



**Sustainable investments.**  
Better for everyone's  
future.

**ING** 



## Sustainability, the key theme of the 21st century

Faced with growing concerns about the future of the planet, we as a society are starting to think and act more and more sustainably. Mentalities are evolving and the social and environmental impact of our actions is increasingly becoming a priority concern.

In this context, the United Nations has established a number of Sustainable Development Goals and brought them together under the 2016 - 2030 global agenda on sustainable development. It is then up to the member states of the United Nations to integrate these objectives into national policy.

Sustainability is therefore a high priority for companies looking not only to improve their risk management but also protect profits and safeguard their reputation. Companies that adopt more sustainable strategies and cultures will therefore have greater opportunities in the future.

This approach together with changes in consumer and investor behaviour are also encouraging companies to pay greater attention to environmental and societal challenges.



**Sustainable development** is an extremely wide concept. It has nevertheless been “codified” by the United Nations’ 17 Sustainable Development Goals\*. In fact, these goals represent multidisciplinary responses to the main societal and environmental challenges facing the planet for the decades ahead. Sustainable development strategies at State, company and even citizen levels may therefore be assessed in the light of these 17 goals. They are notably used by the Organisation for Economic Cooperation and Development (OECD) to develop its recommendations on sustainable development.



## What does sustainability mean to ING?

Sustainability is also an important topic at ING. As a bank, a business and a stakeholder in societies around the globe, ING has an active role to play. And we are confident our sustainability initiatives go a long way towards helping establish a self-sustaining, low-carbon society.

Here are a few examples that reflect ING's commitment as a business

### 1. For society

- **Digital workshops:** supporting our clients through digitisation.
- **The ING Corporate Fund for the King Baudouin Foundation:** supporting knowledge and skills in young people, the elderly, start-ups and even local organisations, to help them make responsible financial decisions.
- **Power for Youth** (international partnership programme with UNICEF): improving the social and financial autonomy of young people through various fundraising activities such as the Run for Youth race organised by our staff.
- **Volunteering days:** encouraging our staff to volunteer for a day. In 2018, almost 1,000 ING staff members donated their time to various associations throughout Belgium.

### 2. For the environment

- **In all our buildings:** 100% of the electricity we use is renewable, we have programmes in place for the reduction and recycling of waste and the economical use of water, IT resources, energy and paper.
- **Promotion of environmentally friendly means of transport for staff:** bicycles, car sharing, electric vehicles, public transport, etc.
- **Between 2014 and 2018, we reduced our CO<sub>2</sub> emissions by 43%.**

→ But as a bank, we can of course do much more.

We have the opportunity, ability and responsibility to evolve our society in a positive and sustainable manner. We are therefore encouraging initiatives for individuals and companies to reduce their ecological footprint by offering them sustainable financial solutions. And that's not all. ING also offers people and organisations the opportunity to invest in companies that stand out favourably on account of their sustainable development policy.

## ING & sustainable development in facts and figures

### Sustainalytics

The ING Group was ranked among the world's top 10 most sustainable banks in 2019 out of a total of 336 banks (based on ecological, social and good governance research and testing).

👉 Score : 84/100

### Dow Jones Sustainability Index

The ING Group ranks high on the Dow Jones Sustainability Index for 2018. This classification features listed companies that record the best results in relation to their economic, environmental and social performance.

👉 Score : 78/100 compared with the average score of 58 for other banks.

### Carbon Disclosure Project

The ING Group features on the Carbon Disclosure Project's 2016 'Climate A-list', which includes 126 companies taking action to tackle climate change.

👉 It achieved the best possible score and was rewarded with a Euronext/CDP Leadership Award for its excellent environmental communication.



## What do we mean by sustainable investment?

### The growing importance of sustainable investment.

As a consumer, you already act responsibly when you opt for sustainable products or sort your waste. As an investor, you can also play a role in the sustainable development of society as a whole. By opting for sustainable investment alternatives, you reward companies and countries (authorities) that record the best sustainability results and encourage others to do the same.

Sustainable development is a broad concept that is not always easy to explain in figures. A term frequently used by professional investors to evaluate the sustainability of an investment is ESG. ESG stands for Environmental, Social and Governance:

- **'Environmental'** refers to a business' involvement in environmental protection.
- **'Social'** involves the relationships between businesses and people. Not only people's rights but particularly the important relationship between a company and its staff and suppliers.
- **'Governance'** relates to the management of a company, a company's remuneration policy, shareholder rights, and wider interest groups such as taxpayers.

→ It is not only companies that are evaluated according to ESG criteria. Countries (authorities) are also assessed in terms of their approach to sustainability based on the same criteria.



## How to choose the sustainable investment that suits you the best.

There are various ways to invest your money in accordance with ESG criteria. These include **exclusion, 'best in class' and active shareholding principles**

- **Exclusion** means that you do not invest in companies that compromise on ESG rules or which operate in controversial sectors (such as weapons, tobacco or coal).
- **'Best in class'** refers to investments in companies that are able to present the best ESG scores in comparison with their competitors.
- Via **active shareholding**, investors are involved in constant dialogue with the company as a shareholder. An ESG fund manager will protect ESG values at company board meetings and discuss related topics with the management with a view to encouraging the company to become even more sustainable.

Most funds combine these various approaches, which we support at ING. In effect, our own sustainable investment policy is aimed at encouraging companies and investors to allow sustainable development to play a greater role in their activities and choices. And our sustainable investment solutions, in turn, allow investors to make a positive contribution to sustainable change.

### Sustainable investment also pays

Investments that respect ESG criteria will always face the same stubborn prejudice: sustainable investments involve compromising financial return. This assumption, however, is entirely incorrect. This type of investment can also create added value.

Companies and countries (authorities) that consider all stakeholders in society will effectively fare best in the long term.

However, as with the traditional approach, investments must be selected through a solid and structured selection process. It is important to note that sustainable investments, like any other type of investment, involve risks if the capital is not guaranteed.

### The ING sustainability test

For many years at ING we have meticulously selected the best sustainable funds via a unique selection process. We consider three elements: sustainability, return and risk. We check these elements in four stages.

1. Analysis of the fund's history, focusing on return, risk and management.
2. A detailed questionnaire which examines the sustainability and governance both of the fund manager and the fund itself.
3. Conversations with the fund manager about the investment policy and the sustainability policy
4. Ongoing control of the fund selected in terms of return, risk, sustainability and other qualitative aspects such as the composition of the management team and the investment process.

As well as meeting the relevant sustainability criteria, all funds must achieve an above-average score in this sustainability test in order to be included in the range of sustainable investments.



## ING sustainable investment solutions

ING offers you various approaches to invest in a sustainable way

- 1. A sustainable global solution
- 2. A range of sustainable investment funds

The **global solution** is, for example, a fund of funds. As such, with ING you can invest in a selection of the best sustainable funds on the market, which together ensure international distribution across three asset classes: shares, bonds and cash. Similarly, with the help of our sustainability test, we meticulously select funds for you on the basis of three criteria: sustainability, return and risk. Naturally, all our proposed solutions are automatically in line with the general investment strategy of ING in Belgium.

You also have the option of investing in **certain funds from one or more of the external fund managers** with which ING works. These funds, which all score above average on ING's sustainability test, will be suggested to you by our ING expert based on your investment profile.

→ At ING, we offer multiple opportunities to invest in a full range of sustainable investments.



Would you like to find out more, ask questions or talk to one of our experts?

Contact your regular ING contact person or your branch. Or visit our website for more information, [ing.be/sustainable-invest](https://www.ing.be/sustainable-invest)

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