

From Principles to Practice:
Responsible Banking Case
Study Series

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Principles for
Responsible Banking

ING
Driving Impact Through
Client Engagement

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Principles for Responsible Banking

The Principles for Responsible Banking (PRB) are a unique framework for ensuring that signatory banks' strategy and practice align with the vision society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement.

The framework consists of six principles designed to bring purpose, vision and ambition to sustainable finance. They were created in 2019 through a partnership between founding banks and the United Nations. Signatory banks commit to embedding these six principles across all business areas, at the strategic, portfolio and transactional levels.





ING is a bank headquartered in Amsterdam, the Netherlands, offering retail and wholesale banking services in over forty countries. The bank joined UNEP FI in 2007 and was one of the founding signatories of the Principles for Responsible Banking (PRB) in 2019.

For more information about the bank's activities, visit [here](#).

Proactive client engagement at the core of ING's climate approach

ING is committed to facilitating sustainable transformation, working with clients addressing impacts in areas such as climate change, nature, and human rights. As a systemically important financial institution, ING believes it has the opportunity to play a leading role in financing the change needed to accelerate the transition. Sustainability is a priority of ING's overall business strategy, and the bank has developed science-based approaches, tools and methodologies to support clients and customers navigate challenges and effectively support their sustainability goals.

ING's inclusion-first approach prioritizes putting the bank's financing to work in supporting clients in high-emitting sectors with the transition of their business models, thereby helping to drive down emissions, and contributing to building up a sustainable future by financing the technologies and other solutions necessary for a low-carbon economy.

Effective client engagement is an important part of steering towards the bank's sustainability goals. This includes having informed conversations with clients about financing decisions and their alignment with net-zero pathways. Rather than focusing solely on carbon accounting within portfolios, ING advocates for understanding the ultimate impact of activities in the real economy and the role of finance in the required systems-level change. To that end, the bank aims to bring together key actors on sector-level to define what would really move the needle in getting to net zero.

Data and tools as the backbone for client engagement

PRINCIPLE 3: CLIENTS & CUSTOMERS

ING's client engagement strategy is increasingly informed by the availability of data, which has been enhanced by evolving regulation, such as the EU Corporate Sustainability Reporting Directive (CSRD). The regulatory landscape has encouraged corporate clients to develop transition plans that focus on climate and expand into nature and other sustainability areas.

Although data is important for banks' sustainability efforts, it can be a challenge, especially for those just starting their journey without access to substantial amounts of data. ING observes that conducting hotspot analyses can help address incomplete data: banks can identify key areas for intervention, even with limited relevant data, by mapping client portfolios against the latest climate science on greenhouse gas emissions.

In 2023, ING began to collect and analyse public sustainability and transition planning disclosures from around 2,000 of the bank's largest clients, particularly in the most carbon-intensive parts of its portfolio, creating a significant dataset that is accessible to the bank's relevant front-office staff.

While climate data was the initial focus, this data-driven approach could also apply to nature-related and social impacts, such as water scarcity and deforestation. ING believes that a data-driven approach enables the bank to make informed decisions regarding financing in line with its sustainability objectives.

To enable the collection and analysis of data, ING developed **ESG.X**, an AI-assisted online tool, which helps the bank to assess the sustainability efforts of its clients in a structured and data-driven manner. The tool collects data related to emissions, targets, action plans, governance structures, and sustainability strategies where these are in place. ESG.X then generates a Client Transition Plan (CTP) score for each client in scope, categorizing the maturity level of their climate disclosures and transition planning into bands: Advanced, Moderate and Low. See more details in [ING's Client Transition Plan assessment methodology white paper](#).

Key components for assessing clients' CTP scores

Emission reporting	Commitment & Targets	Action plan	Governance & strategy
- GHG emissions across Scopes 1, 2 and 3 - Third-party assurance of the emissions data	- Net-zero commitment statement - Long-term (post 2035) and near-term (before 2035) emissions-reduction targets	- Planned actions for the reduction of emissions - Existing and future low-carbon products and services	- Integration of climate considerations into business strategy - Integration of climate considerations into governance processes

ING also publicly discloses the aggregate CTP assessment scores of various carbon-intensive business sectors, including shipping, power generation, oil and gas, aviation, automotive, cement, and commercial real estate. This assessment enables the bank to gain a better understanding of its clients' climate progress across these sectors and to develop corresponding strategies for aligning its portfolio with net-zero goals. See more details in ING's 2024 Climate Progress Update, page 18–26.

As disclosure requirements evolve, more data points are becoming available and ING plans to continuously update its methodology. The bank is also exploring how best to share resources with peer banks and clients and establish reusable models that lead to scalable solutions that help other institutions to enhance their sustainability efforts.

Making relevant data accessible, combined with internal training and awareness initiatives, helps to enable staff to engage meaningfully with clients. ESG.X and the resultant CTP scores allow ING's Wholesale Banking relationship managers to enter client meetings with a comprehensive view of where their clients stand in terms of sustainability and what steps need to be taken to progress further, providing the basis for in-depth and insightful conversations about how ING can finance and help accelerate their business transitions. Alongside that, a new Sustainability Client Engagement toolkit and training for client-facing teams aims to establish consistency when tracking progress and providing support for clients in their transitions.

ING is integrating key performance indicators (KPIs) related to progress against annual climate targets into employee performance management. Dedicated sustainability KPIs have been established, requiring client-facing teams in Wholesale Banking to demonstrate progress in discussions with clients regarding their transition plans, including how to execute or improve those plans.

Boundaries to financing established in ESR policy framework

Over time, ING will be prepared to step away from client relationships that are not aligned with its portfolio pathways and commitment to steering towards net zero. This new "business as usual" approach means that starting in 2026, after two years of CTP disclosure assessments and more strategic engagement with clients, for those who remain unable or unwilling to progress, stricter credit conditions may be applied on a case-by-case basis, or financing may be ceased altogether.

However, this does not mean that remedial actions will wait until 2026 for clients who are unable or unwilling to transition. Clients and transactions must always meet minimum requirements set by the Environmental & Social Risk (ESR) policy framework. This means that while ING is engaging with clients to support them in their transition, the bank has also established clear boundaries, such as ceasing to finance thermal coal, and continues to restrict the financing of certain other practices, for example, by no longer providing finance (including general corporate purposes lending and debt capital market bond issuance services) to pure-play upstream oil & gas companies that continue to develop new fields.

Taking an integrated approach: climate, nature, and human rights

While focused on climate action, ING's sustainability agenda also includes nature and human rights, reflecting its recognition of the interconnectedness of these themes and the need for systems-level change. The bank participates in several UNEP FI workstreams focused on nature and social issues, including the PRB Nature Community, the Financial Health & Inclusion Community, the Human Rights Community of Practice, and the Decent Work working group, to drive change and contribute to standard-setting by sharing their subject-matter expertise.

PRINCIPLE 2: IMPACT & TARGET SETTING

By integrating nature into financing decisions and client transition assessments, ING aims to address environmental impacts such as deforestation and plastic waste, while developing metrics to guide its loan portfolio in the most impactful sectors. The bank is also exploring how to embed the concept of just transition into its business practices alongside its already established human rights protection policies, aiming to maximize the social and economic opportunities of climate and environmental action, while striving to minimize and manage potentially adverse impacts of these actions. This approach aims to ensure that the move toward a low-carbon economy is fair and equitable, aligning with global frameworks like the UN Guiding Principles on Business and Human Rights.

ING is researching target-setting methodologies related to nature, and in its conversations with clients aims to incorporate biodiversity concerns, deforestation risks, and

the social impacts of their operations. For example, when discussing financing a new project, ING seeks to have a dialogue that not only covers climate change mitigation related impacts but other environmental and social implications of the client's activities. This comprehensive approach will help ING drive change across multiple dimensions of sustainability, taking the interdependencies and connections into account.

Client engagement in this broader context is not merely about compliance with regulations—it is about proactively exploring both the risks and opportunities of the low-carbon transition, and fostering partnerships that contribute to long-term, sustainable growth.

ING notes that while it finances a lot of sustainable activities, it still finances more that's not. As society transitions to a low-carbon economy, so are ING's clients and so is ING, and the bank's current progress can be found [here](#).

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UNEP Finance Initiative (UNEP FI) brings together a large network of banks, insurers and investors that catalyses action across the financial system to deliver more sustainable global economies.

For more than 30 years the Initiative has been connecting the UN with financial institutions from around the world to shape the sustainable finance agenda establishing the world's foremost sustainability frameworks that help the finance industry address global environmental, social and governance challenges.

Convened by a Geneva, Switzerland-based secretariat, more than 500 banks and insurers with assets exceeding USD 100 trillion are individually implementing UNEP FI's Principles

unepfi.org

for Responsible Banking and Principles for Sustainable Insurance. Financial institutions work with UNEP FI on a voluntary basis to apply the sustainability frameworks within their industries using practical guidance and tools to position their businesses for the transition to a sustainable and inclusive economy.

Founded in 1992, UNEP FI was the first initiative to engage the finance sector on sustainability. Today, the Initiative cultivates leadership and advances sustainable market practice while supporting the implementation of global programmes at a regional level across Africa & the Middle East, Asia Pacific, Europe, Latin America & the Caribbean and North America.



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