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## A CLEAR STANCE ON BANKING IN SENSITIVE MARKETS: DEFENCE EQUIPMENT

Although our stake in financing the defence sector is fairly limited, it is not just numbers that count, particularly not in a sector as sensitive as defence.

That's why our defence policy is an important part of our sustainable approach to financing. The policy was first drafted in 2003 and thoroughly revised on several occasions since. Over the years, it has evolved to better address social concerns about controversial weapons and arms trade.

Our defence policy provides clear guidance on what we believe to be controversial or undesirable business activities. We consider anti-personnel landmines and cluster munitions controversial, as well as depleted uranium ammunition, biological and chemical weapons. ING will finance neither the production, maintenance or trade of these weapons nor provide any financial services to companies involved in these kinds of weapons.

We also do **not** finance the development, production, maintenance or trade of nuclear weapons. Certain companies are partially involved in producing nuclear weapons while primarily engaged in non-defence activities. In those cases, ING doesn't finance the nuclear weapons activities of these companies. It's possible that we finance other activities of these companies, such as the production of lifts, thermostats or aircrafts for the civilian sector. We only finance these other activities if the company is headquartered in a country that has signed the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and if it guarantees that ING funds won't be used for nuclear weapon-related activities.

An example of the latter is with Airbus Group, a global player in civilian aviation. ING finances Airbus Group to be able to build airplanes used all over the world by aviation companies. Through a joint venture participation in Ariane Group, Airbus is also indirectly engaged in producing, among other things, components for the French nuclear arsenal. We've extensively discussed our restrictive approach towards nuclear weapons activities, a point of view that's well respected by the company. In practice this means that we won't finance its joint venture Ariane Group at any level.

Furthermore, our defence policy sets guidelines for arms trade. It prescribes that ING will not have dealings with companies in the defence sector when there is evidence that they make arms available to countries that are under a weapons embargo, terrorists and other non-governmental armed groups, or when they are used for internal repression, serious violations of international humanitarian law or for any other purpose that cannot reasonably be considered consistent with normal and legitimate national security and defence.