

22 January 2015
Business Human Rights Resource Centre – Myanmar Foreign Investment
Tracking Project
ING Bank response

1. Does your company have investments or operations in Myanmar or is it seriously considering investing or operating there? If so, please provide information on the nature of these investments, and which geographic areas and communities they will affect.

In 1998, ING decided to no longer finance activities in Myanmar. In 2014, due to the changing environment, we eased our approach. We continue to respect existing embargos and will take due care if and when engaging in the financing of any activity in Myanmar.

2. Do you have policies and procedures in place to prevent your business activities or investment from contributing to human rights abuse and social conflict in Myanmar (including, for example, human rights due diligence measures)? Please specify whether these policies and procedures apply to your company in general, or specifically to your Myanmar investment. If you have human rights policies and procedures regarding investing or operating in Myanmar, are you willing to share them for posting on our website? If so, please send them as a Word or PDF file, or, if available, as a hyperlink.

We have an elaborate set of policies – Environmental and Social Risk policy framework (ESR) – which find their basis in our values, the respect for human rights and the environment. They are public, as are our Sustainability reports and both can be found on: <http://www.ing.com/ING-in-Society/Sustainability.htm> (see the Orange box titled ‘quick links’).

3. Who in your leadership is responsible for ensuring compliance with the policies and procedures in no. 2?

The ESR framework has been endorsed by the Global Credit Committee and our Management Board. At an operational level, the implementation of ESR policies is facilitated by a dedicated Environmental and Social Risk team (ESR Desk) integrated within the Credit Risk Department. The ESR Desk advises front office relationship managers, the Credit Committee, senior management and our customers on business transactions that are identified to have potential environmental or social sensitivities. A negative advice from the ESR Desk can only be waived by ING’s highest Credit Committee or the Executive Board. In practice, such waivers are exceptional.

4. If you do not yet have human rights policies and procedures in place, do you have plans to develop them? If so, what efforts are you currently engaged in or plan to engage in on this regard?

Not relevant, see 2 and 3 above.

5. How does your company try to prevent or mitigate conflicts that affect its operations or the surrounding communities (including armed conflict, inter-communal conflict and violence, etc.)? Could you please list your policies, procedures or concrete activities in this regard, including community engagement and dialogue measures and revenue sharing agreements?

By applying our ESR Framework in the early stages of so-called request for proposals (request for finance by ING), we are able to identify the challenges a company faces.

We follow a dual approach:

ING's ESR Framework is applied at client and transaction level. Whenever ING receives a request to offer a product or service for a client, ING verifies compliance with the ESR Framework on corporate level, meaning that ING will ask questions on the general ESR performance and track record of the company. When entering into specific business engagements, another in depth verification takes place related to the specific transaction. To illustrate this, the risk level of a corporate engagement with a major client in the extractive industry sector may involve a different risk level than a specific project. It could be the case that all corporate policies conform with international best practice, but that an individual project may be exposed to risks because of the specifics of the project and the country. If this is the case, it requires either significant due diligence and monitoring, or it is considered beyond our risk appetite.

What sets us apart from a lot of other financial institutions is full implementation of our ESR Framework throughout our system that deals with Customer Due Diligence. This systematic

and automated ESR assessment process improves the consistency and accessibility of information throughout the organization worldwide. We focus on assessments and promote ESR dialogue to support our clients in managing their environmental and social impacts.

Depending on the sector we have been asked to finance, different approaches and conditions apply. Please refer to sector policies in the ESR Framework and bear in mind that human rights and environment forms the basis of our ESR Framework.

6. Who should communities or civil society groups contact if they have questions or concerns about your investment or operations in Myanmar? Please provide their contact information.

The Sustainability department can be approached via: <https://www.ing.com/Contact-form-Sustainability-department.htm>

7. We further invite you to respond to questions specific to your industry. Does your company have policies and procedures in place to address each of the following areas? If so, please provide details:

- a. Does your company have an anti-discrimination policy (whether based on race, gender, religion, nationality, etc.). If so, please provide details.

Yes, please see: <http://www.ing.com/ING-in-Society/Sustainability/What-matters/Engaging-our-employees.htm>

- b. Does your company have human rights due diligence policies and procedures, and do they extend to clients and business partners? Please provide

details.

Yes, please see above. With regards to business partners, please see our other policies (see the box titled "Downloads", last pdf):

<http://www.ing.com/ING-in-Society/Sustainability/What-matters/Promoting-responsible-lending-and-investment-practices.htm>

amongst which is our sustainable procurement policy:

<http://www.ing.com/web/file?uuid=c5554af3-96cd-4ca9-afbc-b5e18d608f1d&owner=b03bc017-e0db-4b5d-abbf-003b12934429&contentid=29197>

Furthermore, ING also participates in the Thun Group of Banks which discusses how the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprise (which include specific chapters on Environmental Management and Human Rights) can be applied in the banking sector.

We endorse, amongst others, the following declarations, conventions etc.:

- The Universal Declaration of Human Rights, The Core Conventions of the International Labour Organisation, Children's rights and Business Principles.

And are a member of, amongst others, the following memberships:

- UNEP Finance Initiative Work Stream Social Issues, United Nations Global Compact, Thun Group of Banks etc.

For the full list of endorsements and memberships, please refer to p. 17 of our Sustainability Report 2013 which can be found on: <http://www.ing.com/ING-in-Society/Sustainability.htm> (see the Orange box titled 'quick links').