

A close-up photograph of a person's hand holding a baby's foot. The person is wearing dark blue denim jeans with small, colorful patches. The baby's foot is wearing a light-colored sock with a blue and orange stripe at the top. The background is a blurred indoor setting with a wooden floor and a red wall.

Application of the Dutch
Banking Code by
ING Bank N.V. (FY 2020)

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Application of the Dutch Banking Code

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Introduction

In September 2009, the Dutch Banking Association (NVB) published the first Banking Code (Code Banken). The Banking Code laid out the principles for Dutch banks in terms of corporate governance, risk management, audit and remuneration and came into effect on 1 January 2010 on a so-called 'comply or explain' basis.

Following the first Banking Code in 2010, the Committee Wijffels published a report in 2013 on the structure of Dutch banks ('Naar een dienstbaar en stabiel bankwezen'). The report paid great attention to the stability of the industry and the importance of competition and diversity in Dutch banking. In its report, the Committee called upon the banks to take additional steps towards regaining trust from customers and society as a whole by setting out the role they want to play in society in a social charter.

In response, in 2014, the NVB introduced a document entitled 'Future-oriented Banking'. This document contained the requested social charter, the rules of conduct associated with the Banker's Oath, and an update of the Dutch Banking Code (hereinafter **Banking Code**).

The updated Banking Code came into effect on 1 January 2015. It takes into account the recommendations of the Banking Code Monitoring Committee, the report of the Wijffels Committee, and the vision of the NVB. It applies to all activities performed in, or directed towards the Netherlands by banks that are established in the Netherlands and licensed by the Dutch Central Bank (De Nederlandsche Bank, DNB) pursuant to Section 2:11 of the Financial Supervision Act (Wet op het financieel toezicht, Wft). The Banking Code

does not replace applicable legislation or prevailing regulatory requirements in case of a conflict.

The principles of the previous Banking Code, which have now been incorporated into legislation and regulations, are not repeated in the updated Banking Code. ING Bank N.V. (ING) will – obviously – continue to comply with these national and international rules.

ING applies the Banking Code to all its entities with a Dutch banking licence (including ING Groenbank N.V. and Bank Mendes Gans N.V.) for activities performed in or directed towards the Netherlands. Banks that are members of a group and subject to the Banking Code may apply parts of it at the level of the entity heading the group. The Management Board Banking has decided to apply the corporate governance principles of the Banking Code at the consolidated level, i.e. for the Management Board Banking and Supervisory Board of ING Bank N.V.. With regards to remuneration of the Executive Board, ING Groep N.V. voluntarily applies the principles of the Banking Code.

In this booklet ING reports on how it applies the Banking Code principles and – where applicable – explains if, and why a principle is not (entirely) complied with. In addition, where applicable, this booklet elaborates on the progress made in applying the principles and gives examples of how these principles are applied. ING's application of the Banking Code is based on the official Dutch text of the Banking Code, which is available on the website of the [Dutch Banking Association](#). The Dutch Banking Association also provides an unofficial English translation of the Banking Code on its website, which is included in this booklet and can be found [here](#).

ING strongly supports the Banking Code principles to regain trust, ensure stability and protect the interests of our stakeholders. Regaining trust requires a sustainable approach and continuous attention. Following the significant steps taken to comply with the Banking Code principles since 2010, ING is continuing its efforts to improve even further.

ING recognises that complying with the Banking Code principles is an ongoing process.

1 Sound and ethical operation

Text Banking Code 2016

1. To build and maintain its position as a stable and reliable partner, a bank must formulate its mission, strategy and objectives. These focus on the long term and are expressed in part in the bank's risk policy and the policy for sustainability and corporate social responsibility.

Implementation by ING

ING's purpose and strategy can be found on [ing.com](https://www.ing.com). Our Think Forward strategy was set by the Management Board Banking in 2014 and accelerated in 2016. In 2020, the Management Board Banking decided to refocus our activities to ensure faster customer delivery and a continuously improving end-to-end digital customer experience. This was approved by the Supervisory Board. The Management Board Banking and Supervisory Board actively discuss the progress periodically, and where needed prioritisation choices are made.

Further information on our strategy and developments can be found in the 'Our strategy' chapter of the 2020 [Annual Report](#).

ING's Think Forward strategy drives the continuous Dynamic Planning process, which incorporates plans for the medium term. The Dynamic Plan for the period 2020-2022 was approved by the Management Board Banking and by the Supervisory Board. It

includes, among others, the 2022 plans developed by the countries to safeguard and foster longer term thinking and execution.

Our sustainability direction

ING's purpose is to empower people to stay a step ahead in life and in business. We believe this also means helping customers and society stay a step ahead of the challenges they are facing. We want to help create a healthy planet with prosperous people. We think we can have the biggest impact while addressing the biggest challenges in two areas: climate action and financial health. We can play a role by financing change, sharing knowledge and using our innovation skills. Being sustainable is in all the choices we make – as a lender, as a partner and through the services we offer our customers.

With regard to financial health: our policies, as well as our broader business ambitions, are structured around embedded social, ethical and environmental criteria.

With regard to climate action: climate change is an unparalleled challenge for our world, one where banks also have a role to play, which ties into the first focal point mentioned above. We explain our efforts with regards to climate change in more detail on [ing.com](https://www.ing.com). The second focal point is about improving the resilience of people by helping them with financial decision-making in a fast-changing world (this is further explained on [ing.com](https://www.ing.com)). An extensive [Environmental and Social Risk \(ESR\)](#) policy framework is in place to guide our decisions on client and deal engagement. Under [Our stance](#) our stakeholders can find a clear explanation of how we apply these criteria and why we do (or do not) finance certain sectors/activities.

Text Banking Code 2016

2. A bank chooses its positioning such that **its commercial interests and social role are extensions of each other**. This is also expressed in the bank's governance structure and guides the implementation of its policy based on its mission, strategy and objectives.

Implementation by ING

Pursuant to the charter of the Management Board, in performing its duties the Management Board Banking will:

- actively engage in the business of the company;
- be responsible for the continuity, and be guided by the interests of ING and the business connected with it, thereby carefully considering and balancing the interests of all stakeholders of ING, while making the customer interest central as set out in the Dutch Banker's Oath (the Banker's Oath must be taken by all employees in the Netherlands, including the members of the Management Board Banking and Supervisory Board);
- foster a culture focused on long-term value creation, risk awareness, compliance with ING's risk appetite, responsible and ethical behaviour, and encouraging openness and accountability within ING and its subsidiaries;
- ensure and monitor the continuous effectiveness of risk mitigation in all business lines and internal units; and
- constructively challenge and critically review propositions, explanations and information received when exercising its judgement and taking decisions.

In particular, the chief risk officer (CRO) shall not bear any individual commercial responsibilities and is primarily responsible for strategy with respect to all types of financial and non-financial risk, risk appetite, risk management, risk culture and compliance with relevant laws and regulations, including codes of conduct, relating to risk management, as well as monitoring thereof.

Proposals to the Management Board Banking and Supervisory Board must at least address three elements:

- the key points, including considered alternatives with anticipated pros/cons, key risks and potential mitigating measures, and challenges of the proposal;
- the impact the proposal may have on customers and other internal/external stakeholders: it should explain how the customers' interests have been taken into account in the consideration of the proposal, including what the estimated stakeholder impact will be; and
- the strategic fit: it should explain how the proposal will contribute to ING's purpose of empowering people to stay a step ahead in life and in business, as well as to ING's customer promise: clear and easy, anytime anywhere, empower, and keep getting better.

As a bank, we have an opportunity and responsibility to finance and facilitate the shift to a more sustainable society, whether by supporting our clients in their own transition to becoming more sustainable or by financing sustainable projects. Through [Our direction](#) we want to ultimately contribute to society's transition to be more sustainable. This is also reflected in ING's governance of the Sustainability department, which has a direct reporting line to the Management Board Banking.

Stakeholder engagement has always been an important element of ING's overall strategy. We continuously listen to different stakeholders, the most important of which are customers, employees, supervisors, shareholders, NGO's, government(s) and citizens. We (pro-)actively seek and – when requested – provide feedback to our stakeholders on different issues by engaging in constructive dialogues, for example during investor days, roadshows and meetings with regulators.

To improve as an organisation we need to identify, understand and balance the most important topics for our stakeholders and know how these relate to the actions and decisions that we take. The results of our regular materiality assessment guide us in our strategic decision-making, stakeholder engagement agenda and reporting framework. More information on how our materiality analyses are performed can be found on [ing.com](https://www.ing.com).

We have ongoing dialogues with stakeholders, including NGOs, as a source of early warning signals and to better understand concerns that might exist. This enables us to learn which matters are most important to our stakeholders and how we can best align their interests with our business. Throughout the year we organise stakeholder meetings at various levels.

ING's Terra approach

In the Paris Climate Agreement, governments committed to take action to remain well below a two-degree rise in global temperatures compared to pre-industrial levels. As ING has a loan book of about €600 billion across many sectors, we have begun steering

towards meeting the Paris Agreement's two-degree goal. This is called our Terra approach. In this approach, ING is focusing on the sectors that are responsible for most greenhouse gas emissions: power generation, fossil fuels, automotive, shipping, aviation, steel, cement, residential mortgages and commercial real estate. We will measure and benchmark whether our lending in each sector is adding up to contribute to climate resilience. We are able to do this because we are co-creating an innovative, accurate way to measure the climate impact of our portfolio. In October 2020, we released our second progress report on Terra.

This year's Terra progress report for the first time includes the oil & gas sector, including a target. ING aims to reduce financing to upstream oil & gas by 19% by 2040 from 2019 levels. ING will align this portfolio by decreasing exposure and by engaging with clients to facilitate their transition to low-carbon technologies.

More information can be found on [ing.com](https://www.ing.com). See also the 'Strategy and performance' section in the 2020 Annual Report.

Text Banking Code 2016

3. The executive board and supervisory board are – with due regard for each other's duties and powers – **responsible for setting up a sound governance structure and compliance with the governance principles.**

The members of these boards will set an example to all of the bank's employees and exhibit this in their day-to-day activities. Each year, the supervisory board will evaluate the way the members of the executive board are setting an example.

Implementation by ING

Applicable laws/regulations are embedded in ING's Articles of Association, the Corporate Board Charters, the ING Governance Manual, the ING Decision Structure, and accompanying policies and procedures. These are all reviewed on a periodic basis and are aligned with relevant Dutch and international corporate governance standards, such as: (1) the Dutch Corporate Governance Code that took effect on 1 January 2017 and was embedded in Dutch law on 7 September 2017; (2) the European Banking Authority (EBA) Guidelines on Internal Governance that took effect on 30 June 2018; and (3) the Shareholders Rights Directive II, implementation of which was completed on 3 September 2020. These are similarly reviewed and updated when necessary.

These documents can be found on the Policy & procedures section of ING's intranet, which serves as the single source of truth for all ING employees. An Internal Control Framework is in place to manage the process of setting global standards and local implementation in line with the Think Forward strategy to support an efficient and effective control environment with appropriate approvals on new or updated external requirements. As part of this ING also has an active dialogue with external supervisory/regulatory bodies, government representatives and peers on requirements and relevant developments with respect to corporate governance.

At different times during the year, on a regular and an ad hoc basis, the Management Board Banking and Supervisory Board reflect and report on these governance-related aspects and ING's compliance with them, for example in the periodic meetings between the Management Board Banking and the Supervisory Board and during the Annual General Meeting, supported by information in the 2020 [Annual Report](#).

On a regular basis, at least annually, the Supervisory Board evaluates the performance of the individual members of the Management Board Banking. Furthermore, the Management Board Banking and Supervisory Board periodically, at least annually, each assess their collective effectiveness. Since reporting year 2019, the accompanying approach, process and design of the self-evaluation for the Supervisory Board and the Management Board Banking have been aligned and enhanced: they more specifically address the so-called 'what' and 'how' elements of the boards' functioning and cater for a mid-year review. The 'what' represents the applicable roles and responsibilities as laid down in respectively the charter of the Management Board Banking and of the Supervisory Board and accompanying manuals, policies and procedures. The 'how' represents the boards' cultural and behavioural aspects.

The conclusions from these collective self-evaluations result in a shared, collective view of positive points to keep and points for improvement, which are translated into concrete actions for following up. These actions, for example, cover updates to governance documentation of ING's corporate boards in view of increased transparency and simplification, the set-up and organisation of board meetings (e.g. updates to frequency, duration and agenda setting) and specific educational needs for the collective or for individuals that could be added to the boards' education/life-long learning plans.

Text Banking Code 2016

4. The executive board and supervisory board are – with due regard for each other's duties and powers – **responsible for developing, communicating and enforcing standards on integrity, morals and leadership in the bank.**

In addition, **they ensure there are proper checks and balances and they safeguard a solid IT infrastructure** that is vital for the functioning of the bank. Among other things, thorough checks and balances mean that the compliance function is also safeguarded within the executive board and supervisory board.

Implementation by ING

Standards on integrity, morals and leadership

All the Management Board Banking members have taken the Banker's Oath. In addition, ING employees in the Netherlands as well as the Supervisory Board members have taken the Banker's Oath. See also the 'Corporate Governance' chapter of the 2020 [Annual Report](#).

Our business centres around people and trust. Only by acting with professionalism and integrity can we maintain our stakeholders' confidence and preserve our company's reputation. Whatever business activity we are involved in, we stick to our values. We place integrity above all and insist on acting prudently and honestly. In consultation with and with the approval of the Management Board Banking, Executive Board and Supervisory Board, a new Global Code of Conduct became effective in mid-February 2020. It links the Orange Code (our set of values and behaviours) to the main ING policies,

minimum standards and guidelines. In addition to the Orange Code, it further defines the most essential conduct principles expected from ING employees in their daily activities, to create additional risk awareness and better meet expectations stated in external rules and guidelines. See also Principle 5 on ING's Orange Code (our set of values and behaviours). Additionally, the Global Code of Conduct is linked to employees' performance management cycle to ensure a continuous attention for and dialogue on how to apply the Global Code of Conduct in their daily work.

At ING it is important to give each other feedback and have open dialogues. If an employee notices a suspected or actual misconduct by or within ING they are encouraged to raise their concern via the existing channels (e.g. their immediate or next higher level manager, Human Resources department or compliance officer) and not keep it to themselves or ignore it. This should prevent impairment of ING's integrity. ING will not ignore, tolerate or excuse behaviour that breaches ING values. However, if employees feel unable or uncomfortable to raise their concerns through the existing channels, they can use the whistleblower channels. To this end, ING has a Whistleblower policy in place. Any suspected breach of the ING values or behaviours (together the Orange Code) or a local or global code of conduct can be reported via ING's internal whistleblower channel or the external whistleblower channel. For more information see the Whistleblower policy on ing.com.

ING's Think Forward Leadership Programme (TFLP) aims to develop great leaders and better managers who can engage staff and enhance team performance. Introduced for senior leaders in 2017, it was extended later that year to people managers globally as the TFL Experience (TFLE), a four-day programme with follow-up learning activities. The first phase of the programmes focused on (i) self-awareness (i.e. 'what is my purpose'

and ‘what do I stand for’), (ii) personal ownership (developing an owner’s mentality, the deep conviction that it is up to me (to fix this)), (iii) collaboration (how to share, trust, and gain more perspective on our challenges), (iv) the Orange Code, and (v) the Think Forward strategy. Phase 2, launched for TFLP in 2018, focused on (i) sustained high performance (how to prime ourselves for best performance, at work and at home), (ii) talent development (how we can bring out the best in every team and everyone), and (iii) performance transparency (how we can lead courageously and create a culture of transparency, leading to healthy internal competition for the benefit of all). This was also extended to the TFLE audience in 2020.

A total of 4,100 leaders and managers have so far participated in TFLP and TFLE. This includes almost all top-level management and around 80% of other managers. The delivery for this audience was started in March 2020. See also ‘Our people’ chapter in the 2020 [Annual Report](#).

Safeguarding a solid IT infrastructure

The Management Board Banking has the responsibility and is committed to safeguard a solid IT infrastructure. Our chief operations officer, as member of the Management Board Banking, has the task of ensuring that IT is properly addressed and taken into account at board level and across the rest of the organisation.

A solid IT infrastructure means that the delivery of services and data, in terms of confidentiality, integrity and availability of the data and services at reasonable cost, is well maintained and constantly improved for future needs and developments of our customers and other stakeholders.

To achieve these objectives and contribute towards becoming a leading data-driven digital bank, ING Tech has put in place an organisation built on people, process and technology, to safeguard a high quality and a continuous improvement cycle towards global scalability and security. Like previous years, this covers (global) IT solutions and processes to reduce complexity and to monitor maintain and simplify the (global) IT infrastructure. This also covers processes for assessments by auditors (both internal and external) and processes to design for future needs. As part of this, information risk management is one of our key priorities to contribute to a solid IT infrastructure.

We continue on the route we defined in our IT strategy to support ING’s Think Forward strategy. This means further simplifying our IT landscape, standardising our way of working and further automation of our software delivery, deployment and monitoring. This will contribute to the operational performance as well as cost efficiency of our IT landscape.

Banks become more exposed and are increasingly connected to third-party providers (for example through the European Payment Services Directive, PSD2). This means that we continue to strengthen good cybercrime resilience practices and high operating standards. To act in a professional and ethical manner we integrate cybercrime resilience during selection, training and certification of our staff (e.g. joint Business and IT Risk Awareness Days) and foster a security-positive culture. We maintain strong global anti-cybercrime alliances with the financial service industry, law enforcement authorities, governments and internet service providers to collaborate against cybercrime.

ING is continuously improving its technical capabilities to predict, detect, respond and mitigate issues related to the use of information technology, including but not limited to cybercrime-related threats.

For more information on our IT infrastructure we refer to 'Our strategy' in the Strategy and performance section of the 2020 [Annual Report](#).

The Compliance function

The chief compliance officer reports directly to the CRO and has direct access to the Risk Committee of the Supervisory Board. The chief compliance officer and the chairman of the Risk Committee have regular bilateral consultations, which is reflected in the relevant charters.

Text Banking Code 2016

5. The executive board will promote responsible behaviour and a healthy culture both at the top of the bank and throughout its organisation. In this, it will consider the interests of the bank's customers and other stakeholders. The supervisory board supervises this.

Implementation by ING

In 2014, ING developed the Orange Code, which marked an important step towards one shared culture. The Orange Code is our values and behaviours that set out how we go about achieving our purpose. It is a set of standards that we collectively value, strive to live up to, and invite others to measure us by. More information on the Orange Code can

be found [here](#). See also Principle 4 above, on ING's new Global Code of Conduct, which links the Orange Code to ING's main policies, minimum standards and guidelines. Both the Orange Code and the Global Code of Conduct are the foundation of ING's envisaged risk culture.

Risk culture

At ING we attach great importance to a sound risk culture, which is essential in performing our role in society responsibly and in keeping the bank safe, secure and compliant. Our risk culture determines the way in which employees identify, understand, discuss, and act on the risks we are confronted with and the risks we take. In 2020, we conducted a self-assessment of our risk culture and are working on developing our envisaged risk culture, built on the foundation of our Orange Code and Global Code of Conduct, and in line with our Think Forward strategy.

To support ING's ambition to safeguard a sound risk culture, several enhancement projects are ongoing in areas such as our approach to monitoring risk culture, our escalation behaviour and further linking non-financial risk related topics to our purpose and strategy.

Customer centricity

Customer centricity (*'Klantbelang Centraal'*) is embedded in the Orange Code and in our Customer Promise. Globally, also in the Netherlands, we have adopted the ING Customer Golden Rules, five principles that consistently ensure customer centricity in our product development and sales activities. The Customer Golden Rules are integrated into the Product Approval and Review Process. Customer centricity is monitored and findings are acted upon, for example through the complaints handling processes and the Net Promoter Score (a tool to measure customer satisfaction).

Responsible behaviour and a healthy culture

Examples of how ING encourages responsible behaviour and a healthy culture include:

- A strong link between the Orange Code and performance management (coaching/appraisal). Both ING employees and senior management are annually appraised against the requirements of the Orange Code.
- The Whistleblower policy process enables anonymous reporting via internal or external channels (in addition to normal reporting channels) on integrity-related issues. More information on our Whistleblower policy can be found on [ing.com](https://www.ing.com).
- ING has a complaints procedure in place for customers, shareholders, suppliers and any other stakeholders, which also allows them to challenge us on responsible behaviour. It applies to complaints about suspected or actual criminal conduct, unethical conduct or other misconduct by or within ING. This can range from money laundering or terrorist financing to financing clients who violate human rights, to undesirable behaviour etc. More information on our complaints procedure can be found on [ing.com](https://www.ing.com).
- The Compliance function has developed several tools to support the business and staff functions in safeguarding and further developing a sound risk and integrity-led culture. Important elements in this context are:
 - Orange Code decision-making (OCDM): a decision-making model and workshop developed on the basis of the Orange Code that supports ethical and well-balanced decision-making throughout ING
 - The 'I for Integrity' programme (Netherlands and Belgium): to strengthen and embed awareness on integrity-related topics e.g. balanced decision-making, know your customer (KYC) and whistleblower.
 - In 2020, ING launched a Global Code of Conduct applicable to all ING employees.
- Corporate Audit Services has embedded a Risk Control & Behaviour (RCB) approach in its existing audit process and is aligning its approach with the overall risk culture ambition of ING. Results are reported to the Management Board Banking and Audit Committee at least annually.
- The Behavioural Risk Management (BRM) team was set up in mid-2018 to make behavioural patterns within ING visible by carrying out behavioural risk assessments. A behavioural risk assessment is an expertise-based methodology to identify and analyse undesired behaviours and their drivers. Furthermore, after a behavioural risk assessment, the BRM team suggests interventions to the business to mitigate the risk behaviours. These interventions are determined and designed by the BRM team and impact all levels of the organisation. Interventions focus on the formal and informal side of the organisation, with the main goal to change behavioural risk patterns.
- ING implemented a global data ethics approach using values aligned to the Orange Code to ensure ethical treatment of data. This approach includes a structure with local and global Data Ethics Councils, to ensure well-balanced decision-making around the use of data, which is based on the OCDM and properly takes into account the rights and interests of the stakeholders impacted.
- ING introduced a new global learning model in 2019 to further professionalise Compliance, KYC and Risk training. It introduces governance, a board to approve trainings based on business needs, global planning and greater cooperation between content owners, learning experts and corporate communications to ensure the best fit for the training need.

- We measure ING's organisational health in an extensive Organisational Health Index (OHI) diagnostic survey. The last full survey in September 2019 showed our results were declining. Based on this, the Management Board Banking decided to focus on three priority areas: direction, leadership and innovation. These global themes were the starting point for action plans on local, business and functional level, which also covered local and business line issues.
- To monitor progress on these priorities, two OHI Pulse surveys were introduced for all employees in 2020. The global results of the OHI Pulse survey held in May showed significant improvement across all business lines in the three priority areas. More colleagues indicated that ING's purpose is communicated clearly and that they understand how they contribute to ING's success. More colleagues felt their views were included in decision-making and felt leaders showed concern for the welfare of employees. Also, more colleagues felt ING is doing well in innovation.
- The outcomes of the OHI Pulse survey in November, compared to May, showed leaders continued their high level of support and caring for the welfare of employees. Scores on 'direction' declined slightly while those on 'innovation' remained generally stable since May.
- The May and November surveys also included questions on engagement. The results showed that despite the challenging times, engagement at ING remains high. Comparing the November 2020 scores with those in September 2019, both job engagement (focusing on enjoyment of work) and organisational engagement (pride in ING as a company) increased. Between May and November, the engagement scores remained relatively stable. The next full organisational health survey will be run in 2Q 2021.

- Chief executive officer Steven van Rijswijk updates all employees on the progress made within ING via quarterly CEO messages. In these messages he often stresses the importance of the Orange Code and encourages people to live up to it.

In ING Bank Netherlands

- A culture based on the ING Orange Code values and behaviours remained a key priority in 2020.
- In 2018, Step Up Performance Management was rolled out to manage employee performance in the Netherlands, replacing the former planning, coaching and appraisal cycle. Targets are set in terms of three dimensions: [job](#), [Orange Code](#) and [stretch ambitions](#). This is in line with how senior management is appraised.
- The Dutch Banker's Oath is a legal requirement for all employees in the Netherlands since 2015. We refer to the 'Our people' chapter of the 2020 [Annual Report](#).
- ING employees are subject to a compliance procedure in case of suspected violations of the General Code of Conduct of ING in the Netherlands or the Banker's Oath.
- An onboarding programme for new ING employees is offered in the Netherlands (Destination Orange). This programme introduces new employees to the the Orange Code values and behaviours, ING's purpose and strategy and one agile Way of Working.

Sound decision-making

ING provides managers and multidisciplinary teams with the following standards and guidelines:

- The Product Approval and Review Process (PARP), which includes the ING Customer Golden Rules, and the Orange Code decision-making model. Since 2019, the PARP process is identical in Belgium and the Netherlands.
- The Customer Experience Improvement Cycle (CEIC) supports a customer-centric approach. The CEIC method was developed for all squads in ING Bank Netherlands. It is an agile approach for developing new products, services and propositions.

Text Banking Code 2016

6. A bank's culture must also express the assumptions in the Social Charter of the Dutch Banking Association. These must be embedded in the bank's organisation and the bank will include them in its contact with its stakeholders. It will provide an insight into the way in which the bank deals with the assumptions in the Social Charter.

Implementation by ING

Our purpose and strategy

ING's purpose and strategy can be found on [ing.com](https://www.ing.com). We empower people and businesses to realise their own vision for a better future. Our purpose therefore is 'empowering people to stay a step ahead in life and in business'.

Our stakeholders

In all our activities, we carefully weigh the interests of our various stakeholders. These include our customers, such as individuals, families, small businesses, large corporations, financial institutions, governments, public-private entities and supranational agencies.

Other important stakeholders are our shareholders and bondholders, regulators, NGO's, citizens and our employees. More information can be found on [ing.com](https://www.ing.com).

Our employees

Differences in gender, age, background, sexual orientation, physical ability and religious beliefs enable us to solve problems and respond to challenges in different ways. Diversity is good for business because different perspectives drive innovation, accelerate growth, and lead to more robust decisions and outcomes. More info can be found on [ing.com](https://www.ing.com).

ING's role in society

ING wants to understand what issues are most important with regards to our business activities and role in society. We use a methodology called the materiality assessment to determine which economic, social and environmental topics we should prioritise. For more information we refer to the 2020 [Annual Report](https://www.ing.com) or [ing.com](https://www.ing.com).

ING's sustainability direction:

The world is changing so quickly, sometimes it is hard to keep up. We at ING are here to help people stay a step ahead of these changes. To help them thrive in tomorrow's world by turning the threats of climate change and fast-changing technology into opportunities. An outline of our sustainability direction can be found on [ing.com](https://www.ing.com). Sustainability is a standard discussion agenda item at the Annual General Meeting.

Our sustainability direction is embedded in the organisation and sustainability updates are periodically on the agenda of the Management Board Banking and Supervisory Board. Furthermore, these topics are part of the Board members' permanent education programme.

The results

As a result of our efforts, in July 2020, Sustainalytics ranked ING first among its market cap group and we are in the 10th percentile of 374 listed and non-listed global banks. Sustainalytics is a global provider of environmental, social and governance (ESG) research and ratings. In addition, ING retains its 'A' rating from MSCI, an investment research firm that provides indices, portfolio risk and performance analytics to institutional investors. The rating was confirmed in July 2020, remaining unchanged from the preceding three years. More information can be found on [ing.com](https://www.ing.com).

The circular economy

The circular economy is about rethinking how we use our raw materials and resources to create a sustainable economy free of waste and pollution. It means shifting from the current linear model of 'take, make, waste' to an economy where we 'reduce, reuse, recycle'. But moving to a real circular economy is not only about sharing or recycling. We also have to design differently, sell differently, value differently, treat risk differently, and finance differently. That's where ING comes in.

We started the Orange Circle, ING's circular economy programme, which has the ultimate ambition of helping our customers to make the transition from ownership to access. We have already completed a number of deals. In 2018, ABN AMRO, ING and Rabobank launched finance guidelines for the circular economy. These guidelines provide a better insight into the role of the financial community for the transition towards a circular economy. More details on the circular economy and ING's sustainable project can be found on [ing.com](https://www.ing.com) and in the [newsroom](#).

Text Banking Code 2016

7. All employees will comply with the formal regulations and self-regulation that apply to them. The executive board and supervisory board are – with due regard for each other's duties and powers – **responsible for this**. The executive board is responsible for employees being and remaining familiar with all rules, values and standards applicable to the bank and will continue to pay attention to this. The supervisory board supervises this.

Implementation by ING

Various initiatives emphasise that every employee needs to understand how their actions and behaviours can help earn and retain customer and stakeholder trust. More specifically:

- ING employees, as well as the members of the Management Board Banking and the Supervisory Board have taken the Banker's Oath.
- Rules and regulations applicable to ING can be found in the Policies & procedures section of ING's intranet, which serves as the single source of truth for all ING employees.
- An Internal Control Framework is in place to manage the process of setting global standards and local implementation in line with the Think Forward strategy to support an efficient and effective control environment with appropriate approvals on new or updated external requirements.
- Awareness, expectations and changes to internal rules and standards are actively brought to employees' attention through various communication channels and e-

learning modules (e.g. e-learning modules on KYC awareness). ING's e-learning modules not only include aspects relating to policy content but also to the ING values and behaviours.

- Every ING employee has a personal responsibility to be aware of the ING values and behaviours (together the Orange Code) and local and global codes of conduct. Employees may report suspicions of (potential) breaches of the ING values, behaviours or codes of conduct. If employees feel unable to, or are uncomfortable about raising concerns through the existing channels, the ING whistleblower channels provide a route for employees to report concerns.

ING's three lines of defence model

ING Bank's risk management framework is based on a 'three lines of defence' governance model, whereby each line has a specific role and defined responsibilities in such a way that the execution of tasks is separated from the control of the same tasks. At the same time, the three lines have to work closely together to identify, assess and mitigate risks. This governance framework ensures that risk is managed in line with the risk appetite approved by the Management Board Banking and the Supervisory Board, and is cascaded throughout ING Bank's business operations.

The commercial and operational departments form the first line of defence and have a primary responsibility for the day-to-day risk management. They originate loans, deposits and other products within applicable frameworks and limits, know their customers well, and are well-positioned to act in both the customers' and ING's best interests.

The second line of defence consists of oversight and risk management functions. These play a major role in the risk management organisation, which is headed by the chief risk officer (CRO), who is primarily responsible for risk management on the Management Board Banking. As a member of the Management Board Banking, the CRO ensures that risk management issues are heard and discussed at the highest level, thus establishing the appropriate tone at the top. The CRO steers a functional, independent risk organisation both at global and business-unit level, which supports the commercial departments in their decision-making, but which also has sufficient countervailing power to keep the risk profile within the set risk appetite.

The internal audit function provides an on-going independent (i.e. outside of the risk organisation) and objective assessment of the effectiveness of internal controls of the first two lines, including financial and non-financial risk management and forms the third line of defence. For further details on ING's three lines of defence model we refer to the 'Risk management' chapter of the 2020 [Annual Report](#).

2 Supervisory Board

Text Banking Code 2016

8. The supervisory board will be composed in such a way that it is able to perform its tasks properly. It **will form a risk committee and an audit committee**.

The members of the supervisory board will be prepared and able to make sufficient time available for their duties and **exhibit effort and commitment**. They will at the same time be **critical and independent**.

Implementation by ING

The aim is to ensure that the Supervisory Board is at all times adequately composed to perform its duties. Members of the Supervisory Board have various backgrounds and areas of expertise e.g. in banking, finance, risk and operations management. For more information we refer to the Supervisory Board profile and the diversity and competence matrix of the Supervisory Board and the Management Board on [ing.com](https://www.ing.com).

As part of the selection and appointment process, Supervisory Board members are subject to a 'fit and proper' test by the DNB and the ECB. This 'fit and proper' test also takes into account the composition and collective suitability of the Supervisory Board, in accordance with the Suitability Policy Framework.

In principle, the Supervisory Board assesses its suitability on an ongoing basis, ad hoc when necessary and at least as part of its annual self-evaluation. The results may lead to certain enhancements or amendments.

On a regular basis, also at least annually, the chairman of the Supervisory Board evaluates the performance of the individual Supervisory Board members, also in accordance with the Suitability Policy Framework.

On 31 December 2020, ING's Supervisory Board consisted of nine members. The diversity in the composition of the Supervisory Board is reflected, among others, in gender, age, geography and professional background. The Supervisory Board has drawn up a profile that includes the basic principles for its composition and competences. This profile is reviewed periodically and updated when needed, taking into account relevant internal and external ING developments. The last update was in 2017 and was shared with the Annual General Meeting in April 2018. Among others, it reflected its composition and the aim to have a minimum gender diversity of 30%, which the Supervisory Board met in 2020. The Supervisory Board has four permanent committees, including a Risk Committee and an Audit Committee. Further details on the composition and attendance rates can be found in the 'Supervisory Board report' chapter of the 2020 [Annual Report](#).

Text Banking Code 2016

9. Each member of the supervisory board will be aware of the social role of a bank and of the interests of the various stakeholders.

Implementation by ING

When performing its duties, the Supervisory Board takes into account ING's function in society and the interests of all stakeholders. After being appointed, each Supervisory Board member follows a tailor-made introduction programme to familiarise them with ING, its stakeholders and context, particular topics, and their role as a Supervisory Board member. In addition, a broad range of topics is discussed as part of the Supervisory Board's permanent education programme. As part of this, the Supervisory Board members participate in knowledge/educational sessions hosted by ING to allow them to acquire additional in-depth knowledge of relevant developments for the bank and the financial sector in general. Details on the most relevant topics discussed during Supervisory Board meetings and knowledge/educational sessions can be found in the 'Supervisory Board report' chapter of the 2020 [Annual Report](#).

As a standard practice, proposals to the Supervisory Board must address at least three elements:

- the key points, including considered alternatives with anticipated pros/cons, key risks and potential mitigating measures, and challenges of the proposal.
- the impact the proposal may have on customers and other (internal/external) stakeholders: it should explain how the customer's interests have been taken into

account in the consideration in the consideration of the proposal including what the estimated stakeholder impact will be.

- the strategic fit: it should explain how the proposal will contribute to ING's purpose of "*Empowering people to stay a step ahead in life and in business*" as well as to ING's customer promise: clear and easy, anytime anywhere, empower, keep getting.

Text Banking Code 2016

10. There are specific competence and experience requirements for members of the supervisory board's risk and audit committees. Members of the risk committee must have thorough knowledge of the financial aspects of risk management or the necessary experience to permit a thorough assessment of risks. Members of the audit committee must have thorough knowledge of financial reporting, internal control and audit or the necessary experience to permit thorough supervision of these subjects.

Implementation by ING

The members of both the Risk Committee and the Audit Committee must meet specific requirements regarding competence and experience, which are laid down in the charters of the Risk Committee and the Audit Committee of the Supervisory Board and in the Supervisory Board profile. Furthermore, since 2017, a diversity and competence matrix of the Supervisory Board and Management Board Banking is included in the Annual Report. For further details on the financial expert role and the diversity and competence matrix we refer to the 'Corporate governance' chapter of the 2020 [Annual Report](#).

Text Banking Code 2016

11. The chairman of the supervisory board will organise a programme of lifelong learning for all members of the supervisory board with the aim of maintaining their expertise at the required level and improving it where necessary.

The learning programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, IT infrastructure, risk management, financial reporting and audit. Every member of the supervisory board will take part in the programme and meet the requirements for lifelong learning. The assessment of the effectiveness of the programme of lifelong learning will be part of the annual evaluation performed by the supervisory board.

Implementation by ING

A collective permanent education (PE) programme for the members of the Supervisory Board is in place. The PE programme covers the following main themes (i) developments at the bank and in the financial sector, (ii) corporate governance in general and in the financial sector, (iii) duty of care towards customers, (iv) integrity, (v) risk management, (vi) financial reporting, and (vii) audits. The programme is structured around ING's key strategic priorities and it provides for collective Supervisory Board PE knowledge/education sessions on at least a quarterly basis. These may also be in the form of so-called deep dives or thematic sessions. Thought leaders and experts are invited to speak on various topics. As part of their annual self-evaluation, Supervisory

Board members may also request further training or education on specific topics for inclusion in the following year's PE programme.

Furthermore, each Supervisory Board member follows a tailor-made introduction programme after their appointment to familiarise them with ING, its stakeholders and context, particular topics and their role as a Supervisory Board member. Details about the most relevant topics that were discussed at the 2020 Supervisory Board knowledge/educational sessions can be found in the 'Supervisory Board report' chapter of the 2020 [Annual Report](#).

Text Banking Code 2016

12. In addition to the supervisory board's annual self-evaluation, the functioning of the supervisory board will be evaluated under independent supervision once every three years. The involvement of each member of the supervisory board, the culture within the supervisory board and the relationship between the supervisory board and the executive board will be part of this evaluation.

Implementation by ING

Annually, the functioning of the Supervisory Board is evaluated through a self-assessment process. Similar to previous years, the Supervisory Board's annual self-assessment was facilitated among others by an independent external party and with input from several executives who regularly interact with the Supervisory Board and attend Supervisory Board meetings. The action points resulting from last year's self-assessment were acted upon during the year and covered. As of 2020, the process is

enhanced: it now more specifically addresses the so-called 'what' and 'how' elements of the Supervisory Board's functioning and caters for a mid-year review. For further details on the annual self-assessment process and follow-up, see the 'Supervisory Board report' chapter of the 2020 [Annual Report](#).

Text Banking Code 2016

13. Each member of the supervisory board will receive appropriate compensation for the amount of time that he or she spends on supervisory board activities. This compensation will not depend on the bank's results.

Implementation by ING

The compensation of members of ING's Supervisory Board does not depend on the bank's results. Supervisory Board members receive fixed remuneration only. Each member of the Supervisory Board receives a fixed fee based on their role within the Supervisory Board and within its committee(s) (chairperson, vice chairperson or member) and, if applicable, a fee for each meeting cycle they attend outside their country / continent of residence to compensate for travel time to attend the meetings in person.

More information on remuneration of the Supervisory Board is disclosed in the 'Remuneration report' chapter of the 2020 [Annual Report](#). Please also see the ING Groep N.V. Remuneration Policy Supervisory Board on ing.com.

3 Executive Board

Text Banking Code 2016

14. The executive board will be composed in such a way that it is able to perform its tasks properly. **Each member of the executive board will be aware of the social role of a bank and of the interests of the various stakeholders.**

Implementation by ING

The Management Board Banking is composed in such a way that it is able to perform its tasks properly. On 31 December 2020, it consisted of 6 board members.

On 1 July 2020, Steven van Rijswijk succeeded Ralph Hamers as chief executive officer, resulting in the chief risk officer role to become vacant. The Supervisory Board initiated the succession planning for a new CRO resulting in Ljiljana Čortan (formerly chief risk officer of another financial institution) appointed as ING CRO and member of the Management Board Banking per 1 January 2021. The Supervisory Board will propose to shareholders to appoint her as member of the Executive Board and CRO of ING Group at the Annual General Meeting in April 2021. Until her appointment, Tanate Phutrakul, chief financial officer of ING, temporarily has the responsibility for risk at Executive Board level. The day-to-day risk management activities were performed ad interim by Karst Jan Wolters, reporting to Tanate Phutrakul.

On 12 August 2020, ING announced that Isabel Fernandez, member of the Management Board Banking and head of ING Wholesale Banking, would leave on 31 December 2020 to continue her career outside the company. Per the same date there is a vacancy for the head of Wholesale Banking. The Supervisory Board initiated the succession plan to fill this vacancy. In the interim, CEO Steven van Rijswijk will assume temporary responsibility for Wholesale Banking from 1 January 2021.

Members of the Management Board Banking have various backgrounds and areas of expertise in banking, finance, risk, IT and operations management.

As part of their selection and appointment process, Management Board Banking members are subject to a 'fit and proper' test by the DNB and the ECB. This 'fit and proper' test also takes into account the composition and collective suitability of the Management Board Banking, in accordance with the Suitability Policy Framework.

On a regular basis and at least annually, the Supervisory Board evaluates the performance of the individual members of the Management Board Banking, also in accordance with the Suitability Policy Framework.

The diversity in the composition of the Management Board Banking is reflected in gender, geography and professional background, among other aspects. The Management Board Banking and Executive Board have drawn up a profile that includes the basic principles for its composition and competences. This profile is reviewed periodically and updated when needed, taking into account relevant internal and external ING developments. The last update was in 2017 and shared with the Annual General Meeting in April 2018, which reflected, among others, its composition and the

aim to have a minimum gender diversity of 30%. On 31 December 2020 there were two female board members. For more information we refer to the Executive Board profile on ing.com (also applicable to the Management Board Banking).

In performing its duties, the Management Board Banking shall carefully consider and act in accordance with the interests of ING, taking into consideration the interests of all ING's stakeholders. Therefore, proposals to the Management Board Banking must at least address three elements as described above in Principle 2. When considering these interests, the Management Board Banking shall take into account the continuity of ING, the environment in which ING operates, as well as applicable legislation, regulation and codes of conduct.

Text Banking Code 2016

15. One member of the executive board will have the duty of preparing decision-making by the executive board on risk management. This member will be involved in good time in the preparation of decisions that are of material significance for the bank's risk profile, especially where these decisions may result in a departure from the risk appetite approved by the supervisory board. This member may combine his or her function with other responsibilities, provided that he or she does not bear any individual commercial responsibility and operates independently from commercial areas.

Risk management will also include a focus on the impact that systemic risk could have on the bank's risk profile.

Implementation by ING

Since 2007, a chief risk officer (CRO) has been appointed to the Management Board Banking who bears primary overall responsibility for the risk management function. The CRO is responsible for the management and control of risk on a consolidated level to ensure ING's risk profile is consistent with its financial resources and risk appetite. The CRO is also responsible for establishing and maintaining a robust organisational basis for the management of risk throughout the organisation. The CRO in the Management Board Banking does not combine this role with any commercial responsibility.

The CRO is closely involved in risk matters and the preparation of decisions that may have a material impact on the bank's risk profile, especially when these decisions may lead to a deviation from the risk appetite boundaries as approved by the Supervisory Board. Furthermore, the CRO chairs, or is a member of, various key risk committees of the bank in which the methodologies, policies and procedures are discussed and approved to manage and mitigate those aspects that may impact the bank's risk profile.

Through regular and ad hoc stress tests, the risk management function examines the vulnerability of the bank, or some portfolios, to specific negative events or economic changes. This focuses attention on the impact that systemic risk could have on the bank's risk profile. The scope of the stress tests may vary from the bank as a whole, to a specific country, asset class or risk type, and represent various economic situations from a mild recession to an extreme shock.

Steven van Rijswijk, former CRO of ING, succeeded Ralph Hamers as CEO on 1 July 2020, resulting in a vacancy of the CRO position. Until the appointment of a new CRO, Tanate Phutrakul, CFO of ING, temporarily assumed the responsibility for risk in the Executive Board. The day-to-day risk management activities were being performed ad interim by Karst Jan Wolters, who reported to Tanate Phutrakul. Ljiljana Čortan was appointed as CRO and member of the Management Board Banking per 1 January 2021. The Supervisory Board will propose to shareholders to appoint Ljiljana Čortan as member of the Executive Board and CRO of ING Group at the Annual General Meeting in April 2021.

Text Banking Code 2016

16. The chairman of the executive board will organise a programme of lifelong learning for all members of the executive board with the aim of maintaining their expertise at the required level and improving it where necessary.

The learning programme will in any event cover relevant developments at the bank and in the financial sector, corporate governance in general and in the financial sector in particular, the duty of care towards customers, integrity, risk management, financial reporting and audit. Every member of the executive board will take part in the programme and meet the requirements for lifelong learning.

Implementation by ING

A collective permanent education (PE) programme for the members of the Management Board Banking is in place. The PE programme is a joint programme with the Supervisory Board. We refer to Principle 11 above on the PE programme and the ‘Supervisory Board

report’ chapter of the 2020 [Annual Report](#) for an overview of the most relevant topics dealt with during 2020.

4 Risk Policy

Text Banking Code 2016

17. A bank's risk policy is characterised by a **comprehensive approach**, is **transparent** and has both a **short- and long-term focus**. The risk policy also takes **reputational risks and non-financial risks** into account.

Implementation by ING

ING has multiple risk policies and minimum standards in place to ensure a comprehensive approach towards risk management and that appropriate risk controls are embedded in its business processes throughout the bank.

Financial (solvency, credit, market, liquidity and funding) and non-financial (operational, IT) risks, as well as compliance and model risks, are directed and overseen by an independent risk function. Operational risk includes risks related to reputational damage and legal risk. The risk function's primary roles are to properly identify, measure and manage risks in normal and stressed economic conditions, as well as oversee our business activities to allow ING to grow a sustainable business consistent with both the strategy and our risk appetite.

Our comprehensive risk management framework supports and governs the process of identifying, measuring, mitigating, monitoring and reporting financial and non-financial risks. It includes setting the risk appetite for the bank and the countries; establishing the

single name and sector concentration risk boundaries and instruments; determining both short-term and long-term funding planning and liquidity forecasting; conducting stress-testing both bank-wide and portfolio specific; tracking events and non-financial risk issues; and conducting risk assessments, among others.

ING took a number of specific measures to strengthen its management of compliance risks. For instance, the chief compliance officer is a permanent participant in the Risk Committee and the global Centre of Expertise Behavioural Risk was formed to carry out behavioural risk assessments within our organisation. Other measures have been implemented as part of the bank-wide, global Know Your Customer (KYC) Enhancement Programme.

ING's internal controls are reviewed and updated as necessary on the basis of significant changes identified, creating an environment of continuous improvement in managing financial and non-financial risks. For more information we refer to the 'Risk management' chapter of the 2020 [Annual Report](#).

Text Banking Code 2016

18. A bank's executive board will be responsible for its risk policy and ensure proper risk management.

The executive board will propose the risk appetite to the supervisory board for approval at least once a year. Any material changes to the risk appetite in the interim will also require the supervisory board's approval.

Implementation by ING

While the risk policy is the collective responsibility of the Management Board Banking, one dedicated member (the CRO) is primarily responsible for the management of ING's risk profile and adherence to the risk appetite statement. Each year, the risk appetite is set by the Management Board Banking and approved by the Supervisory Board. Any material changes within this period are also set by the Management Board Banking and approved by the Supervisory Board. This principle is reflected in the Charter of the Management Board Banking.

Text Banking Code 2016

19. The supervisory board will supervise the risk policy pursued by the executive board. As part of its supervision, the supervisory board will discuss the bank's risk profile and assess at a strategic level whether capital allocation and liquidity requirements are generally in line with the approved risk appetite and whether operations in general are in line with the bank's risk appetite. In the performance of this supervisory role, the supervisory board will be advised by its risk committee.

Implementation by ING

On a quarterly basis, the Management Board Banking provides the Supervisory Board with a comparison of the bank's actual risk profile for all types of financial and non-financial risk versus the approved risk appetite. This allows the Supervisory Board to discuss and assess whether, among others, the capital allocation and liquidity

requirements are generally in line with the approved risk appetite and whether the bank's commercial activities are appropriate in the context of its risk appetite.

In August 2009, the Risk Committee of the Supervisory Board was established. The Risk Committee currently meets at least seven times a year. In addition, the Risk Committee also meets at least three times a year with the Remuneration Committee. The chief compliance officer has direct access to the Risk Committee and the chairman of the Risk Committee has regular bilateral consultations with the chief compliance officer. The Risk Committee prepares the discussion and decisions of the Supervisory Board with respect to risk management. This principle is reflected in the Charter of the Supervisory Board. Please also see the 'Supervisory Board report' chapter of the 2020 [Annual Report](#).

5 Audit

Text Banking Code 2016

20. A bank's executive board will ensure that a systematic audit is conducted of the management of the risks related to the bank's operations.

Implementation by ING

ING has an internal audit department – Corporate Audit Services (CAS) – that prepares and executes an annual risk-based audit plan. This audit plan for ING Bank N.V. is endorsed by the Management Board Banking and approved by the Supervisory Board prior to finalisation. CAS reports on the progress of the audit planning realisation and on the results of the audits on a periodic basis to the Management Board Banking and the Audit Committee of the Supervisory Board of ING Bank N.V.

Text Banking Code 2016

21. To this end, a bank will have its **own internal audit department with an independent position** within the bank. The head of the internal audit department will report to the chairman of the executive board and also have a direct reporting line to the chairman of the supervisory board's audit committee.

The internal audit department, external auditors and supervisory board's audit committee will consult periodically.

Implementation by ING

CAS is independently positioned within ING. CAS staff report to the general manager of CAS. The general manager CAS reports hierarchically to the CEO of ING as well as functionally to the Supervisory Board. The general manager CAS has regular bilateral meetings with the chairman of the Audit Committee. CAS' independent position within ING is confirmed annually by the Supervisory Board by approving the CAS charter and is periodically assessed as part of the external quality review performed by the Institute of Internal Auditors Netherlands (IIA).

CAS periodically exchanges information with stakeholders like the DNB and the ECB as well as the external auditor in order to update its risk analysis and audit plan.

Text Banking Code 2016

22. The internal audit department will take the initiative in arranging talks with DNB and the external auditors at least once a year to discuss each other's risk analyses, findings and audit plans at an early stage.

The bank's executive board and internal audit department will encourage these tripartite talks, aiming for a clear delineation of each other's duties and responsibilities.

Implementation by ING

CAS prepares and discusses its risk analysis and audit plan with the Management Board Banking, the Executive Board, the Audit Committee of the Supervisory Board, the

external auditor and the DNB/ECB. Subsequently, CAS periodically exchanges information with these stakeholders to update its risk analysis and audit plan at least annually or when needed.

Tripartite talks have not taken place since the supervisory responsibilities moved from the DNB to the ECB. Regular meetings with the external auditor and separately with the DNB/ECB took place during the year. The external auditor has separate meetings with the DNB/ECB.

5 Remuneration Policy

Text Banking Code 2016

23. The bank will implement a detailed, restrained and long-term remuneration policy that is unambiguous and transparent and in line with national and international regulations.

The remuneration policy will have a primarily **long-term focus** and be in line with the bank's risk policy. It will incorporate an internal and external balance of interests, taking into account the **expectations of the various stakeholders and social acceptance**. It will also take the **relevant international context** into account.

Implementation by ING

ING is subject to and compliant with remuneration regulations, which are implemented in the ING Remuneration Regulations Framework. This framework applies to all ING employees, setting specific requirements for Identified Staff, control functions and the Management Board (including the Executive Board where appropriate). All entities in which ING holds the majority of the shares and/or the majority of the voting rights must comply with this Remuneration Regulations Framework. The ING Remuneration Regulations Framework is updated annually and subject to Supervisory Board approval.

The remuneration policy of ING Bank strikes a balance between interests of its customers, employees, shareholders and society in general, and supports the company's long-term objectives.

Specific remuneration policies for the Executive Board and Management Board apply. The charters of the Executive Board, Management Board Banking and the Supervisory Board reflect ING's commitment to ensuring the execution of the remuneration policy remains in line with the criteria set out in this principle.

More information on remuneration of the Executive Board is disclosed in the 'Remuneration report' chapter of the 2020 [Annual Report](#). Please also see the ING Groep N.V. Remuneration Policy Executive Board on ing.com. In addition, a specific remuneration policy for the Supervisory Board was approved at the Annual General Meeting held in April 2020 and applicable with retroactive effect from 1 January 2020.

Text Banking Code 2016

24. The total income of a member of a bank's executive board will at the time it is set be below the median for comparable positions inside and outside the financial industry, taking into account the relevant international context.

The variable remuneration of a member of the executive board will be set in accordance with national and international regulations.

Implementation by ING

Current remuneration levels of the ING Executive Board are below the median of the new peer group, which is introduced with the new 2020 Executive Board Remuneration Policy and approved by the Annual General Meeting held in April 2020. This new peer group is based on five guiding principles: geography, talent market, size, governance framework and balancing. The actual composition of the peer group for 2020 is disclosed in the 'Remuneration report' of the [2020 Annual Report](#).

This year a benchmark has been performed for the other members of the Management Board Banking as well, based on the same peer group as used for the Executive Board. The Executive Board and the other members of the Management Board Banking are on average below the median. Three members of the Management Board Banking are on or slightly above the median. Due to their ING specific role, for these members it is difficult to have a good comparison inside and outside the financial industry in the Netherlands as well as abroad. There are limited comparable positions for these specific jobs.

In accordance with relevant remuneration regulations the variable remuneration of the members of the Executive Board is capped at 20% of fixed remuneration and is granted fully in equity (i.e. ING shares). 60% of the variable remuneration is subject to tiered vesting over a period of five years plus at least a one-year retention period which applies to vested ING shares.

More information on remuneration of the Executive Board is disclosed in the 'Remuneration report' chapter of the 2020 [Annual Report](#). Please also see the ING Groep N.V. Remuneration Policy Executive Board on ing.com.