

Dear Jeanne,

Many thanks for reaching out to ING regarding our climate change and biodiversity approach. In your letter, you kindly requested our response to five specific questions. For your convenience we have used the same structure in our response provided below.

1. Short-term climate-related targets:

Our Terra approach covers our lending activities to those sectors represented in our loan book with the biggest impact on the climate being oil & gas, renewables and conventional power, automotive, shipping, aviation, steel, cement, residential mortgages and commercial real estate. In our first two climate reports, we mainly focused on mapping technology applied and thus the climate impact of the nine sectors, in alignment with the Paris Agreement climate goal. Going forward we seek to add intermediate climate scenario alignment targets per sector in our annual updates as well. The exact date of disclosure of the intermediate targets for each and every sector is not known yet though. However, we will make sure to disclose within the given timelines of the NZBA commitment. Also, we suggest to continue our dialogue on this matter.

2. Integrate the findings of Net-Zero scenarios:

October 2018, IPCC published its Special Report on Global warming of 1.5 degrees. In response, ING [kindly requested the Dutch government](#) to request the International Energy Agency to develop 1.5°C roadmaps. Doing so, we expressed our interest in the development of 1.5 degrees scenarios, with and without CCS, and indicated our willingness to understand potential consequences and feasibility of such scenarios.

In Q2 2021, based on the first comprehensive 1.5 scenario published by the IEA, we evaluated the consequences of a possible commitment to net zero in 2050 and decided to join the Net-Zero Banking Alliance (NZBA). [We signed the NZBA commitment](#) end of July 2021. ING will set our first Net Zero targets by September 2022 latest, and within a further 18 months, set targets for all or a substantial majority of our carbon-intensive sectors (which we have defined as our 9 Terra sectors), all in accordance to the NZBA's Guidelines for Climate Target Setting for Banks.

3. Phase out from coal by 2030 in OECD countries and by 2040 in non-OECD countries:

[ING's coal policy](#) was significantly strengthened in 2017, establishing that ING will reduce our thermal coal-related exposure to close to zero in both OECD and non-OECD countries, by 2025. The specific elements of the policy have been published in our [ESR Risk Framework](#). Our coal policy includes coal fired power plants, diversified utility companies operating (amongst others) coal fired power plants, thermal coal mines, thermal coal mining companies, traders, and dedicated-use infrastructure such as terminals for exclusive thermal coal use. Thermal coal exposures and activities of the bank addressed under the policy include project finance, general lending, trade & commodity finance, as well as underwriting and advisory services. ING aims to achieve its overarching goal of phasing out exposure to thermal coal, while ensuring continuing support to those clients which are decreasing their absolute CO2 emissions and intensity through exiting the use of coal power and diversifying to renewable sources of electricity generation.

4. Financial statements drawn up in alignment with a 1.5C-pathway:

Climate reporting is very much under development still, moving from policy statements to portfolio alignment with climate scenario's, to risk assessment and financial reporting. ING is closely monitoring legislative developments on ESG transparency and disclosure requirements to be able to fulfil (financial and/or climate-) reporting obligations. Doing so, we continue to build on our TCFD based climate reporting efforts, including portfolio disclosures in terms of climate scenario alignment, as well as increasingly so financial exposures.

5. Develop and disclose a strategy to address the systemic risk posed by biodiversity loss:

At ING we acknowledge that banks have a responsibility to help protect ecosystems and global biodiversity, as well as human rights. Please find our approach to [biodiversity](#) and our [stance on biodiversity](#) on our public website. With these disclosures we aim to create transparency on the way we see biodiversity and act on it, creating a foundation for open dialogue with our stakeholders. As you might have read in our approach to biodiversity, we believe that we need to increase our understanding of the impacts and dependencies on nature and biodiversity in our portfolio. Like you ask, we will therefore analyse our lending portfolio on biodiversity-related criteria, starting with the sectors that carry increased biodiversity risks. This will inform further action and target setting on biodiversity. To advance this field, we have co-authored the recently published [Guidance on Biodiversity Target-setting](#). Once the final objectives and targets of the Convention on Biological Diversity (CBD) have been decided, we will analyse them to decide how we can contribute. In the meantime we are actively contributing to the draft framework, to support the CBD delivering ambitious and feasible goals and targets for the finance sector. ING is also looking with interest at TNFD to provide an encompassing reporting framework. We are part of the TNFD network to help advance that framework.

To strengthen biodiversity and human rights safeguards in sector policies for high risk industries, ING has an overarching climate and human rights policy within our [Environmental and Social Risk policy framework](#). In recognition of the fact that some sectors of the economy carry increased biodiversity risks, the ESR framework contains specific due diligence requirements for the sectors Chemicals, Energy, Forestry and Agriculture, Manufacturing, Metals & Mining and Infrastructure. The overarching climate and human rights policy and the sector policies, integrate sustainability considerations and objectives in all our business activities and actively manage social and environmental risks associated with business engagements.

Please do not hesitate to contact us if our response somehow is unclear.

Best regards,

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