SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

ING

7 January 2025

Scope 1 and 2: ING commits to reduce absolute scope 1 and 2 GHG emissions 44% by 2030 from a 2023 base year.

ING commits to increase active annual sourcing of renewable electricity from 98.3% in 2023 to 100% by 2030.

Scope 3 Portfolio Targets

Headline target: ING's portfolio targets cover 63% of its total investment and lending by financed emissions as of 2021.[1] As of that year, required activities made up 90% of ING's total investment and lending by financed emissions, while optional activities made up 10%.

In terms of total assets, ING's portfolio targets cover 5% of its total investment and lending as of 2021. As of that year, required activities made up 37% of ING's total investment and lending by total assets, while optional activities made up 38% and out of scope activities made up 25%.

Scope 3 asset class level targets

Asset class	Method	Target language
Real estate	Sector Decarbonization Approach (SDA)	ING commits to reduce all in-use operational GHG emissions from its commercial real estate loan portfolio 56.4% per square meter by 2030 from a 2022 base year.
Project finance and corporate loans: electricity generation	SDA	ING commits to reduce GHG emissions from the electricity generation sector within its corporate loan and project finance portfolio 78% per MWh by 2030 from a 2018 base year.
Corporate loans: cement	SDA	ING commits to reduce CO_2 emissions from the cement sector within its corporate loan portfolio 29% per ton of cement by 2030 from a 2020 base year.

[1] These targets cover 67% or more of the financial institution's Portfolio Target Boundary as required in FI-C15. These targets and coverage % do not include third-party asset management activities. Third-party asset management activities (discretionary mandates) made up 3% of total investment, lending and asset management activities by total assets and assets under management. ING notes that the total assets used in the financed emission calculation of the loan book cannot be reconciled to the financial reports values used in its Annual Report, as the former metric excludes the fair value adjustments on hedged items, deferred acquisition cost and some other reserves.

Corporate loans: steel	SDA	ING commits to reduce CO_2 emissions from the steel sector within its corporate loan portfolio 28% per ton of steel by 2030 from a 2021 base year.
Corporate loans: automotive	SDA	ING commits to reduce CO_2 emissions from the automotive manufacturing sector within its corporate loan portfolio 49% per vehicle-km by 2030 from a 2020 base year.
Corporate loans: aviation	SDA	ING commits to reduce CO_2 emissions from the aviation sector within its corporate loan portfolio 19% per revenue tonne kilometer (RTK) by 2030 from a 2023 base year.* * The target boundary includes land-related emissions and removals from bioenergy feedstock.
Corporate loans: fossil fuels	Fossil Fuel Finance	ING commits to publicly disclose on an annual basis all of its financial activities by loan commitment and exposure as well as the GHG emissions attributed to its applicable loans, investments and assets under management that are related to projects and companies in the coal, oil and gas sectors separately. ING commits to immediately end all new applicable financial activities related to (i) projects and companies involved in new coal mines, extensions or expansion of coal mines or new unabated coal-fired power plants; and (ii) new long-lead time upstream oil and gas projects and midstream infrastructure dedicated to new long-lead time upstream oil and gas projects; and (iii) including those provided to companies that are dedicated to such oil and gas activities. ING commits to reduce GHG emissions from the upstream oil and gas sectors within its applicable corporate loan, investments and assets under management portfolio 50% by 2030 from a 2019 base year. ING commits to phase out all applicable financial activities to all non-decommissioning coal projects and coal companies by 2025.

The targets disclosed above must be read together with the following notes and the caution about each target related assumptions, product/activity scoping, data quality and other uncertainties as disclosed from time to time in ING's relevant disclosures (please click here: Climate I ING for more information on ING's SBTi-validated targets and here: Reporting | ING and here: Annual reports | ING for the most recent versions of ING's climate progress update and annual reports). Please refer to ING's relevant disclosures for updates and additional information on the status, methodologies and target setting. The risk factors associated with achieving these targets are further described in the "Risk Factors" section set out in ING's annual reports from time to time (Annual reports | ING).

Summary

ING has the ambition to be a banking leader in building a sustainable future for the company, its customers, society and the environment. This ambition is translated into the overall priority to "put sustainability at the heart" of the company's business strategy, with a focus on the interlinked topics of climate, nature and human rights.

ING, in its role as a systemically important bank, has assessed that the biggest impact it can make is through the financing it provides. ING strives to help accelerate the transition by engaging with clients – especially those in the most carbon-intensive sectors – to help them drive down emissions in their operations and supply chains, and by financing the technologies and solutions needed for a low-carbon world.

With its Terra approach (begun in 2018), ING steers the most carbon-intensive sectors in its lending portfolio in line with science-based net-zero alignment pathways. ING has set near-term emissions reduction targets, and will implement the following strategy and actions to achieve its targets:

ING steers its corporate loan portfolio towards its climate targets at both sector and client level. Terra sectors for which targets and policies have been set include: Power Generation, Fossil Fuels[2], Cement, Steel, Automotive, Aviation and Commercial Real Estate. ING strives for transparency, and methodological details, progress measurements and sector-level transition plans with planned actions are described in ING's Climate Progress Update 2024 and Annual Report 2024.

ING operationalises its climate strategy and targets by embedding them into its processes, business decision-making and client engagement. For example, ING has begun the ongoing assessment of the public climate disclosures and transition planning of around 2,000 large clients, including all those in the Terra sectors, generating a Client Transition Plan (CTP) score for each. This creates the foundation for tracking the transition progress of those clients, and feeds into data-driven discussions with clients about their transition strategy and how ING can support them.

Potential new transactions in the scope of Terra are assessed from a climate alignment perspective, with the CTP scores and mandatory Terra- and climate-related questions incorporated

[2] ING defines coal companies and projects as those with over 5% revenue from thermal coal value chain, i.e. exploration, mining or extraction and the development or expansion of mines for all thermal coal grades, as well as for lending to power utility companies with over 5% capacity reliant on thermal coal (NAICS codes: 324199, 212112, 212111, 423520, 221112). ING defines Oil & Gas companies and projects as those active in the exploration, extraction and development or expansion of oil and gas fields and infrastructure connected to this (NAICS codes: 211120, 211130, 211113, 324110, 424710, 486110, 486210, 486910, 324202, 324111; GICS code: 10102020, 1010203, 1010204, 10102010).

in transition risk assessment and commercial business approval processes. This decision-making process is supported by a data-driven ESG risk assessment framework for clients and transactions that guides ING in assessing transition risks and setting risk limits accordingly. ING-developed simulation tools are used to dynamically assess the impact of new transactions on Terra targets. These tools also provide client-facing staff with more information and insights about clients, allowing for peer comparison, transaction- and portfolio-level simulations, and key driver breakdowns that use regularly updated portfolio data. This data-driven approach supports ING in making informed decisions on how to steer its portfolio in line with ambitious decarbonization scenarios, and which clients to engage with and how.

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About the SBTi

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a charity, with a subsidiary which will host our target validation services. Our partners are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).