

# Policy statement of ING-DiBa AG – Act on Corporate Due Diligence Obligations in Supply Chains

Implementation of due diligence pursuant to Section 6 (2)  
of the German act on corporate due diligence obligations in  
supply chains (Lieferkettensorgfaltspflichtengesetz (“LkSG”))



# 1.

## Foreword by the board

ING-DiBa AG (“ING”, “we”, “us” and “our”) is aware of its corporate responsibility to protect human and environmental rights. It is therefore committed to respecting human rights in its own business activities as well as in global supply chains, and to enabling those affected to seek remedy in the event of human rights violations. In doing so, ING has established its own environmental and social guidelines based on the eight core conventions of the International Labour Organization (ILO) and the [United Nations Global Compact](#).

We already have a comprehensive policy on managing risks related to human rights and environmental damage in our Business Banking and Wholesale Banking businesses in the form of the [ESR Framework](#). Besides this with this policy statement, we are extending this approach to our employees, partners and suppliers in line with the LkSG.

Employees, suppliers and partners of ING-DiBa AG in the meaning of the LkSG are therefore called upon to work together to firmly anchor the obligations of the LkSG in their daily work. This will ensure that ING-DiBa AG secures the way forward for itself and future generations and lives up to its role as a responsible employer.



Nick Jue



Michael Clijdesdale



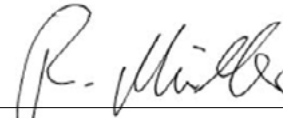
Eddy Henning



Sigrid Kozmiensky



Daniel Llano Manibardo



Dr. Ralph Müller



Norman Tambach

## 2. Human Rights & Environment-related risks

### 2.1.

#### Human Rights risks

Human rights are basic rights that allow individuals the freedom to lead a dignified life, free from fear or want, and free to express independent beliefs. These rights apply equally and universally in all countries (Source: Universal Declaration of Human Rights).

ING-DiBa AG respects and upholds the international human rights described in the Universal Declaration on Human Rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

We as a bank as well as our suppliers and partners in the supply chain can be involved in a human rights violation in various ways. In these cases, our involvement can be an important element to determine whether we should contribute to or use our leverage to seek to enable remedy.

This circumstance of possible risks of human rights violations is addressed in Germany by the LkSG.

The protection of human rights cannot be taken for granted and requires special attention. The disregard of human rights represents a risk for all market participants. Therefore, even a sufficient probability of disregarding the following prohibitions is defined as a risk according to the LkSG:

- **Child labour:** Prohibiting the employment of a child under the age at which compulsory schooling ends under the law of the place of employment, provided that the age of employment shall not be less than 15 years of age in accordance with Article 2 (4) and Articles 4 to 8 of Convention No. 138 of the International Labour Organization of 26 June 1973 concerning Minimum Age for Admission to Employment (Federal Law Gazette 1976 II pp. 201, 202).
- **Forced child labour:** The prohibition of the worst forms of child labour for children under 18 years of age in accordance with Article 3 of Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291). This includes all forms of slavery or practices similar to slavery, such as the sale of children and child trafficking, debt bondage and servitude, and

forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflict, the bringing, procuring or offering of a child for prostitution, the production of pornography or pornographic performances, bringing, procuring or offering a child to engage in illicit activities, in particular to obtain and traffic in drugs, work which, by its nature or because of the circumstances in which it is performed, is likely to be harmful to the health, safety or morals of children.

- **Forced labour:** The prohibition of the employment of persons in forced labour; this includes any work performance or service which is required of a person under threat of punishment and for which he has not made himself available voluntarily. Excluded from forced labour are any work or services that comply with Article 2 (2) of Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II p. 640, 641) or with Article 8 (3) (b) and (c) of the International Covenant of 19 December 1966 on Civil and Political Rights (Federal Law Gazette 1973 II pp. 1533, 1534).
- **Modern slavery:** The prohibition of all forms of slavery, slave-like practices, servitude, or other forms of domination or oppression in the workplace environment, such as through extreme economic or sexual exploitation and humiliation.
- **Worker health and safety:** The prohibition of disregarding the occupational health and safety obligations applicable under the law of the place of employment if this creates the risk of accidents at work or work-related health hazards mainly due to
  - lack of maintenance of the workplace,
  - lack of appropriate protective measures,
  - lack of prevention of excessive physical and mental fatigue, and
  - insufficient training and instruction of employees.
- **Violation of freedom of association:** Workers are free to organize or join trade unions this includes the right to strike.
- **Unequal treatment:** The prohibition of unequal treatment in employment, for example on the basis of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief.
- **Living wages:** Adequate wages shall be at least the minimum wage established under applicable law and otherwise determined by the law of the place of employment.

- **Health endangering environmental changes:** The prohibition on setting off harmful soil changes, water pollution, air pollution, harmful noise emissions or excessive water consumption that
  - significantly impairs the natural basis for the preservation and production of food,
  - denies a person access to safe drinking water,
  - hinders or destroys a person's access to sanitary facilities
  - harms a person's health.
- **Deprivation of the land securing a person's livelihood:** The prohibition of unlawful eviction and the prohibition of unlawful deprivation of land, forests and waters in the acquisition, construction or other use of land, forests and waters, the use of which secures the livelihood of a person.
- **Violation of Human Rights by security services:** Prohibiting the hiring or use of private or public security forces for the protection of the business project if, due to lack of instruction or control on the part of the company in the use of the security forces
  - the prohibition of torture and cruel, inhuman or degrading treatment is disregarded
  - life or limb is injured
  - the freedom of association and the right to organize are impaired.
- The prohibition of an act or mission in breach of duty which goes beyond the subjects mentioned above and which is directly capable of impairing a protected legal position in a particularly serious manner and the unlawfulness of which is obvious on a reasonable assessment of all the circumstances under consideration.

After the execution of a thorough risk analysis (2023) of the human right risks that have been identified at ING's suppliers and partners will be pointed out within this document.

## 2.2

### Environment-related risks

The protection of our environment and the climate is one of the most important goals in the current time. We want our own and our supplier's business activities in the meaning of the LkSG to comply with the LkSG relevant global and local environmental protection laws and industry best practices.

One of these protection laws is the LkSG that defines an environment-related risk as soon as a sufficient probability of disregarding the following prohibitions is identified:

- Usage of Mercury: The prohibition to act contrary to the Minamata Convention. This includes especially:
  - Prohibition of the manufacturing of products containing mercury (Article 4 (1) and Annex A Part I, Minamata Convention),
  - Ban on the use of mercury and mercury compounds in manufacturing processes (Article 5 (2) and Annex B Part I, Minamata Convention),
  - Prohibition of the treatment of mercury waste contrary to the regulations of Minamata (Article 11 (3), Minamata Convention).
- Use of Chemicals: The prohibition on the production and use of chemicals referred to the Stockholm Convention on Persistent Organic Pollutants.
- Handling, storage & disposal of waste: The prohibition of non-environmentally friendly handling, collection, storage and disposal of waste in accordance with the Stockholm convention.
- Hazardous waste: The prohibition of the export of hazardous waste and other wastes as defined in the Basel & Stockholmer Convention and within the meaning of Regulation (EC) No 1013/2006 of the European Parliament and the Council.

After the execution of a thorough risk analysis (2023) the environmental risks that have been identified at ING's suppliers and partners will be pointed out within this document.

## 2.3

### Priority risks for ING

Our risk analysis is carried out regularly and on an ad hoc basis in accordance with the requirements of the LkSG, and this policy statement is reviewed and updated accordingly.

We will prioritize the identified risks that carry greater weight in terms of severity, reversibility and likelihood and over which we have influence.

After the execution of a thorough risk analysis (2023) the priority risks that ING focusses on will be pointed out within this document.

## 3.

### Our expectations towards our employees, suppliers and partners

ING has the expectation towards employees, suppliers and partners within the supply chain in the sense of the LkSG that they support the company as best as possible in order to prevent the human rights and environment-related risks described in the context of the LkSG in

an appropriate manner and to end or minimize them if necessary; in particular, this applies to the priority human rights and environment-related risks. Employees and suppliers in the supply chain within the meaning of the LkSG are expected to support the company in risk management, risk analysis, prevention and remediation measures, and the complaints procedure; this applies to the company's own business and the supply chain in the meaning of the LkSG.

## 4. Procedures

We have an established management system consisting of determinations on the management of the Group and organizational units, a governance system, a risk management system, an internal control system, and a compliance management system. In addition, there are relevant instructions.

The requirements of the LkSG are woven into this in terms of personnel, processes and documentation. Annual and ad hoc risk analyses are carried out in the company's own business area and in the supply chain in accordance with the instructions and the regulations of the LkSG that precede such instructions, and their results are weighted and prioritized appropriately. Based on the results of the risk analysis, the appropriately weighted and prioritized risks are assigned preventive and remedial measures in accordance with the law, the effectiveness of which is reviewed annually and on an occasion-by-cause basis and updated as necessary.

We also include indirect suppliers in the aforementioned analyses and measures if we have factual indications that make a violation of a human rights-related or environmental obligation at an indirect supplier appear possible (substantiated knowledge).

We provide a complaint process in line with the LkSG in addition to already existing complaint processes. This includes publicly accessible rules of procedure, that inform about the process and the responsibilities. An independent person is responsible for carrying out the process. An effectiveness control of the complaint procedure is performed yearly and event-based. If a suspicious business activity of our supplier causes or contribute to human rights or environmental infringements, we will investigate, address and respond to the concerns raised and take appropriate corrective actions.

We will document and report in compliance with due diligence obligations of the law. This includes the creation of a report describing all relevant and required procedures and measures that ING has installed to ensure the compliance with the LkSG. The report is published on our website annually.