

ING Responsible Investment Guidelines

August 2025

ESG Investing Approaches

ING offers four Environmental, Social and Governance (“ESG”) investing approaches, each with increasing levels of sustainability integration:

ESG investing approach	Description
Traditional	Mainly financial criteria play a role. ESG is not a factor in investment decisions, except for sustainability risk assessments, such as the impact of climate disruption.
Responsible	ESG-aware: ESG factors are carefully considered in investment decisions: excluding coal, tobacco, controversial weapons, upstream oil & gas, and companies with controversial behavior.
Sustainable	ESG is further integrated: all substantial (foreseeable) sustainability risk. Furthermore, we limit the adverse impact of certain companies by excluding these companies. We have extra exclusion filters, among other things, on gambling, alcohol, weapons, fur and energy companies. By our best-in-class we want to encourage companies to adapt more sustainable business practices
Impact	A sustainable objective is pursued. The objective of sustainability is giving form by investing in companies and projects that contribute positively to societal or environmental problems, e.g. contributing to the Sustainable Development Goals (SDGs) of the United Nations.

Integration in equities, bonds and structured notes

ING uses the following **tools** to embed ESG into investment decisions:

1. Exclusion of Activities

We screen controversial activities:



Traditional*	Responsible	Sustainable & impact
Controversial weapons**	Controversial weapons	Controversial weapons
Tobacco	Tobacco	Coal
Coal	Coal	Electricity generation
Upstream oil & gas ***	Upstream oil & gas***	Disputed weapons
		Tobacco
		Alcohol
		Electricity generation
		Fur
		Gambling
		Gas (incl. upstream)***
		Nuclear*****
		Oil (including upstream)***
		Pornography
		Other weapons

We limit our exposure to these activities by setting thresholds for the exposure of companies to certain sectors. To determine whether the above activities are present in our portfolio, we use data from Sustainalytics(****) and add our own professional judgement to determine the exclusion.

We generally exclude a company when the revenue from that activity is more than 5% of the total revenue. When a company is active in the distribution of that activity, we exclude the company if this accounts for more than 10% of the turnover. Companies active in controversial weapons are however always excluded with a 0% threshold.

* The exclusions within Traditional investing are (except for controversial weapons) only applicable to our direct lines.

** Controversial weapons are excluded by a 0 % threshold for total revenue and turnover.

*** Per 2025 ING Group will bring its portfolio in line with the criteria of the Science Based Targets initiative. For investments this means an alignment on coal, oil and gas exposure. In practice we will exclude coal companies from all portfolios, and all upstream oil & gas companies (Companies active foremost in oil and gas exploration), both per the end of 2025.

**** Sustainalytics, a Morningstar Company, is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies.

***** Nuclear energy is excluded when the revenue of that activity is more than 30%.

Please find here more details about our sectors exclusions: [ING-activities-do-not-invest-EN.pdf](#)

2. Exclusion on Conduct

Screening out companies with severe ESG violations (e.g., UN Global Compact breaches). Controversial conduct is excluded based on the following subjects:

Traditional	Responsible	Sustainable & impact
No specific exclusions in the portfolio concerning conduct	Labour Human rights Environment Anti-corruption international standards and values.	Labour Human rights Environment Anti-corruption Animal welfare International codes of conduct

For the exclusion on conduct we make use of ESG data from Sustainalytics and other public news sources, combined with our professional judgement. We exclude a company when conduct of the company is seen as a violation of the UN Global compact principles, or OECD guidelines for multinational enterprises, or marked as “severe conduct, category 5” by Sustainalytics. For our sustainable and impact investing approaches we go a few steps further and also exclude highly controversial conduct (category 4 and sometimes 3 by Sustainalytics).

3. Best-in-Class

For best-in-class, we give preference to companies that demonstrate strong awareness and performance on ESG issues. We assess the extent to which a company is aware of sustainability compared to other companies in the sector using the ING Group’s method: **Non-financial indicator (Nfi)**. The ING Group then looks beyond the financial data of the companies by also assessing the companies’ management of ESG Risks, the Management momentum, Impactful products, Principal Adverse Impact Indicator (PAI) as defined by the SFDR.

Traditional	Responsible	Sustainable	Impact
No preference	Preference for the companies that show better governance of ESG factors than their competitors	We are investing exclusively in the 70% of the best scoring companies in terms of Nfi.	Investments are made in principle in the 70% best scoring companies on sustainability. The positive impact of their products prevails.

4. ESG Integration

Embedding ESG data into financial analysis. Sustainability risks are an important factor and, like other risks, are part of our investment decision-making process. The aim is to better understand the risks and opportunities companies face.

5. Voting and engagement

ING Luxembourg does not engage directly with the companies it invests in, the engagement and voting is done at Group level. ING Group is focusing on the following 3 themes: Planet, People, Prosperity. Please follow this link to find more about the ING Group voting policy : [Voting overview page](#)

You can read here when and how this is done : [Engagement Guidelines here](#)

Structured notes are evaluated based on the TRSI classification* of both the underlying note and the derivative.

The lowest TRSI rating between the two components determines the note's overall classification. For the determination of the TRSI classification of the underlying note we assess the issuer of the note, like it is a company. For the determination of the TRSI classification of the derivative, we assess the underlying company, index or fund of the derivative.

** ING classification to determine if an investment instrument or investing approach is classify as "Traditional", "Responsible", "Sustainable" or "Impact".*

ESG for Sovereigns

Sustainability assessments can also be applied to sovereigns, though the approach differs from that used for companies. Sovereigns are assessed both on their financial performance and their sustainable characteristics. The fundamental idea with the assessment of sovereign debt is to gain assurance that society and economy is able to prosper due to good governance by the government of the country, which in the end makes it easier for the country to meet its debt obligations. To assess the robustness of the state and its institutions, we look at three elements relevant to sustainable investing:

- **Environment:** Environmental Performance Index (EPI), Carbon footprint (PAI)
- **Society:** Social Progress Index, death penalty exclusion, treaty signatories (Ottawa & Cluster Munitions), income inequality (PAI)
- **Governance:** Worldwide Governance Indicators.

Only countries scoring above average on these metrics are eligible for sustainable or impact portfolios.

[Please find here more information on our method and the countries we consider as sustainable](#)

Integration of sustainability in funds

As investment funds, similar products like index funds and ETF's are managed by external asset managers, we look for those products that best match the way in which we at ING integrate sustainability into the various investment solutions. This is done by looking at the underlying tools that the fund manager applies. We try to find asset/product managers whose sustainability integration tools are in line with ours. We do so via the ESG Fund survey. When selecting investment funds, we use the outcome of the survey to decide if the fund is in line with the applied ESG investment approach.

ING uses the **ESG Fund Survey** to assess alignment with its ESG standards. If misaligned:

- ING may **engage** with the fund manager (up to 2 years).
- If unresolved, the fund is **excluded**.

[Please find here more information on our selection method for sustainable funds](#)

