



Principal Adverse Impact Statement for Financial Market Participant (FMP)

External statement



Summary

Principal adverse sustainability impacts report¹ 2024 is prepared according to the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (hereinafter referred as "SFDR") with the aim to provide more transparency on sustainability related information within the financial markets. This reports consolidates the 2024 principal adverse sustainability impacts of the financial products² managed by ING Solutions Investment Management S.A., a public limited liability company organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 26, Place de la Gare, L-1616 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B 162705 with LEI number 549300RGYP2I13ZXF02, (hereinafter referred as "ISIM", "we" or "the Management Company"), for the provision of investment management services.

ISIM believes that investing goes together with responsibility for the consequences thereof. Not merely the financial consequences, but also the ones influencing the society. By being conscious of Environmental, Social and Governance (ESG) aspects, we are better able to manage risks and opportunities, and contribute to a more sustainable economy making investments decisions that are both beneficial for investors and society alike.

In order to mitigate the adverse impact on sustainability factors, ISIM assesses the Principle Adverse Impacts (hereinafter referred as "PAIs") of its investments on sustainability factors through three ESG integration tools: exclusions, active shareholding (engagement/voting) and investment selection (Sustainability Awareness Scoring).

For each product, ISIM defines the ESG investing approach that is applied (Traditional, Responsible, Sustainable, Impact or Pension).

ISIM considers the principal adverse sustainability impacts for the products that fall under the Responsible investing approach, the Sustainable investing approach, the Impact investing approach, and Pension investing approach. For financial products covered by the Traditional investing approach, we take into account only the legally required exclusions.

ISIM has committed to measure all 16 mandatory principle adverse impacts as well as two additional, which we believe are important for the planet and the society. For 2024, ISIM had no investment for which PAIs related to real estate assets were applicable.

Climate and other environment-related indicators:

1. GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio

¹ This document may be available in English and in other languages depending on the countries where the funds' marketing is performed. In case of discrepancies the English version shall prevail.

² When we use the term financial products in this document, we make reference to ISIM funds.

Social and employee, respect for human rights, anti-corruption and anti-bribery matters:

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)

Indicators applicable to investments in sovereigns and supra-nationals:

15. GHG intensity
16. Investee countries subject to social violations

Optional indicators ISIM takes into account:

17. Investments in companies without carbon emission reduction initiatives
18. Average score for income inequality

Data collection of the PAIs

This report on principal adverse impacts on sustainability factors at entity level was based on data related to year 2024.

This report on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.

Dates of collection of PAI's: 31 March, 30 June, 30 September and 31 December of 2024. The data to report are the 18 indicators as described here above. After each data collection, figures will be analysed trying to reduce the identified principal adverse impacts for the future.

The average per PAI of the 4 calculations will be disclosed on our [dedicated website for SFDR](#) at the latest on June 30th each year.

For this third report, data related to the 18 indicators and reported in the below table are based on portfolios of financial products as of 31 March, 30 June, 30 September and 31 December 2024 on which, for each of them, PAIs data available at the same dates have been applied. This methodology remains unchanged versus the previous rapport (covering 2023).

Note that for the report covering year 2022, PAIs data available as of 31 December 2022 were applied on portfolios of financial products as of 31 March, 30 June, 30 September and 31 December 2022 since quality of available PAIs data was weak during the whole year 2022 though it has been improving over time. This evolution of calculation methodology for year 2023 compared to year 2022 may slightly alter data comparisons presented in tables of section "Description of principal adverse impacts (PAIs) - Table of the 18 Principal Adverse Impact indicators for 2024".

PAIs (except PAI 1) are expressed as a ratio of "current value of all investments" or as a "proportion of EUR Millions invested into all investments". In accordance with "Questions and answers (Q&A) on the SFDR Delegated Regulation (Commission Delegated Regulation (EU) 2022/1288)" dated 17 November 2022, and in consideration of further guidance provided by points 25, 26 and 27 of "Joint Consultation Paper dated 12 April 2023" issued by "Joint Committee of the European Supervisory Authorities", ISIM has considered, for the purpose of calculations of all PAIs (except PAI 1), all direct and indirect investments made in all its financial products, which are funding

investee companies or sovereigns. Consequently, the same denominator applied across all the PAIs (except PAI 1), although arguably this may introduce inconsistency between the numerator and denominator.

Coverage ratios disclosed in the following tables are defined as follows:

- PAIs 1 to 14 and additional PAI *“Investments in companies with no initiatives for reducing carbon emissions”*:
Coverage = Value of investments in investee companies held within ISIM funds where data is available / total value of investments in investee companies within ISIM funds
- PAIs 15 and 16, and additional PAI *“Average score for income inequality”*:
Coverage = Value of investments in sovereigns (or equivalents) held within ISIM funds where data is available / total value of investments in sovereigns (or equivalents) within ISIM funds

Description of principal adverse impacts (PAIs) - Table of the 18 Principal Adverse Impact indicators for 2024

Indicators applicable to investments in investee companies							
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and other environment-related indicators							
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	805,179 tCO ₂ e	914,609 tCO ₂ e	948,028 tCO ₂ e	Direct emissions expressed in tonnes of CO ₂ from sources owned or controlled by the companies directly, as well as emissions produced from on-site process chemistry. Coverage for 2024 data : 91,16% (2023 data : 90,05%)	RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES Exclusions For the Responsible, Sustainable and Impact investing approaches, ISIM excluded companies with a very negative impact on the climate such as companies with revenues deriving, above a certain threshold, from coal. For the Sustainable and Impact investing approaches, more companies are excluded due to their impact on the climate (such as those involved in oil or non-conventional gas). Active shareholding (engagement/voting) ISIM engaged in dialogue with companies in its investment portfolios and voted at shareholders' meetings. One of the themes on which ISIM focused is the Company engagement 'Net zero transition'. For more information on how we engage and vote, see our voting and engagement guidelines. PENSION APPROACH Exclusions For the pension approach, ISIM excluded companies with a very negative impact on the climate such as companies with revenues deriving, above a certain threshold, from coal extraction, oil sands extraction, shale oil and gas and arctic drilling. Remark: Scope 3 carbon emissions data (which measures indirect emissions from across companies' value chains) have been subject to significant lack of data quality and accuracy and to significant data revisions over the past years. Hence, the high volatility of Scope 3 carbon emissions data can lead to inappropriate comparable figures from one year to another.
		Scope 2 GHG emissions	275,124 tCO ₂ e	253,685 tCO ₂ e	278,077 tCO ₂ e	Emissions expressed in tonnes if CO ₂ from purchased or acquired electricity, steam, heat and cooling consumed by the industrial sites. They are indirect as the emissions themselves occur at the point of generation. Coverage for 2024 data : 91,16% (2023 data : 90,04%)	
		Scope 3 GHG emissions	12,321,229 tCO ₂ e	9,201,989 tCO ₂ e	8,397,058 tCO ₂ e	Other indirect emissions including all other indirect emissions expressed in tonnes of CO ₂ that are a consequence of the activities of companies, but that occur from sources not owned or controlled by companies. Coverage for 2024 data : 89,99% (2023 data : 88,72%)	

		Total GHG emissions	13.401.532 tCO ₂ e	10.370.284 tCO ₂ e	9.623.163 tCO ₂ e	Total of emissions of scope 1, 2 and 3 expressed in tonnes of CO ₂	
	2. Carbon footprint	Carbon Footprint 1&2 in tonnes of CO ₂ e/mio EUR	29,34 tCO ₂ e/MEur	36,07 tCO ₂ e/MEur	37,77 tCO ₂ e/MEur	The amount of specified emissions (in tons) divided by the amount invested (in euros) known as the carbon footprint of a portfolio. Carbon Footprint for scope 1 and 2 in tonnes of CO ₂ e/mio EUR Coverage for 2024 data : 91,19% (2023 data : 90,43%)	<u>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES</u> Investment selection (Sustainability Awareness Scoring) ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 2 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment. Exclusions For the Responsible, Sustainable and Impact investing approaches, ISIM excluded companies with a very negative impact on the climate such as companies with revenues deriving, above a certain threshold, from coal. For the Sustainable and Impact investing approaches, more companies are excluded due to their impact on the climate (such as those involved in oil, or non-conventional gas). <u>Active shareholding (engagement/voting)</u> ISIM engaged in dialogue with companies in its investment portfolios and voted at shareholders' meetings. One of the themes on which ISIM focused is the Company engagement 'Net zero transition'. For more information on how we engage and vote, see our voting and engagement guidelines. <u>PENSION APPROACH</u> Investment selection (Sustainability Awareness Scoring) ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approach, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 2 is considered in this score. Exclusions For the pension approach, ISIM excluded companies with a very negative impact on the climate such as companies with revenues deriving, above a certain threshold, from coal extraction, oil sands extraction, shale oil and gas and arctic drilling. Remark: Scope 3 carbon emissions data (which measures indirect emissions from across companies' value chains) have been subject to significant lack of data quality and accuracy and to significant data revisions over the past years. Hence, the high volatility of Scope 3 carbon emissions data can lead to inappropriate comparable figures from one year to another.
		Carbon Footprint 1&2&3 in tonnes of CO ₂ e/mio EUR	363,19 tCO ₂ e/MEur	320,36 tCO ₂ e/MEur	299,23 tCO ₂ e/MEur	The amount of specified emissions (in tons) divided by the amount invested (in euros) known as the carbon footprint of a portfolio. Carbon Footprint for scope 1, 2 and 3 in tonnes of CO ₂ e/mio EUR Coverage for 2024 data : 90,02% (2023 data : 88,73%)	

	3. GHG intensity of investee companies	GHG intensity 1&2 in tonnes of CO ₂ e/mio EUR	60,91 tCO ₂ e/MEur	76,98 tCO ₂ e/MEur	87,28 tCO ₂ e/MEur	GHG intensity of investee companies for scopes 1 and 2 Coverage for 2024 data : 91,12% (2023 data : 90,30%)	<u>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES</u> Investment selection (Sustainability Awareness Scoring) ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 3 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment. Exclusions For the Responsible, Sustainable and Impact investing approaches, ISIM excluded companies with a very negative impact on the climate such as companies with revenues deriving, above a certain threshold, from coal. For the Sustainable and Impact investing approaches, more companies are excluded due to their impact on the climate (such as those involved in oil or non-conventional gas). <u>Active shareholding (engagement/voting)</u> ISIM engaged in dialogue with companies in its investment portfolios and voted at shareholders' meetings. One of the themes on which ISIM focused is the Company engagement 'Net zero transition'. For more information on how we engage and vote, see our voting and engagement guidelines. <u>PENSION APPROACH</u> Investment selection (Sustainability Awareness Scoring) ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approach, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 3 is considered in this score. Exclusions For the Pension investing approach, ISIM excluded companies with a very negative impact on the climate such as companies with revenues deriving, above a certain threshold, from coal extraction, oil sands extraction, shale oil and gas and arctic drilling. Remark: Scope 3 carbon emissions data (which measures indirect emissions from across companies' value chains) have been subject to significant lack of data quality and accuracy and to significant data revisions over the past years. Hence, the high volatility of Scope 3 carbon emissions data can lead to inappropriate comparable figures from one year to another.
		GHG intensity 1&2&3 in tonnes of CO ₂ e/mio EUR	705,98 tCO ₂ e/MEur	599,15 tCO ₂ e/MEur	560,17 tCO ₂ e/MEur	GHG intensity of investee companies for scopes 1,2 and 3 Coverage for 2024 data : 89,93% (2023 data : 88,60%)	

	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	3,05 %	4,19 %	4,38 %	<p>Share of investments in companies active in the fossil fuel sector</p> <p>Coverage for 2024 data : 92,12% (2023 data : 90,82%)</p>	<p><u>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES</u></p> <p>Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 4 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment.</p> <p>Exclusions</p> <p>For the Responsible, Sustainable and Impact investing approaches, ISIM excluded companies with a very negative impact on the climate such as companies with revenues deriving, above a certain threshold, from coal. For the Sustainable and Impact investing approaches, more companies are excluded due to their impact on the climate (such as those involved in oil or non-conventional gas).</p> <p><u>PENSION APPROACH</u></p> <p>Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pensions investing approach, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 4 is considered in this score.</p> <p>Exclusions</p> <p>For the Pension investing approach, ISIM excluded companies with a very negative impact on the climate such as companies with revenues deriving, above a certain threshold, from coal extraction, oil sands extraction, shale oil and gas and arctic drilling.</p>
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	<p><i>Share of non-renewable energy consumption :</i></p> <p>31,38 %</p> <p><i>Share of non-renewable energy production :</i></p> <p>5,17 %</p>	<p><i>Share of non-renewable energy consumption :</i></p> <p>29,11 %</p> <p><i>Share of non-renewable energy production :</i></p> <p>3,47%</p>	<p><i>Share of non-renewable energy consumption :</i></p> <p>28,58 %</p> <p><i>Share of non-renewable energy production :</i></p> <p>3,12%</p>	<p>Share of non-renewable energy consumption and energy generation of investee companies compared to renewable sources, expressed as a percentage of total energy sources</p> <p>Coverage for 2024 data (energy consumption) : 68,70% (2023 data : 61,78%)</p> <p>Coverage for 2024 data (energy generation) : 31,98% (2023 data : 23,62%)</p>	<p><u>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES</u></p> <p>Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 5 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment.</p> <p><u>PENSION APPROACH</u></p> <p>Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 5 is considered in this score.</p> <p>Active shareholding (engagement/voting)</p> <p>One of the pillar of the engagement framework of the investment manager for the Pension investing approach is “Climate transition”. For more information on how we engaged and voted, see our annual voting and engagement reports.</p>

	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0,42 GWh/MEur	1,36 GWh/MEur	2,11 GWh/MEur	Energy consumption of investee companies, in GWh per million euros of revenues, by sector with major climate effects Coverage for 2024 data : 50,79% (2023 data : 49,82%)	RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES Investment selection (Sustainability Awareness Scoring) ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 6 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment. Active shareholding (engagement/voting) ISIM engages in dialogue with companies in its investment portfolios and votes at shareholders' meetings. One of the themes on which ISIM focuses on the dialogue is responsible clean technology. Where we make use of external asset managers, we rely on their voting policy and engagement. For more information on how we engaged and voted, see our annual voting and engagement reports. PENSION APPROACH Investment selection (Sustainability Awareness Scoring) ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approach, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 6 is considered in this score.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies natively affect those areas	3,42 %	4,90 %	5,53 %	Proportion of investments in companies with branches/activities in or near biodiversity-sensitive areas where their activities have a negative impact on those areas Coverage for 2024 data : 92,13% (2023 data : 90,73%)	RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES Investment selection (Sustainability Awareness Scoring) ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 7 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment.

Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies natively affect those areas	3,42 %	4,90 %	5,53 %	<p>Proportion of investments in companies with branches/activities in or near biodiversity-sensitive areas where their activities have a negative impact on those areas</p> <p>Coverage for 2024 data : 92,13% (2023 data : 90,73%)</p>	<p>Active shareholding (engagement/voting)</p> <p>ISIM engages in dialogue with companies in its investment portfolios and votes at shareholders' meetings. One of the themes on which ISIM focuses is deforestation. For more information on how we engaged and voted, see our annual voting and engagement reports.</p> <p>Exclusions</p> <p>Companies that have a negative impact on biodiversity sensitive areas can be excluded based on controversy screening.</p> <p>PENSION APPROACH Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 7 is considered in this score.</p> <p>Active shareholding (engagement/voting)</p> <p>One of the pillar of the engagement framework of the investment manager for the Pension investing approach is "Climate transition". For more information on how we engaged and voted, see our annual voting and engagement reports.</p> <p>Exclusions</p> <p>For the Pension investing approach, ISIM excluded some companies from activities having have a negative impact on biodiversity (oil sands extraction, shale oil and gas and artic drilling). Moreover, ISIM excluded companies involved in violations of the UNGC principles (which namely encompasses principles on precautionary approach to environmental challenges). Finally, when selecting Sustainable Investments, ISIM applies controversy screening.</p>
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Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0,00 t/MEur	0,06 t/MEur	0,09 t/MEur	<p>Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average</p> <p>Coverage for 2024 data : 0,47% (2023 data : 7,49%)</p>	<p><u>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES</u></p> <p>Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 8 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment.</p> <p><u>PENSION APPROACH</u></p> <p>Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approach, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 8 is considered in this score.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1,34 t/MEur	2,25 t/MEur	2,88 t/MEur	<p>Hazardous and radioactive produced by investee companies, in metric tons per million euros of investment, expressed as a weighted average</p> <p>Coverage for 2024 data : 90,29% (2023 data : 77,49%)</p>	<p><u>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES</u></p> <p>Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 9 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment.</p> <p><u>PENSION APPROACH</u></p> <p>Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approach, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 9 is considered in this score.</p>

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,27 %	0,43 %	0,50 %	Share of investments in companies involved in violations of the principles of the UN Global Compact or of the OECD Guidelines for Multinational Enterprises Coverage for 2024 data : 92,55% (2023 data : 90,85%)	<p>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 10 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment.</p> <p>Exclusions</p> <p>Breaches of the principles of the UN Global Compact or of the OECD Guidelines for Multinational Enterprises are related to controversy screening. For the Sustainable and Impact investing approaches, ISIM does not invest in companies involved in serious or very serious controversial activities or products. For Responsible investment approach, ISIM does not invest in companies involved in very serious controversial activities or products. The classification of the controversial activity or product (into serious or very serious) is determined by an external data provider.</p> <p>PENSION APPROACH Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approach, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 10 is considered in this score.</p> <p>Exclusions</p> <p>An assessment to what extent issuers act in accordance with UN Global Compact or the OECD Guidelines for Multinational Enterprises is performed. For the Pension investing approach, violation of these International Norms and standards are not tolerated.</p>
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	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	34,48 %	36,43 %	42,70 %	<p>Share of investments in companies without a policy to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises or without complaints handling arrangements to address violations of those UN Principles or OECD Guidelines.</p> <p>Coverage for 2024 data : 91,81% (2023 data : 90,45%)</p>	<p><u>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES</u> Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 11 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment.</p> <p>Active shareholding (engagement/voting)</p> <p>ISIM engages in dialogue with companies in its investment portfolios and votes at shareholders' meetings. One of the themes on which ISIM focuses is "Sustainable and good governance". For more information on how we engaged and voted, see our annual voting and engagement reports.</p> <p><u>PENSION APPROACH</u> Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also included non-financial aspects in the assessment of companies. These were translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approach, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 11 is considered in this score.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0,45 %	0,40 %	0,35 %	<p>Average unadjusted pay gap between men and women in investee companies Coverage for 2024 data : 2,89% (2023 data : 2,89%)</p>	<p><u>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES</u> Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also includes non-financial aspects in the assessment of companies. These are translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 12 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment.</p> <p>Active shareholding (engagement/voting)</p> <p>ISIM engages in dialogue with companies in its investment portfolios and votes at shareholders' meetings. One of the themes on which ISIM focuses is Human capital management. An important aspect of this theme is gender equality. For more information on how we engaged and voted, see our annual voting and engagement reports.</p> <p><u>PENSION APPROACH</u> Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also includes non-financial aspects in the assessment of companies. These are translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approach, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 12 is considered in this score.</p> <p>Active shareholding (engagement/voting)</p> <p>One of the pillar of the engagement framework of the investment manager for the Pension investing approach is "Inclusive growth". For more information on how we engaged and voted, see our annual voting and engagement reports.</p>

	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	25,96 %	24,65 %	22,75 %	<p>Average ratio of female and male members of the board of directors of investee companies expressed as a percentage of all members of the board</p> <p>Coverage for 2024 data : 89,15% (2023 data : 89,90%)</p>	<p><u>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES</u></p> <p>Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also includes non-financial aspects in the assessment of companies. These are translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 13 is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment.</p> <p>Active shareholding (engagement/voting)</p> <p>ISIM engages in dialogue with companies in its investment portfolios and votes at shareholders' meetings. One of the themes on which ISIM focuses is Human capital management. An important aspect of this theme is gender equality. For more information on how we engaged and voted, see our annual voting and engagement reports.</p> <p><u>PENSION APPROACH</u></p> <p>Investment selection (Sustainability Awareness Scoring)</p> <p>ISIM also includes non-financial aspects in the assessment of companies. These are translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approaches, only companies that do not rank among the last 30% are included in the investment scope. PAI indicator 13 is considered in this score.</p> <p>Active shareholding (engagement/voting)</p> <p>One of the pillar of the engagement framework of the investment manager for the Pension Investing approach is "Inclusive growth". For more information on how we engaged and voted, see our annual voting and engagement reports.</p>
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,00 %	0,00 %	0,00 %	<p>Share of investments in companies involved in the production or sale of controversial weapons</p> <p>Coverage for 2024 data : 92,13% (2023 data : 90,73%)</p>	<p><u>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES</u></p> <p>Exclusions</p> <p>ISIM does not invest for the investment strategies it manages in companies involved in the production or sale of controversial weapons.</p> <p><u>PENSION APPROACH</u></p> <p>Exclusions</p> <p>ISIM does not invest for the investment strategies it manages in companies involved in the production or sale of controversial weapons.</p>

Indicators applicable to investments in sovereigns and supranational							
Environmental	15. GHG intensity	GHG intensity of investee countries	0,05 KtCO ₂ e/MEur	0,04 KtCO ₂ e/MEur	0,04 KtCO ₂ e/MEur	GHG intensity of countries in which we are invested Coverage for 2024 data : 100.00% (2023 data : 95,26%)	RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES Investment selection (Sustainability Awareness Scoring) ISIM also includes non-financial aspects for its Sustainable and Impact investing approaches in the assessment of governments. Progress on climate policy is part of this. The Environmental Performance Index is used for this purpose. For its Impact investing approach, ISIM invests exclusively in green, social and sustainability bonds. PENSION APPROACH Investment selection (Sustainability Awareness Scoring) ISIM also includes non-financial aspects for its Pension investing approach in the assessment of governments. Progress on climate policy is part of this. The Environmental Performance Index is used for this purpose.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as	0,05 %	0,03 %	0,01 %	Number of countries invested in with violations of social rights (absolute number and relative number divided by all the countries in which we are invested) as referred to in international treaties and agreements, principles of the United Nations and, where appropriate, national law. Coverage for 2024 data : 100,00% (2023 data : 96,13%)	RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES Investment selection (Sustainability Awareness Scoring) ISIM also includes non-financial aspects for its Sustainable and Impact investing approaches in the assessment of governments. Progress on social policy is part of this. The Social Progress Index is used for this purpose. Exclusions ISIM excludes from direct investments countries that seriously violate social rights. PENSION APPROACH Exclusions ISIM excludes from direct investments countries that seriously violate social rights.

³ Figure reported in this table for PAI 14 relates to share investments in companies involved in the production or sale of controversial weapons as defined for the purpose of this report (i.e. anti- personnel mines, cluster munitions, chemical weapons and biological weapons). While the financial products didn’t directly invest into companies involved in controversial weapons, the financial products in other funds that may still have invested in such companies incidentally.

Indicators applicable to investment in real estate assets

Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	N/A	RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES ISIM does not invest directly in real estate in its investment strategies. PENSION APPROACH ISIM does not invest directly in real estate in its investment strategies.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	N/A	RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES ISIM does not invest directly in real estate in its investment strategies. PENSION APPROACH ISIM does not invest directly in real estate in its investment strategies.

Other indicators for principal adverse impacts on sustainability factors

Emissions	Investments in companies with no initiatives for reducing carbon emissions	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	19,38 %	22,12 %	30,71 %	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement Coverage for 2024 data : 92,06% (2023 data : 90,39%)	RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES Investment selection (Sustainability Awareness Scoring) ISIM also includes non-financial aspects in the assessment of companies. These are translated into an indicator score, namely the Sustainability Awareness Scoring. For the Sustainable and Impact investing approaches, only companies that do not rank among the last 30% are included in the investment scope. The PAI indicator on Emissions is considered in this score. For the Responsible investing approach, the indicator is considered in the overall assessment. Active shareholding (engagement/voting) ISIM engages in dialogue with companies in its investment portfolios and votes at shareholders' meetings. One of the themes on which ISIM focuses is "Net zero transition". An important aspect of this theme is gender equality. For more information on how we engaged and voted, see our annual voting and engagement reports PENSION APPROACH Investment selection (Sustainability Awareness Scoring) ISIM also includes non-financial aspects in the assessment of companies. These are translated into an indicator score, namely the Sustainability Awareness Scoring. For the Pension investing approach, only companies that do not rank among the last 30% are included in the investment scope. The PAI indicator on Emissions is considered in this score.
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Social	Average score for income inequality	Income distribution and economic inequality among participants in each economy, including a quantitative indicator.	11,40	12,37	9,86	<div>Income distribution and economic inequality among participants in each economy, including a quantitative indicator.</div> <div>Coverage for 2024 data : 98,69% (2023 data : 95,29%)</div>	<div>RESPONSIBLE, SUSTAINABLE AND IMPACT INVESTING APPROACHES Investment selection (Sustainability Awareness Scoring)</div> <div>ISIM also includes non-financial aspects for its Sustainable and Impact investing approaches in the assessment of governments and only selects countries that score above average on this PAI. In addition, social policy is part of the selection method. The Social Progress Index is used for this purpose. Countries implementing the death penalty are also excluded for these investment strategies. For its Impact investing approach, ISIM invests exclusively in green, social and sustainability bonds.</div> <div>PENSION APPROACH Investment selection (Sustainability Awareness Scoring)</div> <div>ISIM also includes non-financial aspects for its Pension investing approach in the assessment of governments and only selects countries that score above average on this PAI. In addition, social policy is part of the selection method. The Social Progress Index is used for this purpose. Countries implementing the death penalty are also excluded for these investment strategies.</div>
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Annual comment on results and targets

During the year 2024, ISIM has launched new Article 8 funds, while some ISIM's funds initially classified as Article 6 have been merged in other Article 8 ISIM funds.

At ISIM level, as of 31 December 2024, most of the financial products⁴ are classified as Article 8 under SFDR. ISIM's Article 8 funds, which promotes E/S characteristics, but do not make any Sustainable Investments, are part of our Responsible investing approach. ISIM's Article 8 funds, which promotes E/S characteristics, and have a minimum proportion of Sustainable Investments, are part of our Sustainable investing approach. This positioning allowed us to limit the Principal Adverse Impacts of our investments.

With the improvement of the sustainability level of Article 8 funds and the evolution of ISIM funds range, most of Principal Adverse Impact indicators have improved compared to previous year.

This improvement is noticeable within key environmental or social indicators such as :

- GHG emissions (Scopes 1 and 2 – PAI 1);
- GHG intensity (Scopes 1 and 2 – PAI 2);
- GHG footprint (Scopes 1 and 2 – PAI 3);
- Exposure to companies active in fossil fuel sector (PAI 4);
- Activities negatively affecting biodiversity-sensitive areas (PAI 7);
- Hazardous waste (PAI 9)
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10);
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11);
- Board gender diversity (PAI 13);
- Investments in companies with no initiatives for reducing carbon emissions (Optional PAI)
- Average income inequality score (Optional PAI)

It should be noted that for these indicators, data quality (measured by coverage) further increased compared to the previous year, and was assessed as high.

Conversely, a deterioration of data related to “GHG Intensity” (PAI 15 - applicable to sovereigns and multinationals) and “Investee countries subject to social violations” (PAI 16) has been noted, though absolute figures disclosed for both indicators remain in low territories.

A deterioration of data related to scope 3 data referred in assessment of PAIs 1, 2 and 3 was also noted. However, as also disclosed in the PAI table, scope 3 data have been subject to significant lack of data quality and accuracy and to significant data revisions over the past years. The evolution of data for some investee companies (particularly noted for financial institutions) compared to the previous reporting period was again significant and is again leading to inappropriate comparable figures.

Data disclosed for “Exposure to controversial weapons” (PAI 14) were unchanged compared to the previous year.

While it has been improving over the year, the data availability and the data quality from third-party providers are still low as some figures related to investee companies or sovereigns/multinationals might be missing, or partially or totally based on estimates, while the current reported numbers for all PAIs may significantly diverge in the future when more data will be available.

Lack of data availability (as expressed by coverage ratios disclosed in the PAI table) and, therefore of reliability of consolidated figures presented in the PAI table, have mainly concerned the following PAIs:

- Share of non-renewable energy consumption and Share of non-renewable energy production (PAI 5);
- Energy consumption intensity per high impact climate sector (PAI 6);
- Emissions to water (PAI 8);
- Unadjusted gender pay gap (PAI 12);

⁴ Appendix 1 : List of all financial products covered by this report

Description of policies to identify and prioritize principal adverse impacts on sustainability factors

With regards to its different ESG investing approaches, ISIM applies specific policies to identify and prioritize principal adverse impacts on sustainability factors.

Responsible, sustainable and impact investing approaches

ISIM has two policies related to the identification and prioritization of the principal adverse impacts on sustainability:

1. Global Environmental and Social Risk Management Policy

ISIM as part of ING Group is following ING Global Environmental and Social Risk Management Policy. Based on this policy, a range of companies are excluded from investments due to their activities or behavior. This policy can be found [here](#).

2. Responsible Investment Guidelines

How ISIM further considers the principal adverse impacts on sustainability depends on the investing approach described in the Responsible Investment Guidelines. ISIM distinguishes four types of investing approaches in these guidelines: Traditional, Responsible, Sustainable and Impact. In the Sustainable and Impact investing approaches, limiting adverse impacts on sustainability is a higher priority than in the Responsible investing approach. The Traditional investing approach does not consider adverse impacts on sustainability beyond regulatory requirements.

With the Responsible, Sustainable and Impact investing approaches, ISIM limits adverse impacts on sustainability by means of exclusions, active shareholding and the selection of investments and financial products. More exclusions apply to the Sustainable and impact investment policies and greater priority is given to excluding companies with adverse impacts on sustainability in the selection of investments. Below is a brief explanation of the ESG integration tools. The active shareholding tool instrument is explained below in a separate section.

Exclusions

With responsible and sustainable investments, ISIM aims not to invest in companies whose services, products or behaviours are at the expense of people, the environment or society. That is why the Investment managers ('Investment Manager') with the delegated mandates from ISIM assesses companies on their activities and behaviour before investing in a company (via shares or corporate bonds for example). Companies may change over time, which is why Investment Manager checks the data of all companies in the portfolios every year to determine whether they still meet the requirements of the Responsible Investment Guidelines.

For the Responsible, Sustainable and Impact investing approaches, ISIM limits investments in companies that:

- have violated the principles of the UN Global Compact and the OECD's Guidelines for Multinational Enterprises.
- produce controversial weapons (anti-personnel landmines, cluster munitions, chemical weapons, and biological weapons).
- produce electricity from coal-fired power plants or are involved in the extraction of coal.
- manufacture tobacco products.
- are involved in weapons, oil, non-conventional gas, nuclear energy, adult entertainment, gambling, fur, or alcohol (only for our Sustainable, Pension and Impact investing approaches).

If companies generate more than 5% (and 30% for nuclear energy) of their revenue from production and 10% associated with service for these activities, they are not included in the investing approaches referred to above. In addition, ISIM applies criteria based on the behaviour that companies display.

Company selection (Sustainability Awareness Scoring)

Investment manager includes non-financial aspects for its Responsible, Sustainable and Impact investing approaches when assessing companies. These non-financial aspects are translated into an indicator score. For the Sustainable and Impact investing approaches, Investment Manager invests only in companies that do not rank among the last 30% in the investment scope. For the Responsible investing approaches, the indicator is considered in the overall assessment. The scores for adverse impacts on sustainability account for 40% of the weight when calculating this indicator. The Investment Manager also includes non-financial aspects for its Sustainable and Impact investing approaches in the assessment of governments. These non-financial aspects are also translated into an indicator score. This score is considered in the overall assessment.

Fund selection

The Investment Manager invests other funds such as investment funds, index funds or ETFs. The Investment Manager assesses the adverse impact on sustainability of financial products by comparing their relationship with the adverse impact of their investments following the approach defined by ISIM to dealing with adverse impact, as outlined above. To do this, Investment Manager sends an ESG fund survey to the managers of these products asking them how their product deals with subjects such as tobacco, coal, and UN Global Compact violators.

ISIM has selected those topics because they are being considered as positively affecting the mitigation of adverse consequences. The responses to the survey allow the Investment Manager to categorise these funds into one of the four ESG approaches mentioned above based on the management of adverse impacts on sustainability.

ISIM sees two options for classification of adverse impacts. The fund manager of the other funds does not take any adverse impact into account, in which case Investment Manager will use this fund only for portfolios where the Traditional investing approach applies. Or the fund manager does consider adverse consequences, in which case the fund may be eligible for all investing approaches, depending on the level and degree of integration. If the fund manager meets some but not all the conditions, the Investment Manager may decide to initiate an engagement process in which the fund manager is asked to meet all the conditions within two years. Depending on the conditions that are not yet met, Investment Manager may decide to categorise these funds as funds that also consider adverse impacts on sustainability. If the engagement procedure is not successful, the fund is placed in a lower category.

An additional survey is launched to determine whether a fund manager takes account of the additional exclusions for the Sustainable and Impact investing approaches. The responses to this survey and the subsequent interview that Investment Manager has with the fund manager provide the Investment Manager with insight into the extent to which the fund manager is aware of the extent of adverse impact that companies or governments may have on social and environmental factors. Fund managers who are more considering this impact can be categorised as sustainability compliant. In addition to taking account of adverse impacts, we expect fund managers of Sustainable funds to meet other standards as well. These standards are described in the ISIM Responsible Investment Guidelines, which can be found at ing-isim.lu/ESG.

Following the assessment of the policies described above, a margin of error remains with respect to the identification and prioritisation of adverse impacts on sustainability. This margin of error exists using third-party data that can make an incorrect estimate. Human overall assessment also plays a role, which can be subjective. When using externally managed assets, we invest in those products that are closest to our own policies, but this almost never matches 100%. We are aware of these margins of error and always aim to limit them.

Engagement policy

As a shareholder, ISIM is engaged, in some cases, with the companies in which it invests. This means that, using our shareholder rights, we can hold companies accountable for their responsibility to create long-term value for all stakeholders. In this way we contribute to responsible entrepreneurship and good corporate governance.

We do this in various ways. The Investment Manager engages in dialogue with companies, and we vote at shareholders' meetings. In this way we contribute to a system of good governance and bring the interests of our investors directly to the attention of the companies. Where we make use of external asset managers, we rely on their voting policy and engagement. For more information on how we vote and engage, see our [voting guidelines](#) and our [engagement guidelines](#).

Our engagement focuses on three main themes, which are in line with ING Group's sustainability objectives:

1. Environment
2. Social matters
3. Governance

Our engagements therefore focus mainly on improving companies' awareness of key sustainable developments in order to improve their resilience and thus that of their investors. It is not about telling them what they are not doing right, but about telling them how to do it better.

ISIM's funds are invested into direct investments (equities and bonds) or investment funds, what implies that engagement can be exercised in two ways. Engagement with companies is organized through a collaborative initiative with other investors and/or engagement consultants, or through engagement performed by the Investment Managers of these investment funds.

- ***Direct investment in companies – cooperation with other investors***

There are two types of cooperation:

- i. cooperation with an engagement consultant
- ii. cooperation with other investors

On the topic of environment, Investment Managers engage through the following programmes:

a) Zero deforestation – The program encourages investees to make progress on achieving sustainable, zero-deforestation supply chains. The data and analytics provided by Satellite allows the engagement group to detect and quantify loss in vegetation and forest cover, caused by plantation expansion or other incidents linked to palm oil commodity production (cooperation with other investors);

b) Net Zero Transition – The program focusses on supporting institutional investors' efforts to advance their net zero stewardship ambitions by establishing an effective climate-focused dialogue with high-emitting companies on their journey to net zero carbon emissions (cooperation with engagement a consultant).

On the topic of financial health, Investment Managers within ING Group engage through the following programs:

a) Human Capital Management - The program focusses on human rights and labour practices. This program encourages companies to adopt globally agreed corporate standards, including the UN Guiding Principles on Business and Human Rights (cooperation with engagement a consultant);

b) Platform Living Wage Financials (PLWF) – The program aims to support the adoption of the payment of a living wage by the different companies in the supply chain of the garment and food and retail sector (cooperation with other investors);

c) Sustainable & Good Governance – The program focusses on sustainable business practices, effective governance structures and accountability mechanisms (cooperation with engagement advisor);

- ***Investments in other funds***

Concerning investments into other funds, Investment Managers assess engagement policies of these other funds and engagement performed by them.

Portfolio management of ISIM's funds (and with that engagement function) has been delegated to external Investment Managers. Some of the Investment Managers are part of the ING Group and, hence exercise engagement in line with the afore-mentioned guidelines. Investment Managers, which are not part of ING Group, may apply their engagement policies. However, such engagement policies can only be applied if the alignment with ISIM's engagement guidelines has been assessed and if such policies encompass engagement themes and objectives defined within ISIM's engagement guidelines.

Pension investing approach

ISIM has developed and implemented stringent policies to identify, prioritise, and address principal adverse impacts. In this section a summary of these policies is provided. These policies are described more into details in the [“Responsible Investment Guidelines - Pension Approach”](#) of ISIM.

Below is a brief explanation of the ESG integration tools for the Pension investing approach.

Exclusions

Within the Pension investing approach, ISIM aims not to invest in companies whose services, products or behaviours are at the expense of people, the environment or society. That is why the Investment Manager with the delegated mandates from ISIM assesses companies on their activities and behaviour before investing in them (via shares or corporate bonds for example). Companies may change over time, reason why Investment Manager checks the data of all companies in the portfolios every year to determine whether they still meet the requirements of the “Responsible Investment Guidelines - Pension Approach”.

The Pension investing approach imposes the following restrictions on business activity and business conduct:

- Restrictions are applied to issuers involved in controversial activities and having controversial behaviours. This implies restrictive responsible investment criteria based on which restrictions (considering predetermined income thresholds as indicated below) are applied about investments in :
 - Development, production, or maintenance of controversial weapons, or the trade in these weapons (0%)
 - Tobacco production (5%)
 - Coal mining (5%)
 - Oil sands (5%)
 - Gambling (5%)
 - Weapons (5%)
 - Adult entertainment (5%)
 - Special furs and leathers (5%)
 - Polar drilling (5%)
 - Shale oil and gas (5%);
- Restrictions are applied to companies that have violated the principles of the UN Global Compact or the OECD’s Guidelines for Multinational Enterprises;
- Restrictions are applied to issuers according to arms embargoes enacted by the United Nations Security Council and/or subject to a “call to action” on the Financial Action Task Force list.

Company selection (Sustainability Awareness Scoring)

Investment manager includes non-financial aspects for its Pensions investing approach when assessing companies. These non-financial aspects are translated into an indicator score. For the Pension investing approach, Investment Manager invests only in companies that do not rank among the last 30% in the investment scope. The scores for adverse impacts on sustainability account for 40% of the weight when calculating this indicator. The Investment Manager also includes non-financial aspects for its Sustainable and Impact investing approaches in the assessment of governments. These non-financial aspects are also translated into an indicator score. This score is considered in the overall assessment.

Engagement policy

Portfolio management of ISIM's funds responding to the Pension investing approach has been delegated to an external Investment Manager, which is not part of the ING Group. With that engagement has been delegated to this external Investment Manager.

In accordance with ISIM's engagement guidelines, this Investment Manager may apply its engagement policies as the alignment of such engagement policies with ISIM's engagement guidelines has been assessed and as such policies encompass engagement themes and objectives defined within ISIM's engagement guidelines.

The Investment Manager applies different methods to drive beneficial change, which includes engaging with companies to mitigate the adverse impacts of our investments. The Investment Manager votes at the shareholder meetings and actively engages with companies both as a shareholder and as a bondholder on a range of issues where there is a change potential. Where possible, the Investment Manager collaborates with international organizations and with other institutional investors to strengthen the impact of our efforts.

Below we have provided a summary of the approach to engagement and voting in relation to principal adverse impacts within the Pension investing approach.

The stewardship framework focuses on three different pillars :

1. Climate transition (including themes such as Biodiversity and Nature, Climate Transition and Strategy or Material GHG emissions reduction targets)
2. Inclusive growth (including themes such as Board diversity)
3. Corporate Governance (including themes such as Controversial incidents and Global Norms Violations)

More information about engagement can be found in the [ISIM Engagement Guidelines](#).

References to international standards

ING Group endorses many initiatives relating to international standards. The following standards apply explicitly to ISIM's investment activities:

- United Nations Global Compact ('UNGC'). The UNGC is a non-binding agreement of the United Nations to encourage companies around the world to pursue sustainable and socially Responsible policies, and to report on their implementation. The UN Global Compact is a principles-based framework for companies that defines ten principles in the areas of human rights, labour, the environment, and anti-corruption. At ISIM, we expect the companies in which we invest to comply with these principles. If a company in which we invest does not comply with these principles, we will sell this position within a predetermined term.
- UN-backed Principles for Responsible Investment ('PRI'). The PRI provides six principles that offer a menu of possible actions to integrate ESG issues into investment practices. We also recognise that the application of these principles can better align investors with the wider objectives of society. We integrate these principles into our investing approaches and encourage our suppliers to do the same. We will report annually to the PRI, which is publicly accessible.

We do not use forward-looking climate scenarios. Our portfolios are globally diversified portfolios that consider environmental factors, but also social and governance factors. The forward-looking climate scenarios are still full of uncertainties and offer only a limited view of the future. We monitor developments in this area and will consider these scenarios as soon as the data is more accurate and relevant.

Historical comparison

This report contains the historical comparison of Principal Adverse Impact indicators, which is based the data of 2024 compared with data of 2023 and 2022.

APPENDIX 1 – LIST OF ALL FUNDS AS OF 31/12/2024

ING FUND

Name of Sub-Fund	SFDR Classification (as of 31/12/2024)
ING Multi-Asset Income Fund Conservative	8
ING Multi-Asset Income Fund Moderate	8
ING Multi-Asset Income Fund Balanced	8
ING Multi-Asset Income Fund Active	8
ING Private Banking Optimal Selection Pure Bonds	8
ING Private Banking Optimal Selection Moderate	8
ING Private Banking Optimal Selection Balanced	8
ING Private Banking Optimal Selection Pure Equity	8
ING Sustainable Conservative	8
ING Sustainable Moderate	8
ING Sustainable Balanced	8
ING Sustainable Active	8
ING Sustainable Dynamic	8
ING Multi-Strategy Pure Bonds	8
ING Multi-Strategy Conservative	8
ING Multi-Strategy Moderate	8
ING Multi-Strategy Balanced	8
ING Multi-Strategy Active	8
ING Multi-Strategy Dynamic	8
ING Multi-Strategy Pure Equity	8

ING ARIA

Name of Sub-Fund	SFDR Classification (as of 31/12/2024)
Corporate +	8
Euro Short Duration Enhanced Return Bond Fund	6
ING Credit Horizon 2027	8
ING Credit Horizon Panorama	8 (launched on 01/08/2024)
ING Sustainable Bonds	8
Millésime Dynamique	6
Moderate Invest	6
Navido Patrimonial Dynamic	6
Flexible Strategic Allocation	6
ING Global Index Portfolio Very Defensive	8
ING Global Index Portfolio Defensive	8
ING Global Index Portfolio Balanced	8
ING Global Index Portfolio Dynamic	8
ING Global Index Portfolio Aggressive	8
Lion Conservative	8
Lion Moderate	8
Lion Balanced	8
Lion Dynamic	8
Lion Aggressive	8
ING Impact Fund Moderate	9
ING Impact Fund Balanced	9
ING Impact Fund Active	9
ING Impact Fund Dynamic	9

ING PRIVATE INVESTMENT SICAV-SIF

Name of Sub-Fund	SFDR Classification (as of 31/12/2024)
Global	6
Lakshmi	6

ING (B) FUND

Name of Sub-Fund	SFDR Classification (as of 31/12/2024)
Index Portfolio Fund Moderated	6 (merged in ING (B) Collect Portfolio Moderate on 01/07/2024)
Index Portfolio Fund Balanced	6 (merged in ING (B) Collect Portfolio Balanced on 01/07/2024)
Index Portfolio Fund Dynamic	6 (merged in ING (B) Collect Portfolio Dynamic on 01/07/2024)

ING (B) COLLECT PORTFOLIO

Name of Sub-Fund	SFDR Classification (as of 31/12/2024)
Patrimonial	6
ING Personal Portfolio Conservative	8
ING Personal Portfolio Moderate	8
ING Personal Portfolio Balanced	8
ING Personal Portfolio Active	8
ING Personal Portfolio Dynamic	8
ING Global Equity Fund RDT-DBI	8 (launched on 01/08/2024)

ING SELECT FUND

Name of Sub-Fund	SFDR Classification (as of 31/12/2024)
Actueel Obligaties	8
Actueel Zeer Defensief	8
Actueel Defensief	8
Actueel Neutraal	8
Actueel Offensief	8
Actueel Zeer Offensief	8
Actueel Aandelen	8
Inkomen Zeer Defensief	8
Inkomen Defensief	8
Inkomen Neutraal	8
Inkomen Offensief	8
Inkomen Zeer Offensief	8
Duurzaam Zeer Defensief	8
Duurzaam Defensief	8
Duurzaam Neutraal	8
Duurzaam Offensief	8
Duurzaam Zeer Offensief	8
Duurzaam Aandelen	8
Index Zeer Defensief	8
Index Defensief	8
Index Neutraal	8
Index Offensief	8
Index Zeer Offensief	8

ING WORLD ICAV

Name of Sub-Fund	SFDR Classification (as of 31/12/2024)
ING WORLD FUND 20/80	8
ING WORLD FUND 30/70	8
ING WORLD FUND 40/60	8
ING WORLD FUND 50/50	8
ING WORLD FUND 65/35	8
ING WORLD FUND 80/20	8
ING WORLD FUND 100/0	8

STAR FUND

Name of Sub-Fund	SFDR Classification (as of 31/12/2024)
Star Fund Balanced	8
Star Fund Moderate	8 (launched on 01/02/2024)
Star Fund Active	8 (launched on 01/02/2024)

