

A person wearing a bright yellow hooded raincoat and dark shorts stands with arms outstretched on a rustic wooden bridge. The bridge is made of several parallel wooden planks and spans across a river. The background is a dense forest with lush green trees. The scene is captured in a cinematic style with soft lighting.

Application of the Dutch
Banking Code by
ING Bank N.V. (FY 2022)

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Application of the Dutch Banking Code

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Introduction

In September 2009, the Dutch Banking Association (Nederlandse Vereniging van Banken, **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 banks to take additional steps towards regaining trust of 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 Dutch Banker’s Oath (**Banker’s Oath**), and an update of the Dutch Banking Code (**Banking Code**).

The updated Banking Code came into effect on 1 January 2015. 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).

The Banking Code does not replace applicable legislation or prevailing regulatory requirements in the event 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 Bank**) will continue to comply with these national and international rules.

In 2021, the Banking Code has been supplemented with two clarifying paragraphs elaborating on the further embedding of the public and social interest and on remuneration policy.

ING Bank applies the Banking Code to all its entities with a Dutch banking licence, 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 executive board of ING Bank (**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 (**Supervisory Board**)¹. With regards to remuneration of the executive board of ING Groep N.V. (**Executive Board**)², ING Groep N.V. voluntarily applies the principles 24, 25 and 26 of the Banking Code.

In this booklet ING Bank reports on how it applies the Banking Code principles and – where applicable – explains if, and why a principle is not (entirely) complied with. In

¹ The Supervisory Board of ING Bank N.V. consists of the same members as the Supervisory Board of ING Groep N.V.

² The CEO, CFO and CRO of ING Groep N.V. are also the CEO, CFO respectively CRO of ING Bank N.V.

addition, where applicable, this booklet elaborates on the progress made in applying the principles and gives examples of how these principles are applied. ING Bank'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 [NVB](#).

In this booklet, and unless otherwise stated or the context otherwise dictates, references to "ING Groep N.V.", "ING Group" and "ING" refer to ING Groep N.V. and references to "ING Bank N.V.", "ING Bank", "company", "we" and "us" refer to ING Bank N.V. ING Bank N.V. is primary banking subsidiary of ING Groep N.V.

ING Bank strongly supports the Banking Code principles to regain trust, ensure stability and protect the interests of its stakeholders. Regaining trust requires a long-term view, a sustainable approach and continuous attention. Following the steps taken to comply with the Banking Code principles after its introduction in 2010, ING Bank is continuing its efforts to enhance compliance even further. ING Bank recognises that complying with the Banking Code principles is an ongoing process.

1 Sound and ethical operation

Text Banking Code

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

ING's purpose is to empower people to stay a step ahead in life and in business. It represents ING's belief in people's potential. However big or small, modest or grand, ING empowers people and businesses to realise their own vision for a better future. In 2022 ING decided, based on the external trends around us, to focus on making the difference for people and the planet.

ING's strategy is built around this purpose and making the difference by providing a superior customer experience and putting sustainability at the heart of what we do.

ING's strategy drives the continuous dynamic planning process, which incorporates plans for the medium term. In 2021, the dynamic plan for the period 2022-2024 was approved by the Management Board Banking and the Supervisory Board. It includes, among others, the 2024 plans developed by the countries to safeguard and foster longer term thinking and execution.

ING's purpose and strategy can be found on [ing.com](https://www.ing.com). The Management Board Banking and Supervisory Board actively discuss the progress, and where needed priorities are set. Further information on ING's strategy and developments can be found in 'Our strategy' in the 2022 Annual Report.

Text Banking Code

2. When developing a strategy, objectives and policy a bank safeguards, in a way that fits within the nature, activities and mission of the bank, that **stakeholders' interests** are identified and properly assessed.

Implementation by ING

ING Bank's strategic priorities are providing a superior customer experience and putting sustainability at the heart of what we do.

Superior customer experience

To give ING Bank's customers a superior experience we're building on our strong technology and operations foundation to provide seamless digital services while keeping their money and their data safe and secure.

Sustainability at the heart

ING Bank has a responsibility to society to define new ways of doing business that align with economic and social impact. ING Bank is determined to be a banking leader in

building a sustainable future for our customers, society and the environment as reported in ING's 2022 Climate Report.

To put these two strategic priorities into practice, we focus on four enablers. We provide seamless, digital services that are data-enabled. We make the most of our scalable 'technology and operations', using them wherever we can. We maintain trust by being safe and secure, and we unlock our people's full potential.

Providing seamless digital services

For a superior customer experience the basics have to be in place. That means reliable and robust channels that are available 24/7. We are making our processes 'straight-through' and using data analytics and machine learning to personalise the experience. Getting this 'digital and data' part right has many benefits: from better customer and colleague experiences, to more effective and efficient controls, to a lower cost-to-serve.

Using scalable technology and operations

We'll make sure we adopt the technology and operations foundations we've built – including the 'ING private cloud', our 'TouchPoint' platform and our operational hubs – wherever we can across the bank. The more we use and re-use these shared global foundations and their core building blocks, the bigger the benefits: improving quality, consistency and safety, and delivering and implementing new solutions faster and at lower costs. For customers, it helps us reduce the time-to-yes and time-to-cash. For colleagues, more efficiency creates time and space to focus on excellence and developing new customer solutions. It also makes it easier to adopt new technologies, such as artificial intelligence, augmented reality and robotics. To make the most of our foundations we need to pay attention at how we collaborate across teams and borders,

using our talent and capabilities more flexibly across our locations, and providing new opportunities for our people.

Staying safe and secure

We earn and maintain trust by being compliant and living up to our societal responsibilities. We have an important role as a gatekeeper to the financial system, preventing financial economic crime and society will hold us accountable for this. Operational resilience underpins a superior customer experience, and we aim for >99% availability of all channels, 24/7. Limiting fraud, minimising the impact of cyber-attacks and having reliable data that powers better decisions at lower capital costs helps to keep both our customers and ING safe and secure. We're digitalising and automating our controls to be compliant-by-design. We also have to adapt to emerging risks like climate risk. We'll keep improving our risk culture and behaviours, based on ING's Orange Code (**Orange Code**) and supported by the 'ING Global Code of Conduct' (**Global Code of Conduct**).

Unlocking our people's full potential

ING Bank employees already have the talent, capabilities and capacity to bring our purpose to life and put our priorities into action. Activating our engaged and collaborative workforce is how we succeed in executing our strategy. We unlock the full potential of our people by supporting them to be their best, providing continuous learning so that we all have the right skills and capabilities to stay relevant.

Achieving our customer experience and sustainability ambitions requires the creativity, inventiveness and adaptability that comes from diverse teams. We believe in a diverse and inclusive workforce and workplace. This will not only fuel performance, collaboration, and innovation, but also vitality. We're focusing first on gender diversity,

with the ambition of >30% female representation in senior management layer (of approx. top 300 leaders). And we aim for an employee experience that is as easy, instant and personal as our customer experience. All underpinned by our Orange Code and the collaborative Orange culture that we need to keep developing – as it's another thing that differentiates ING. 'Getting these things right' will allow us to attract, develop and retain the people we need to make the difference.

Text Banking Code

3. 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 Board³, 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 Bank and in this consideration give paramount importance to customers' interests as set out in the 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, financial, non-financial and compliance risk awareness, compliance with ING Bank's risk appetite, responsible and ethical behaviour and stimulate openness and accountability within ING Bank 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 for commercial task areas and operates independently from those areas. The CRO is primarily responsible for the global risk management and compliance strategy.

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

- the key points, including considered alternatives, key risks and challenges of the proposal; and
- the impact the proposal may have on customers and other internal/external stakeholders: it should explain how the customers' and other stakeholders' interests have been taken into account in the consideration of the proposal, including what the estimated stakeholder impact will be.

As a bank, we have an opportunity and role to play in financing and facilitating the shift to a more sustainable society, whether by supporting our customers in their own

³ Charter of the Management Board of ING Groep N.V. and ING Bank N.V.

transition to becoming more sustainable or by financing sustainable projects. Through our '[Sustainability direction](#)' we want to ultimately contribute to society's transition to be more sustainable. The importance ING Bank attaches to this is also reflected in ING Bank's governance of its 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, NGOs, government(s) and citizens. We actively seek and provide feedback to our stakeholders on different issues by engaging in constructive dialogues, for example during investor days, roadshows and meetings with regulators. See for more information on how we engage on [ing.com](#). To improve as an organisation ING needs to identify, understand and balance the most important topics for its stakeholders and know how these relate to the actions and decisions that ING takes. The results of our regular materiality assessment guide ING in its strategic decision-making, stakeholder engagement agenda and reporting framework. More information on how ING's materiality analyses are performed can be found on [ing.com](#).

ING Bank has ongoing dialogues with stakeholders 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 with their interests. Throughout the year we organise stakeholder meetings at various levels.

ING Bank'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. In 2018, ING Bank committed to steer its loan book towards the target as set out in the Paris Climate Agreement. Since 2019, we report and steer on nine of the most carbon intensive sectors, which are responsible for 75% of the global greenhouse gas emissions. This is called our Terra approach, where we have recently accelerated our commitment by increasing our level of ambition to reaching net zero by 2050 or sooner. To promote immediate action towards decarbonisation and to adhere with our Net-Zero Banking Alliance commitment, we set intermediate 2030 targets for all nine sectors in scope of Terra climate alignment. With the Terra approach, ING Bank focuses on the sectors that are responsible for most greenhouse gas emissions: power generation, upstream oil and gas, automotive, shipping, aviation, steel, cement, residential real estate and commercial real estate. We measure and benchmark whether our lending in each sector is adding up to contribute to climate resilience.

Terra was developed as an inclusive, forward-looking and engagement-driven approach that has allowed ING Bank to set ambitious, time-bound portfolio targets for aligning with science-based scenarios. The approach was developed and continues to evolve in partnership with the 2° Investing Initiative (2DII).

Terra draws primarily upon two methodologies for target-setting, namely the Paris Agreement Capital Transition Assessment and the Science Based Targets initiative's Sectoral Decarbonization Approach.

In ING's 2022 Climate Report, ING increased its ambition for the energy sector: ING Bank aims to grow new financing of renewable energy by 50% by year-end 2025 versus year-

end 2021. Next to this, ING Bank does not provide dedicated upstream finance (lending or capital markets) for new oil and gas fields approved for development after 31 December 2021.

More detailed information can be found on [ing.com](https://www.ing.com) and in the [2022 Climate Report](#).

Text Banking Code

4. 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 and regulations are embedded in the Articles of Association of ING Bank, the Charter of the Management Board and Charter of the Supervisory Board, the ‘ING Governance Manual’, the ‘ING Decision Structure’, and accompanying policies and procedures. These are all reviewed on a periodic basis, updated when necessary and aligned with relevant Dutch and international corporate governance standards.

These documents can be found on ING’s intranet. ING Bank’s Articles of Association and the Charter of the Management Board and Charter of the Supervisory Board are also available on [ing.com](https://www.ing.com). Internal Control Binding Principles are in place to manage the process of setting global standards and local implementation in line with the 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.

During the year, on both a regular and an ad hoc basis, the Management Board Banking and Supervisory Board reflect and report on these governance-related aspects and ING Bank’s compliance with them, for example in the periodic meetings between the Management Board Banking and the Supervisory Board and at the ING Group’s Annual General Meeting, supported by information in the 2022 [Annual Report](#).

The Supervisory Board evaluates, at least annually, the performance of the individual members of the Management Board Banking. Furthermore, the Management Board Banking and Supervisory Board, at least annually, each assess their collective effectiveness. The accompanying approach, process and design of the self-evaluation for the Supervisory Board and the Management Board Banking 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, Charter 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 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

5. 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 members of the Management Board Banking and the Supervisory Board, as well as all ING Bank employees working in the Netherlands, take the Banker's Oath.

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. The Global Code of Conduct links the Orange Code (our set of values and behaviours) to the main ING policies, control standards and guidelines. In addition to the Orange Code, it further defines the most essential conduct principles expected from ING Bank employees in their daily activities, to create additional risk awareness and better meet expectations stated in external rules and guidelines. See also Principle 6 below for more on Orange Code. 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 Bank it is important to give each other feedback and have open dialogues. If employees notice a suspected or actual misconduct by or within ING Bank, they are encouraged to raise their concerns via the existing channels (e.g. their immediate or next higher-level manager, Human Resources (**HR**) department or compliance officer) and not keep it to themselves or ignore it. This should protect ING Bank's integrity. ING Bank will not tolerate, ignore or excuse behaviour that breaches ING values. If employees feel unable or uncomfortable to raise their concerns through the existing channels, they can use the whistleblower channels. To this end, ING Bank has a global 'Whistleblower policy' (**Whistleblower policy**) in place. Any suspected breach of the ING values or behaviours as laid down in the Orange Code, the Global Code of Conduct or any internal local code of conduct can be reported via ING Bank's internal or the external whistleblower channel. For more information see the Whistleblower policy on [ing.com](https://www.ing.com).

Leadership is one of the six capabilities for our employees ING Bank identified as necessary to deliver on its purpose and strategy. To strengthen the leadership skills within our organisation, we deliver an online training for new and aspiring leaders, to help them transition from individual contributors to effective leaders. Available via ING's online learning portal, the 'Leadership Fundamentals Programme' is entirely self-steered and includes a self-assessment tool to help users identify their learning goals and determine their own path through the online trainings. For leaders and managers, we also offer online masterclasses on topics such as 'Challenging conversations' and 'Great feedback' to support them during the 'Step-up' performance process and encourage them to give feedback and to have transparent conversations with their teams on purpose, goals and behaviours. See also the 'Unlocking our people's full potential' chapter of our 2022 [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 technology 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 modular and scalable 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 of and developments for our customers and other stakeholders and complies with current technology and security requirements and best practices.

To achieve these objectives and contribute towards being a data-driven digital bank, ING Bank 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. As in 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 the route we defined in our IT strategy to support ING's 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 and risk adherence 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 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 employees (e.g. 'Cyber Security Month', 'Security conferences' and '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 Bank continuously works to improve 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' and 'Superior customer experience' in the Strategy and performance section of the 2022 [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 of the Supervisory Board have regular bilateral consultations, which is reflected in the relevant charters.

Text Banking Code

6. 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

ING's Orange Code comprises the 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 measure ourselves by. More information on the Orange Code can be found [here](#). See also what is set out under Principle 5 above with respect to ING's Global Code of Conduct, which links the Orange Code to ING's main policies, control 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 Bank we attach great importance to a sound risk culture, which is essential for performing our role in society responsibly and to keep 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 that we take. To ensure a sound risk culture, a self-assessment of our risk culture was performed which has led to several enhancement projects, combined in the global 'ING risk culture' programme. This programme is aimed at further developing our envisaged risk culture that is built on the foundation of our Orange Code and Global Code of Conduct and is in line with our strategy. Most notably, such projects were and are aimed at enhancing our risk culture monitoring activities – such as our 'Risk culture maturity' model and our 'Risk culture' dashboard – and at activating ING Bank's risk culture through an all-staff activation 'Bringing non-financial risk to life"', which is about truly understanding managing non-financial risk and how people can contribute to this in their daily work.

Customer centricity

Customer centricity ('klantbelang centraal') is embedded in our Orange Code, Global Code of Conduct and in our customer promise. Additionally, we have adopted the 'ING Customer Golden Rules': five principles that consistently ensure customer centricity in our product development and sales activities. The 'ING Customer Golden Rules' are embedded in the 'Product Approval and Review Process' (**PARP**). In the 2022 PARP policy

update a new customer suitability questionnaire is included with scenario analysis from the customer's perspective. Also, a new PARP stakeholders assessment questionnaire was added to the PARP, that is intended to assess whether or not an 'Orange Code Decision Making' (**OCDM**) session should be organized. Such session ensures a balanced decision is taken, namely our products must be safe, compliant, customer suitable and assessed on and taking into account potential negative impact for all stakeholders involved and corresponding mitigating measures are thought of where needed.

Responsible behaviour and a healthy culture

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

- A strong link between the Orange Code and performance management (coaching/appraisal). Both ING Bank employees and senior management are annually appraised against the behaviours stated in the Orange Code. Since 2022 there is also a strong link between the Global Code of Conduct and performance management as employees will also be expected to sign off on the Global Code of Conduct. This entails they are expected to live up to it and are appraised against its requirements.
- The Whistleblower policy process enables anonymous reporting via internal or external channels (in addition to normal reporting channels) on concerns about suspected or actual criminal conduct, unethical conduct or other misconduct by or within ING. More information on our Whistleblower policy 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:

- **OCDM**: a decision-making model and training developed on the basis of our Orange Code that supports ethical and well-balanced decision-making throughout ING.
- The 'I for Integrity' programme (the Netherlands and Belgium), including monthly e-letters (with an illustrative compliance case), quarterly 'Manager Toolkits' and articles on current themes throughout the year on ING's online learning portal. The goal of this programme is to strengthen and embed awareness on integrity-related topics, including balanced decision-making, know your customer (**KYC**) and whistleblowing. In 2022, two specific themes of this programme were: (i) account peeking (rekening-gluren), aimed at creating full awareness on the rules in using customer (and employee) data, only and strictly for business purposes; and (ii) 'Speak Up' and 'Listen Up', taking action to create more awareness and lower thresholds for reporting concerns.
- Corporate Audit Services (**CAS**) has embedded a 'Risk Culture' approach in its audit process and is aligning its approach with the overall risk culture framework of ING. Results are reported to the Management Board Banking and Audit Committee of the Supervisory Board at least annually.
- The Behavioural Risk Management (**BRM**) team carries out behavioural risk assessments that detect behavioural patterns within ING Bank. 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 one global and multiple local data ethics councils, to ensure well-balanced decision-making around the use of data, which is based on the OCDM model and properly takes into account the rights and interests of the stakeholders impacted.
- ING Bank has a global learning model providing for professional '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.
- It's important to ING Bank that employees feel heard and are able to voice their opinions. We use a continuous listening approach to get an ongoing sense of how our people are doing, how they perceive our strategic objectives – and make sure we act on that feedback. Every 12-18 months we measure how healthy we are as an organisation and whether we're ready for the future in terms of our core organisational skills and capabilities.
- The CEO updates all employees on the progress made within ING Bank via quarterly CEO messages. In these messages he often stresses the importance of the Orange Code and encourages people to live up to it.

ING Bank in the Netherlands

- A culture based on the ING Orange Code values and behaviours was again a key priority in 2022.
- 'Step-up Performance Management', which is the planning, coaching and appraisal cycle for all employees and managers, includes targets set on three dimensions:

job, Orange Code and stretch ambition. This is also in line with how senior management is appraised in 2022.

- Taking in the Banker's Oath – which includes the promise of carefully balancing all interests and ensuring customer centricity – is a legal requirement for employees working for ING Bank in the Netherlands.
- ING Bank employees are subject to a (compliance) procedure in case of suspected violations of the internal local code of conduct 'General Code of Conduct Netherlands', and they are also subject to Dutch disciplinary law linked to the Banker's Oath.
- All new ING Bank employees joining ING Bank in the Netherlands, receive the onboarding programme 'Destination Orange'. This programme introduces them to the Orange Code values and behaviours and to ING's purpose and strategy and includes 'customer centricity' subjects in several modules. Also, a special chapter on compliance risks and the Banker's Oath is included in it.

Sound decision-making

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

- The PARP has been upgraded with three additional customer-modules: (i) the (new) 'ING Customer Golden Rules' (now also including amongst other things sustainability and data privacy aspects); (ii) scenario analysis, and (iii) stakeholder assessment. In module 3 the 'Dilemma dialogue' model is included. This new way of working is now being implemented within ING Bank globally as a best practice.
- The OCDM-methodology, for ensuring careful decision making by weighing the interests of all stakeholders involved, while assuring customer centricity ('klantbelang centraal'), was introduced at ING Bank in the Netherlands several

years ago, and in the last two years this has also been embedded for ING Bank globally as a best practice. The 'Dilemma dialogue' model is being used by more and more business units, and local employees are trained to facilitate OCDCM sessions for their business colleagues. The outcomes of the dilemma dialogues are also analysed and – where possible – translated into 'moresprudence', as a predecessor for possible new guidelines.

Text Banking Code

7. 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. ING's purpose is therefore '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, NGOs, citizens and our employees. More information can be found on [ing.com](https://www.ing.com).

Our employees; diversity and inclusion

People with different perspectives and experiences make our organisation stronger. ING Bank is committed to attracting, developing and retaining a workforce that is as diverse and inclusive as possible, as data shows this leads to better results. We also believe that a diverse, inclusive and thriving culture makes people want to join and stay, and ensures we reflect the customers and communities we serve.

At ING Bank we have a target of at least 30% female representation in senior leadership by 2025. In 2022, female representation in senior leadership moved up from 26% at year-end 2021 to 29%, with positive progress in nearly all domains.

More broadly, we strive for no group or level to comprise more than 70% of the same gender, nationality or age group. Of course, diversity is about more than these three areas and we'll continue our efforts to include all people, regardless of religion, race, ethnicity, ability, sexual orientation etc. Looking at the global make-up of ING Bank we collectively meet the 70% principle across all three dimensions. However, within individual teams and on a country level there are different, often complex challenges in creating the mixed teams we strive for, and we are not always making progress at the speed we would like. We have dashboards to help us understand where the challenges lie, identify the gaps and monitor progress towards building mixed teams, at different levels of the organisation. The HR departments use these dashboards in their discussions with local management teams. More information on diversity can be found in the 'Unlocking our people's full potential' chapter of ING's 2022 [Annual Report](#).

Inclusion is part of ING's Orange Code, which encourages us to help others to be successful. To create an environment where people can truly feel free to be themselves and where people decisions are made objectively and fairly, we need to understand and interrupt our biases. One way is through a 'Banking on inclusion' training programme for senior leaders, managers and HR professionals, which was introduced in 2020. In addition, an e-learning on unconscious bias has been available to all ING Bank employees globally since 2019. ING Bank also celebrates an annual 'Global Diversity and Inclusion Day', a way to create conversations about inclusive behaviours with leaders, managers and colleagues and to increase awareness and knowledge of ways to create an inclusive organisation. Inclusiveness also means making sure everyone has equal access to our services and products, regardless of their ability.

ING's role in society

ING wants to understand what matters 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 2022 [Annual Report](#).

ING's sustainability direction

The world is changing so quickly, sometimes it is hard to keep up. We 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](#). Sustainability is a standard discussion agenda item at ING's 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 Management Board Banking members' permanent education and training (PE) programme.

The results

As a result of our efforts, in September 2022, Sustainalytics ranked ING fourth among its market cap group and we are in the 22nd percentile of 406 diversified banks. Sustainalytics is a global provider of environmental, social and governance (ESG) research and ratings. In addition, ING Bank's ESG practices have been rated 'strong' by credit rating agency S&P Global Ratings in June 2022. Our score of 84 is one of the highest among those disclosed. Furthermore, ING's MSCI ESG rating was remained at 'AA' in December 2022 for the third year in a row. MSCI, is an investment research firm that provides indices, portfolio risk and performance analytics to institutional investors. More information can be found on [ing.com](#).

The circular economy

In fighting climate change, there is a huge focus on the transition to renewable energy and activities related to energy efficiency. However, these measures can address just 55% of emissions, according to the Ellen MacArthur Foundation, a circular economy charitable organisation. The remaining 45% can only be tackled by reducing the production of cars, clothes, food, and other products we use every day. To address this, we see the circular economy as an important means to reach global climate goals, while at the same time preventing pollution and harmful impacts on biodiversity. Advancing the circular economy is a fundamental step towards achieving the Paris Climate Agreement goals as well as the UN Sustainable Development Goals. The European Commission recognises that the transition to a circular economy is one of the main building blocks of the European Green Deal and has set up the EU New Circular Economy Action Plan, which aims to reduce the EU's consumption footprint and double the EU's

circular material use rate in the coming decade. This means making products more durable, reusable and repairable, making more use of recycled materials and increasing recycling capacity.

We support our clients by financing circular business models and activities. Hereby we focus on those value chains that use the most resources and where the potential for circularity is high, such as plastics, packaging, construction, textile, batteries and vehicles and electronic equipment. By providing sustainable finance solutions where the use-of-proceeds is related to products, processes and technologies adapted to the circular economy, we support our customers to fund their circular activities. Next to this we support our customers' transition to these models, giving an incentive to achieve certain circular milestones through our sustainability-linked loans and bonds.

Our customers have to rethink how they design their products, how they optimise usage and how the materials are recovered and recycled at the end of the lifecycle. Subsequently we see the rise of new business models, such as sharing platforms and products-as-a-service (PaaS), each of which can have unique financial challenges. To support these, our Sustainable Investments team and Sustainable Structured Finance team are able to provide risk-bearing capital and specific structuring knowledge to build specific solutions to finance the new business models needed for the transition.

Text Banking Code

8. 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 Bank employees working in the Netherlands, as well as the members of the Management Board Banking and the Supervisory Board, all take the Banker's Oath.
- Rules and regulations applicable to ING Bank can be found in the policies and procedures stated on ING's intranet, which serves as the single source of truth for all ING Bank employees.
- The Internal Control Binding Principles are in place to manage the process of setting global standards and local implementation in line with the 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. ING Bank's e-learning modules include aspects relating to policy content as well as ING Bank's values and behaviours.

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

ING's three lines of defence model

ING's enterprise 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 policies and limits, know their customers, and are well-positioned to act in both the customers' and ING Bank'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 CRO, who is primarily responsible for the global risk management and compliance strategy on the

Management Board Banking. As a member of the Management Board Banking, the CRO - together with the other members of the Management Board Banking - ensures that global risk management matters and compliance strategy matters are heard and discussed at the highest level, hence 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, and at the same time has sufficient countervailing power to keep the risk profile within the set risk appetite.

The internal audit function, being the third line of defence, provides an on-going independent and objective assessment of the effectiveness of internal controls of the first two lines, including financial and non-financial risk management. For further details on ING's three lines of defence model we refer to 'Risk management' in the 2022 [Annual Report](#).

2 Supervisory Board

Text Banking Code

9. 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 ING Bank’s Supervisory Board profile and the diversity and competence matrix of the Supervisory Board and the Management Board Banking on [ing.com](https://www.ing.com).

As part of the selection and appointment process, the 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 ING 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 ING Suitability Policy Framework.

On 31 December 2022, the 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 Bank developments. According to the Gender Diversity Act, which entered into force in the Netherlands on 1 January 2022, ING Bank is required to comply with a gender diversity quota of one third male and one third female for its supervisory board. Currently, the Supervisory Board is compliant.

Four Supervisory Board committees are in place: the Nomination and Corporate Governance Committee, the Remuneration Committee, the Risk Committee and the Audit Committee and one ad hoc committee: the ESG Committee. Further information on the composition, attendance rates, collective suitability assessments and requirements regarding independency, outside positions, conflict of interests, can be found in the ‘Supervisory Board report’ of the 2022 [Annual Report](#) and on [ing.com](https://www.ing.com).

Text Banking Code

10. 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 Bank's function in society and the interests of all stakeholders. After being appointed, each Supervisory Board member follows a tailor-made introduction programme to be familiarised with ING Bank, 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 PE programme. As part of this, the Supervisory Board members participate in knowledge/educational sessions hosted by ING Bank 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' of the 2022 [Annual Report](#).

Text Banking Code

11. 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, 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 'Supervisory Board report' in the 2022 [Annual Report](#).

Text Banking Code

12. 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 PE programme for the members of the Supervisory Board is in place. In structuring the PE programme, the following main themes are taken into account (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 Bank's key strategic priorities and is approved and executed on an annual basis. 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, the 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 become familiar with ING Bank, 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 2022 Supervisory Board knowledge/educational sessions can be found in the 'Supervisory Board report' of the 2022 [Annual Report](#).

Text Banking Code

13. 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, in 2022 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 and addressed during the year. The self-assessment process 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' in the 2022 [Annual Report](#).

Text Banking Code

14. 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 Bank'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) (i.e. chairperson, vice chairperson or member) and, if applicable, a fee for each meeting cycle they attend outside of their country / continent of residence to compensate for travel time to attend the meetings in person.

More information on remuneration of the Supervisory Board of ING is disclosed in the 'Remuneration report' in the 2022 [Annual Report](#). Please also see the ING Groep N.V. Remuneration Policy Supervisory Board on [ing.com](https://www.ing.com).

3 Executive Board

Text Banking Code

15. 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 2022, it consisted of eight board members.

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 ING 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 ING Suitability Policy Framework.

⁴ The chief risk officer (female) is a member of both the Management Board Banking and the Executive Board.

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. Currently it reflects, among others, its composition and the aim to have a minimum gender diversity of 30%. On 31 December 2022 there were two female board members for ING Bank and one for ING Group⁴. For more information we refer to the Profile of the Executive Board of ING Groep N.V. on [ing.com](https://www.ing.com).

In performing its duties, the Management Board Banking shall carefully consider and act in accordance with the interests of ING Bank, taking into consideration the interests of all ING Bank's stakeholders. Therefore, proposals to the Management Board Banking must at least address the elements as described above in Principle 3. When considering these interests, the Management Board Banking shall take into account the continuity of ING Bank, the environment in which ING Bank operates, as well as applicable legislation, regulation and codes of conduct.

Text Banking Code

16. 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 CRO has been appointed to (the predecessor of) the Management Board Banking who bears primary overall responsibility for the global risk management function and compliance strategy. The CRO is responsible for the management and control of risk on a consolidated level to ensure ING Bank'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.

Currently, the CRO ING Bank N.V. is also the CRO of ING Group.

Text Banking Code

17. 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 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 12

above on the PE programme and the 'Supervisory Board report' in the 2022 [Annual Report](#) for an overview of the most relevant topics dealt with during 2022.

4 Risk Policy

Text Banking Code

18. 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 Bank has multiple risk policies and control 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. The risk governance principles are explained in the enterprise risk management framework. The rules for the internal control documentation are set out in the Internal Control Binding Principles.

Financial (solvency, credit, market, liquidity and funding) and non-financial (operational and IT) risks, as well as ESG, compliance, behaviour and model risks, are directed and overseen by an independent risk function. Non-financial 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 to oversee our business activities to allow ING Bank to grow a sustainable business consistent with both the strategy and our risk appetite.

Our comprehensive risk management frameworks and policies support and govern the process of identifying, measuring, mitigating, monitoring and reporting financial and non-financial risks. This 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 Bank has taken 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 of the Supervisory Board and a global Centre of Expertise Behavioural Risk was set up to carry out behavioural risk assessments within our organisation. Other measures include the bank-wide implementation of structural improvements to enhance the global KYC organisation and activities.

ING Bank'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 2022 [Annual Report](#).

Text Banking Code

19. 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 global 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.

Text Banking Code

20. 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.

The Risk Committee of the Supervisory Board 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' in the 2022 [Annual Report](#).

5 Audit

Text Banking Code

21. 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 Bank has an internal audit department – CAS– that prepares and executes an annual risk-based audit plan. This audit plan for ING Bank 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.

Text Banking Code

22. 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 Bank. CAS staff report to the general manager of CAS. The general manager CAS reports hierarchically to the CEO of ING Bank as well as functionally to the Supervisory Board. The general manager of CAS has regular bilateral meetings with the chairman of the Audit Committee of the Supervisory Board. CAS' independent position within ING Bank is confirmed annually by the Supervisory Board by approving the CAS charter and is periodically assessed as part of the external quality review, which was in 2021 performed by the Institute of Internal Auditors Netherlands (IIA). Furthermore, the Supervisory Board supervises and advises on the implementation by the Management Board Banking of any recommendations and comments made by CAS.

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

Text Banking Code

23. 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.

6 Remuneration Policy

Text Banking Code

24. 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 Bank 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 Banking and 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 the ING Remuneration Regulations Framework. The ING Remuneration Regulations Framework is updated annually and subject to Supervisory Board approval.

The remuneration policy of ING 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 Banking 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' in the 2022 [Annual Report](#). Please also see the ING Groep N.V. Remuneration Policy Executive Board and the ING Groep N.V. Remuneration Policy Supervisory Board on [ing.com](https://www.ing.com).

Text Banking Code

25. 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 Executive Board are below the median of the peer group, as incorporated in ING Groep N.V. Remuneration Policy. This peer group is based on five guiding principles: geography, talent market, size, governance framework and

balancing. The actual composition of the peer group for 2022 is disclosed in the 'Remuneration report' in the 2022 [Annual Report](#).

A benchmark on actually earned total direct compensation levels (i.e. actual fixed salary plus actual variable remuneration) was performed for the individual members of the Executive Board as well as for the other members of the Management Board Banking. Last year's peer group was reviewed and validated by external advisors and no reasons were identified to deviate from this group. As a result, the composition of the group remained the same. The actually earned total direct compensation of the Executive Board and the other members of the Management Board Banking are below the median.

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' in the 2022 [Annual Report](#). Please also see the ING Groep N.V. Remuneration Policy Executive Board on [ing.com](https://www.ing.com).

Text Banking Code

26. The banking industry considers it important to take the **expectations of key stakeholders and social support** into consideration in the **remuneration policy for the executive board** and to provide **transparency on the pay ratio** within the company.

In the remuneration policy for the executive board of a bank the **supervisory board** outlines how the **shareholders' and employees' expectations** and **social support** have been taken into consideration and which **reference group** has been compared with.

Banks take into consideration the **director's view** on his/her own remuneration in formulating the remuneration proposals regarding the director and **disclose** the internal pay ratio in the **annual report**.

Implementation by ING

When putting together Executive Board remuneration policy many factors are taken into account. Amongst other things, ING consults with a broad range of key stakeholder groups such as employees, customers, society, shareholders and relevant authorities. ING recognises that remuneration is an area of particular interest to key stakeholders – especially considering ING's position in society as the largest Dutch bank. The Supervisory Board of ING Group and employee representative bodies regularly discuss how ING's Executive Board remuneration policy aligns with the remuneration of the wider workforce within ING including policies, actual pay outcomes, diversity and the

alignment of incentives with ING's culture. In addition, shareholder perspectives are also taken into consideration through regular shareholder engagement.

Furthermore, the Supervisory Board considers broader societal views and support when developing and implementing measures of Executive Board remuneration including ESG and gender diversity targets.

In line with the Banking Code, ING's benchmark approach is to compare against a peer group both inside and outside the financial industry, taking into account the relevant international context. The Supervisory Board of ING Group reviews the reference firm composition of the Executive Board annually for individual benchmark purposes. In addition, the internal pay ratios of the Executive Board members are also fully disclosed in the 2022 Annual Report together with a description in comparison to the previous year. Moreover, the pay ratios and benchmark insights provide the Supervisory Board of ING Groep N.V. with a well-balanced assessment of internal and external data to support the determination of remuneration outcomes for the Executive Board members.

In relation to the opinion of the Executive Board members on their own remuneration, we note that all Executive Board members are able to provide input each year on the financial and non-financial target areas which influence their variable remuneration outcomes. Furthermore, ING always asks for the view of the members of the Executive Board in relation to the development of the Executive Board remuneration policy.

The Executive Board remuneration policy complies with applicable laws and regulations and is in line with the remuneration principles that apply to all ING employees. More information on remuneration of the Executive Board and the pay ratio within ING is

disclosed in the 'Remuneration report' in the 2022 [Annual Report](#). Please also see the ING Groep N.V. Remuneration Policy Executive Board on [ing.com](https://www.ing.com).