**ING's approach to the Modern Slavery Act**

**Introduction**
As a global company with 35.8 million customers, ING believes we have a responsibility and opportunity to help society meet the challenges it faces. And as a bank, our role is to facilitate and finance society's shift to sustainability. In other words, support and encourage economic, social and environmental progress that leads to a better quality of life. This is why sustainability forms an integral part of our strategy and is embedded in our business.

**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, South America, the Middle East, Asia and Australia.

We draw on our experience and expertise, our commitment to excellent service, and our global scale to meet the needs of a broad customer base comprising individuals, families, small businesses, large corporations, institutions and governments. Our customers are at the heart of what we do.

ING is committed to conducting business in an honest way, including compliance 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.

ING supports eliminating all forms of human trafficking, slavery, forced and child labour that go under the general term of “Modern Slavery”. We ensure compliance within our own organisation and support elimination within those we do business with.

**Our workplace**
With over 52,000 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 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 around living the Orange Code to make sure it is embedded within ING.

The human rights we consider fundamental and universal for our workforce include the right to freedom of association, the right to collective bargaining, and freedom from discrimination based on race, colour, sex, religion, political opinion and national and social origin.

Our supply chain
ING spends significant amounts per year on procuring goods and services from external suppliers. We have a wide range of suppliers, as a financial institution, our suppliers are mainly service suppliers ranging from IT, retail services, and logistics to catering and cleaning, as well as a very wide variety of services in between.

Involving suppliers that see sustainability the way we do – including zero tolerance towards Modern Slavery – helps to make a difference. They must have solid governance in place and show they can act responsibly.

Therefore, in 2012 we implemented ING’s Procurement Sustainability Standards (IPSS), based on the UN Global Compact Principles. The standards are global and outline how we expect our suppliers to treat sustainability and conduct business in a principled and responsible manner. We require suppliers to ensure that all subcontractors and parties within their supply chain will also be compliant with the IPSS or equivalent. The IPSS says that ING will only engage with suppliers that have completed our Supplier Qualification (SQ) process, thus protecting ING from doing business with suppliers engaging in undesirable practices that are financially, socially or environmentally unsound.

Based upon our risk assessment we ask suppliers to commit to these standards before we sign a contract or enter into a relationship with them. Their signature confirms their consistent and continuous compliance with these related ING policies:

- the Financial Economic Crimes (FEC) Policy and Minimum Standards
- the Anti-Bribery and Corruption (ABC) Policy
- the Environmental and Social Risk (ESR) Framework

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.
Within our defined high risk sectors within the ESR Framework, the following sector policies specifically address the heightened risk of child and forced labour: Manufacturing; Forestry and Agro Commodities; and Metals and Mining.

The application of the Equator Principles[^1] also prevents ING from financing projects linked to forced/child labour. Under the Equator Principles promoting safe and healthy working conditions and to avoid the use of forced/child labour is part of the loan documentation.

The ESR governance and assessment tools that ING has in place help us to evaluate our corporate clients throughout the entire lifetime of the relationship. On a yearly basis the ESR dedicated 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 in 2016, together with other Dutch banks, trade unions, NGOs and the Dutch government. We are working on the implementation of this agreement which aims to ensure that global corporate and project finance done by Netherlands-based banks protects and improves human rights in areas like labour practices, the freedom to form labour unions, child labour and land rights.

ING is increasing its efforts to engage with other financial institutions in the Netherlands and globally to promote a common level playing field in business and human rights. This is done through our ongoing participation in the Thun Group of banks, which promotes dialogue on human rights among banks, and through our formal advisory role to the OECD on responsible business conduct in the financial sector.

Our policies
Alongside the policies already mentioned, we also support responsible business conduct with the following policies:

**Financial Economic Crimes (FEC) Policy and Minimum Standards**
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 and Cuba.

[^1]: A financial industry benchmark for determining, assessing and managing environmental and social risk in projects. www.equator-principles.com
Anti-Bribery and Corruption Policy
ING addresses integrity risks related to personal conduct by committing to conduct business in an honest and ethical manner, and taking a zero-tolerance approach to bribery and corruption in all relationships and business dealings, wherever we operate.

Whistleblower Policy
The ING Group Whistleblower Policy provides a means for every employee to report a concern outside normal reporting channels, including concerns related to modern slavery and/or human trafficking. This can be done anonymously.

This statement has been produced in accordance with the requirements of section 54 of the United Kingdom Modern Slavery Act 2015. It will be reviewed annually and updated as necessary. It has been reviewed by senior managers and key stakeholders within ING and has been approved by our Board on 19 June 2017.

More information can be found on our website and in our Annual Report 2016.

Koos Timmermans
Member and CFO Executive Board ING Group