



ING's approach to the Modern Slavery Act

Introduction

As a global company with more than 38 million customers, ING believes we have a responsibility and opportunity to help society meet the challenges it faces. As a bank, we therefore believe it is our role to facilitate and finance society's shift to sustainability. As a global bank, ING has the potential to impact human rights through our operations across sectors and geographies. As reflected in other public statements and reports, we see that there is more and more accountability and opportunity for human rights and business. In 2020, continued our human rights practices and disclosures. An overview of these can be found in our [2020 Human Rights Update](#). In the Update we describe how we have been preparing and responding to a changing external landscape on human rights, client engagement and our responses to Covid-19. Specific steps we have taken are:

- We [updated](#) our ESR policy framework in line with the Equator Principles. The Equator Principles (EPs) is a risk management framework adopted by financial institutions for determining, assessing and managing environmental and social risk in projects
- We have been following up on outputs from the Dutch Banking Sector Agreement on Human Rights. For example, by continuing to increase our leverage through client engagement. And through specific topical enhancements, such as new ways to leverage parties across supply chains to work on human rights proactively, for example through a coffee value chain initiative hosted by ING where risks such as forced labour and child labour are discussed.
- We continued project-level innovation for human rights impacts on the ground. Internally, we are piloting new initiatives to explore proactive interventions on the ground.
- We gave input to the development of legislation on mandatory due diligence. We publicly called for a smart mix of voluntary initiatives and hard law at EU level, creating harmonised standards for all businesses, increasing leverage along supply chains and increasing legal certainty for business.
- We continued to develop our approach to client engagement and portfolio risk management on salient human rights issues (including child and forced labour).
- We monitored risks associated to the pandemic for example increased risks of child labour and in mining supply chains or risks to migrant workers and we adapted our due diligence for example through virtual sites visits and enhanced clients engagement.

Within our relationship as a corporate lender, harmful child and forced labour were identified as salient human rights issues in our [2018 Human Rights Report](#). Each of our two [subsequent human rights publications](#) provide further information on our business, policies, due diligence, location of risks, performance management and capacity building on the topic of human rights.

Our business

We are a global bank with a strong European base, offering retail and wholesale banking services to customers in over 40 countries in Europe (including the UK), North America, , the Middle East, Asia and Australia. Our activities connect us to millions of people and businesses across the globe. We protect people's savings and offer them loans to help them make purchases – from everyday transactions to buying a home – that improve the quality of their lives. We advise people on how to invest for future needs and help them buy securities, such as stocks and bonds. We work with companies to optimise their daily operations, whether they need working capital to make payroll or

export their goods overseas. We provide financing and support to governments so they can build infrastructure, such as housing, transportation, schools and other vital public works, that enhance their economies and the living standards of their people. By lending to clients large and small, we help them grow, creating jobs and economic value at home and in communities across the globe. In our own operations we purchase goods and services from thousands of suppliers around the world.

On the one hand, businesses can help advance human rights in a number of different ways, including by offering access to decent work, creating higher living standards, protecting children's rights and procuring goods in a responsible manner. On the other hand, businesses can also hinder human rights, as evidenced by reports around the world of forced labour, by offering unsafe working conditions, by exploiting migrant workers and harm done to communities.

As a bank, our impact can be on different levels due to the various roles that we have:

- via our workplace (as an employer);
- via our supply chain (as a procurer of goods and services);
- via our clients and business partners (as a provider of financial, advisory and other products and services);
- as an industry leader, helping to shape industry standards through multiple engagement platforms and working groups (as a provider of financial, advisory and other products and services);

ING is committed to conduct business in an honest way, we are for instance doing this by complying with applicable laws, regulations and standards in markets and jurisdictions we operate in. ING's respect for human rights and their integration into our business engagements are guided by the standards established in:

- the Universal Declaration of Human Rights (UDHR);
- the eight Fundamental International Labour Organisation Conventions ('ILO Conventions');
- the Children's Rights and Business Principles (CRBP);
- the Corporate Responsibility to Respect Human Rights under the UN Guiding Principles on Business and Human Rights;
- the UN Global Compact, which encourages companies to conduct business in a responsible manner by following common principles in the field of human rights, labour, the environment and anti-corruption, and;
- the OECD Guidelines for Multinational Enterprises.

ING supports eliminating all forms of human trafficking, labour suppression, forced and harmful child labour that go under the general term of 'modern slavery'. Within our own organisation we support eliminating such crimes among those we do business with through screening capabilities, external engagement and by using integrated crime-detection strategies within our controls.

In 2019, the KYC team of ING Domestic Bank the Netherlands (DBNL) started participation in a joint project that aims to better detect human trafficking red-flags within financial institutions. The project is the result of a joint research of the Inspectorate of the Dutch Ministry of Social Affairs and Employment, the University of Amsterdam, ABN AMRO bank and the Financial Intelligence Unit (FIU) of the Netherlands based on the data period from July 2016 to April 2019. Together, these parties

have developed a model to detect signals of money laundering related to socio-economic fraud and human trafficking in financial data. Based on this research programme, the Financial Expertise Centre (FEC) in the Netherlands, to which ING is connected, has started a project in which several public and private parties are involved. This has the aim to apply the specific typologies developed in the programme through the KYC processes of such private and public parties as part of their gatekeeper role. Together with other FEC partners, ING will further test and improve the identified red-flags and expects to apply these in control based monitoring processes in the near future.

Our workplace

With over 57,000 employees, we aim to be a responsible employer that provides staff with good working conditions and opportunities for growth.

Our business centres around trust, as we can only maintain our stakeholders' confidence and preserve our company's reputation by acting with honesty, professionalism and integrity. This, and more, is outlined in our [Orange Code](#) – our ING set of values and behaviours. The Orange Code underpins all people, processes and tools including performance management. We also have ongoing local and global communication programmes regarding the Orange Code within ING.

In the past year we rolled out our new Code of Conduct which builds on the values and behaviours in our Orange Code and links them to our policies, minimum standards and guidelines. It sets out the 10 principles for conduct we expect from our employees in their everyday activities. This includes the principle that every ING employee is entitled to a safe working environment. Fostering a safe working environment enhances employee engagement, improves wellbeing and creates a strong performance culture. ING does not tolerate discrimination, harassment, bullying, sexual or other forms of intimidation, aggression and violence.

We're committed to respecting all human rights, but there are some rights we consider particularly relevant and fundamental for our workforce. These include freedom of association, having a healthy and safe workplace, collective bargaining, and freedom from discrimination.

Our supply chain

With more than €4.7 billion spend and 28,000 suppliers worldwide, we have an opportunity to drive our sustainability ambitions through our supply chain. By having a process in place that encourages suppliers to act responsibly, we strive to make a significant impact. As a financial institution, our suppliers are mainly service suppliers ranging from IT, retail services, logistics to catering and cleaning. Involving suppliers that align with our sustainability standards – including zero tolerance towards Modern Slavery – should help to make a difference.

Our global Know Your Supplier (KYS) process helps us determine whether or not we want to work with a supplier because it helps determine the level of social, environmental and financial risks associated with a supplier. The KYS process helps to respect and comply with regulatory and policy requirements while selecting, contracting and working with suppliers and outsourcing partners. These requirements stem from areas such as procurement, our know your customer corporate client screening process and legislation in relation to Financial Economic Crime, Anti-Bribery and Corruption, Environmental and Social Risk, Sustainability and Modern Slavery.

Within our KYS process, suppliers with a spend above a yearly monetary threshold are taken through different levels of due diligence, each level having various dependencies. In the first level suppliers are screened for various risks and performance such as Environmental and Social risk. Suppliers that are required further due diligence must confirm and acknowledge that they do and will comply with

specific ING policies. One of the questions addressed to our suppliers in this process specifically refers to legislation in relation to Modern Slavery, including human rights (e.g. protection of human rights, no human rights abuses) and labour (e.g. no forced and compulsory labour, abolish harmful child labour). Our approach will help us to make informed decisions on the important topic of human rights in our supply chain. Only when suppliers will successfully complete the full KYS process, they will attain “Qualified” status and are ready to become potential ING suppliers.

While we are proud of the sustainability criteria already in place in our KYS process, we are also aware this is an ongoing process that requires constant attention. This is an evolving area, which will require continuous attention to comply with current and new developments.

How we do business and who we do business with

As a bank, our financing choices can help society transition to becoming more sustainable and behaving in a more socially responsible way. Every corporate client and every lending transaction is assessed, monitored and evaluated against the requirements of ING’s [Environmental and Social Risk \(ESR\) Framework](#).

The ESR Framework is built on ING’s values and its underlying commitment to respect human rights and the environment. Combined, they define the underlying ESR considerations for all business conduct. Under these pillars, ING has developed policies that identify, assess and manage business engagement in certain activities and sectors that are more vulnerable to environmental and social risks and impacts. Human rights are captured in an overarching [human rights policy](#) that applies to all industry sectors in which ING operates. In our 2018 ESR policy review we updated and expanded this overarching policy and included explicit guidance on forced and harmful child labour. Within our defined high-risk sectors in the ESR Framework, the following sector policies specifically address the increased risk of harmful child and forced labour: Manufacturing; Forestry and Agri; Commodities; and Metals and Mining.

We also apply The Equator Principles in project financing which prohibits ING to finance projects linked to forced labour and harmful child labour. As part of the alignment with the IFC Performance Standards under the Equator Principles, promoting safe and healthy working conditions and the avoidance of forced labour and harmful child labour is essential when financing projects.

The ESR governance and assessment tools that ING has in place help us to evaluate our corporate clients and we periodically review the client/transaction throughout the entire lifetime of the relationship with ING. On a yearly basis the ESR team also provides training to front office, risk and compliance colleagues on the ESR Framework and the application of the Equator Principles worldwide.

ING joined the Dutch Banking Agreement on Human Rights (DBA) in 2016, together with other Dutch banks, trade unions, NGOs and the Dutch government. A mapping of our actions resulting from the DBA can be found on p. 4 of our [2020 Human Rights Update](#).

Our policies

Alongside the policies already mentioned, and those extensively explained within our Human Rights Reporting, we also support responsible business conduct with abiding by the following policies:

Know Your Customer (KYC) Policy

As a result of regularly evaluating all businesses from an economic, strategic and risk perspective, ING believes that it is inappropriate to do business involving certain countries. In that respect, ING has a policy not to enter into new relationships with suppliers and/or clients from these countries. Processes also remain in place for discontinuing existing relationships involving these countries. At present these countries are: North Korea, Sudan, Syria, Iran, Cuba and Crimea.

For more info, see: <https://www.ing.com/About-us/Compliance/KYC-and-anti-money-laundering-measures.htm>

Anti-Bribery and Corruption Policy

ING addresses integrity risks related to bribery and corruption through regularly assessing the risks of our activities, as well as of our client and third party relationships. ING is committed to conducting business in an honest and ethical manner and has a zero-tolerance approach to bribery and corruption in all relationships and business dealings, wherever we operate.

For more info, see: <https://www.ing.com/About-us/Compliance/Zero-Tolerance-Bribery-Statement.htm>

Whistleblower Policy

The ING Group Whistleblower Policy (updated 1 July 2018) provides a means for every employee to report a concern outside normal reporting channels, including concerns related to modern slavery and/or human trafficking such as; suspected or actual criminal conduct, unethical conduct or other misconduct by or within ING. For example: money laundering or terrorist financing or financing clients who violate human rights. This also can be done anonymously.

For more info, see: <https://www.ing.com/About-us/Compliance/Whistleblower-Policy.htm>

Complaints Procedure

We have updated our complaints procedure on 31 March 2021 which is accessible via the website: <https://www.ing.com/Aboutus/Compliance/Complaints.htm>

It is open to all third parties and specifically refers to the possibility to address human rights issues via this channel.

Conclusion

This statement has been produced in accordance with the requirements of section 54 of the United Kingdom Modern Slavery Act 2015. This statement may also contain information relevant to the Australian Modern Slavery Act. It will be reviewed annually and updated as deemed necessary. It has been reviewed by senior managers and key stakeholders within ING and was last approved by our Board in May 2021.

Signed by Andrew Bester,
Member Management Board Banking and head of Wholesale Banking ING Group