



Statement of Principal Adverse Impact on sustainability factors

ING Luxembourg takes into account the adverse impacts of investments on sustainability factors

ING Luxembourg believes that investing comes with a responsibility that goes beyond merely looking at the financials. That is why we look at the world around us and we take sustainability factors into account when we make investment decisions and investment advice. Investments can have favorable, but also unfavorable consequences for sustainability factors. These negative consequences are also referred to as 'Adverse impact' and are defined as *"negative, material, or likely to be material effects on sustainability factors that are caused, compounded by, or directly linked to investment decisions and advice performed by the legal entity"*.

Sustainability covers a wide range of factors, from environmental, social and employment issues to respect for human rights and the fight against corruption and bribery.

Sustainability risks are defined in details and it is explained how ING Luxembourg deals with these risks in the [Sustainability Risks Policy](#).

In order to limit the negative impact on sustainability factors, ING Luxembourg considers the adverse impact of its investments on sustainability for certain types of financial products. In this statement we explain our policy with respect to those impacts.

This statement applies to our discretionary managed portfolios as well as to the universe of investments we take into consideration for advice. Within advisory services clients may hold other investments in their portfolio on their own initiative that are not necessarily aligned with the Sustainability Risks Policy of ING Luxembourg.

Description of the principal adverse sustainability impacts and actions taken in relation thereto

ING Luxembourg addresses principle adverse impacts through investment restrictions for its investment solutions.

According to the Sustainability Risks Policy, ING Luxembourg identifies the most important adverse effects on sustainability factors and describes the measures by which ING Luxembourg wants to limit these effects.

Under this approach, ING Luxembourg strives not to take investment decision or advice directly or through investment funds in companies whose services or products entail high costs for the environment or society.

ING Luxembourg's investment approach focuses on the following indicators:

- Compliance with the principles of the United Nations (UN) Global Compact and the guidelines of the Organization for Economic Co-operation and Development (OECD) for multinational companies. These guidelines cover human rights, environment, labor, and anti-corruption.
- Limiting exposure to controversial weapons and producers of cluster munition.
- Limiting exposure to companies that produce electricity through coal-fired power plants or are involved in coal extraction.

- Limiting exposure to companies that manufacture tobacco products.
- Limiting exposure to companies that demonstrate controversial behavior according to the standards of research agency Sustainalytics which is a Morningstar Company providing high-quality, analytical ESG research, ratings and data to institutional investors and companies.
- Limiting exposure to companies involved in oil, non-conventional gas, pornography, fur and alcohol.

ING Luxembourg differentiates the way in which sustainability risks are integrated into investment decisions and investment advices depending type of investments: direct line investments versus investments through investment funds. More details regarding the exclusion principles per type of product are available in the Sustainability Risks Policy

Responsible business conduct codes and internationally recognized standards

ING Luxembourg is part of ING Group. ING Group is signatory and member to various international standards and business codes.

ING Group endorses (is signatory of):

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

ING Group is a member of:

- The Academy of Business in Society (ABIS)
- Association for Financial Markets in Europe (AFME)
- Circle Economy
- Climate Markets and Investment Association (CMIA)
- CRO Forum, Sustainability Working Group
- Equator Principles Association (EP)
- European Financial Services Round Table (EFR)
- EUROSIF (VBDO)
- Institute of International Finance (IIF)
- International Capital Market Association (ICMA)
- International Integrated Reporting Council (IIRC)
- Netherlands Water Partnership
- Roundtable on Sustainable Palm Oil (RSPO)
- Thun Group of Banks
- United Nations Environmental Programme Finance Initiative (UNEP FI), including UNEP FI TCFD Pilot Phase II
- United Nations Generation Unlimited

Important Information

This document describes how ING Luxembourg takes into account the adverse impacts of investments on sustainability factors. This document is compiled by ING Luxembourg and applicable to all products and services under FMP and FA obligations, but does not in any case, reflect any investment recommendation. The statement and the cross reference to the Sustainability Risks Policy are compiled in order to provide an overview of the ING Luxembourg's approach with respect to the adverse impacts on sustainability factors. Before making any investment decision, please read carefully the pre-contractual documentation of the relevant products and services.

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