social standards and local laws and regulations on a best effort basis. The selection of the eligible loans is part of ING's ESR transaction approval process where they check the compliance 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 Funding Instruments. These eligibility criteria and minimum requirements and ESG related matters are continuously developed and renewed in its external and internal policy frameworks<sup>15</sup>. The implementation of these minimum ESG requirements helps to mitigate the environmental and social risks associated with the Eligible Loan Portfolio.

## Management of Proceeds

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

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

The proceeds of Green Funding Instruments are tracked and assessed in an appropriate manner including an independent sub-portfolio and/or other internal tracking mechanisms. This sub-portfolio is reported monthly to the Sustainable ALM SteerCo. ING will strive, 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 Funding 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 Funding Instruments will be held in ING's treasury liquidity portfolio, in cash or other short term and liquid instruments, at ING's own discretion.

For each Green Residential Mortgage-Backed Security (RMBS), the net proceeds of the issuance of the Notes by the Issuer will be exclusively applied to (re)finance Mortgage Receivables forming part of the Initial Eligible Green Loan Portfolio that meet, among other things, the Green Eligibility Criteria as at the Transfer Date (e.g. closing date or later quarterly date applicable for replenishments).

<sup>14</sup> For more information, please see ING's [Environmental & Social Risk](#)

<sup>15</sup> More details on ING's human rights and climate change approaches and reports via our [sustainability approach webpage](#).



## Reporting

ING will publish an annual allocation report on ING's website detailing both the allocation and environmental benefits of the net proceeds allocated to each Eligible Project Category and on an aggregated basis for all of ING's Green Funding Instruments outstanding.

ING intends to align the reporting with the portfolio approach described in 'Handbook – Harmonised Framework for Impact Reporting (June 2023)<sup>16</sup>. The reporting is based on the Eligible Green Loan Portfolio and numbers will be aggregated for all Green Funding Instruments outstanding. ING intends to report to investors annually for as long as there are green funding instruments outstanding.



<sup>16</sup> [ICMA Handbook – Harmonised Framework for Impact Reporting – June 2023](#)

## Allocation Reporting

The allocation report will provide information, on an aggregated basis, on indicators such as:

- The total amount of Green Funding Instruments issued.
- The total amount of proceeds allocated to the Eligible Green Loan Portfolio.
- The breakdown of the identified Eligible Green Loan Portfolio, per each Green Eligible Project Category, including:
  - The number of eligible loans.
  - The outstanding amount.
- The balance of unallocated proceeds.
- The amount or the percentage of new financing and refinancing<sup>17</sup>.
- The geographical distribution of the assets (at country level).
- The proportion of the portfolio that is EU Taxonomy aligned.

<sup>17</sup> At issuance, Green Funding instruments are expected to be fully allocated to 'refinancing' of Eligible Green Loans as of the date of issuance, as ING will strive, over time, to achieve a level of allocation of Eligible Green Loan Portfolio that matches or exceeds the balance of net proceeds from its outstanding Green Funding instruments. Given the utilization of the portfolio approach, the Eligible Green Loan Portfolio is dynamic, as new Eligible Green Loans enter and other Eligible Green Loans leave the portfolio (e.g., matured/repaid loans). ING will indicate the amount of newly originated green assets in the Portfolio for recent years, to give an indication of the vintage of the green assets.

## Impact Reporting

Where feasible, and on a best-effort basis, ING intends to report on the environmental impact of the Eligible Green Loan Portfolio financed by Green Funding Instruments<sup>18</sup>.

For each Green Eligible Project Category, the impact report may provide:



- Description of relevant green projects.
- The breakdown of green projects by nature of what is being financed (financial assets).
- Metrics regarding projects' environmental impact as described in [Table 1 Impact Reporting](#).
- Depending on data availability, ING may disclose additional breakdown of the impact on the assets.

Depending on the availability and subject to confidentiality agreements, ING might seek to complement impact indicators with relevant case studies. All relevant information will be published in reports and be made available via the [ING website](#).

## EU Green Bond Standard

ING may provide pre-issuance and/or post-issuance disclosures according to the (voluntary) common templates of the EU Green Bond Standard Regulation<sup>19</sup>.

Table 1 Impact Reporting Metrics

Category	Output Indicators	Impact Indicators
<b>Renewable Energy</b> 	<ul style="list-style-type: none"> <li>▪ Estimated/Actual Renewable Energy Capacity installed in GW or MW</li> </ul>	<ul style="list-style-type: none"> <li>▪ Total Installation Capacity</li> <li>▪ Estimated annual avoided emissions in tonnes of CO<sub>2</sub> equivalent</li> </ul>
<b>Green Buildings</b> 	<ul style="list-style-type: none"> <li>▪ Volume of Eligible Green Loans qualifying in accordance with the eligibility criteria</li> <li>▪ Portfolio composition: EPC labels/building year/new/refurbished buildings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Estimated annual GHG emissions compared to baseline (tCO<sub>2</sub>e) and estimated energy consumption in kWh/m<sup>2</sup>/y</li> <li>▪ Estimated annual reduced and/or avoided emissions in tonnes of CO<sub>2</sub> equivalent</li> </ul>

Where CO<sub>2</sub> emissions figures are reported, the GHG accounting methodology and assumptions will be referenced in the impact reports.

<sup>18</sup> ING has appointed specialised consultants to perform the impact calculations.

<sup>19</sup> EU Green Bond Standard: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023R2631>



## External Verification

### A. Second Party Opinion

ING's Global Green Funding Framework Second Party Opinion from **ISS Corporate Solutions (ICS)** is publicly available on [ING's Website](#).



### B. External Assurance Report

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

## Disclaimer

This document is intended to provide non-exhaustive, general information. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by ING and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by ING as to the fairness, accuracy, reasonableness or completeness of such information.

This document may contain statements about future events and expectations that are forward looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. This document is dated 02/09/2024 and ING has and undertakes no obligation to update, modify or amend this document, the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any addressee if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.

This document is not intended to be and should not be construed as providing legal or financial advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities, loans or other financial instruments, nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any regulatory authority.

No representation is made as to the suitability of any green funding instrument to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of green funding instruments should determine for itself the relevance of the information contained or referred to in this framework or the relevant bond documentation for such green funding instruments regarding the use of proceeds and its purchase of green funding instruments should be based upon such investigation as it deems necessary.

The distribution of this document and of the information it contains may be subject of legal restrictions in some countries. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them.

The information in this document has not been independently verified.

The addressee is solely liable for any use of the information contained herein and ING shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of the information in this document by the addressee.