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- About ING
- Corporate governance structure
- Keeping ING safe, secure and compliant
- Our values and our people
- Our Sustainability Direction
- Sustainability Governance & Environmental and Social Risk Management
Market Leaders:

The Netherlands, Belgium, Luxembourg

- Leading retail and wholesale banks
- Cross-border customer interaction platform with mobile-first customer experience and cost efficiency

Challengers Markets:

Australia, Austria, Czech Republic, France, Germany, Italy, Spain

- Digital retail banks developing scalable platform with uniform, mobile-first customer experience
- Broadening product capabilities
- Wholesale banks

Growth Markets:

Poland, Romania, Turkey, the Philippines, and our stakes in Asia

- Retail and wholesale banks in economies with high growth potential
- Developing differentiating customer experience, based on mobile-first approach

Wholesale Banking only:

international network and global franchises

- Extensive international client base across all regions
- Sector-focused client business in lending, capital structuring and advisory, transaction services, sustainable finance solutions and financial markets

ING is undergoing a transition to close its Wholesale Banking offices in Argentina, Brazil, Malaysia, Thailand and Kazakhstan as announced on 5 November 2020. ING is also in the process of exiting the Austrian and Czech retail banking markets by the end of 2021.
Our Think Forward strategy focuses on empowering people...

Creating a differentiating customer experience

1. Earn the primary relationship
2. Develop analytics skills to understand our customers better
3. Increase the pace of innovation to serve changing customer needs
4. Think beyond traditional banking to develop new services and business models

...and sustainability is embedded in everything we do
Our purpose guides our efforts to address the Covid-19 pandemic

<table>
<thead>
<tr>
<th>Our employees</th>
<th>Our private customers</th>
<th>Our business customers</th>
<th>Our society</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Around 75% of our employees are working from home</td>
<td>- A large part of our branch network remained open to support our customers and help them make the move to digital banking</td>
<td>- Continuing our regular contact with customers to discuss their business outlook</td>
<td>- Matched employee donations to charities and supported short-term relief initiatives in 25 countries</td>
</tr>
<tr>
<td>- Frequent surveys to measure employee sentiment and wellbeing</td>
<td>- Supported safe payment behaviour by increased limits for contactless payments</td>
<td>- Payment holidays and credit facilities under government guarantee schemes for SME and mid-corporate customers</td>
<td>- Joined UNICEF to raise funds to aid the most vulnerable children and their caregivers</td>
</tr>
<tr>
<td>- Supporting employees as part of a wider wellbeing approach with a range of tools</td>
<td>- Payment holidays for private customers</td>
<td>- Tailored solutions for larger corporate clients</td>
<td>- Donated laptops to enable home schooling</td>
</tr>
</tbody>
</table>

For more information, please visit: [www.ing.com/About-us/Coronavirus.htm](http://www.ing.com/About-us/Coronavirus.htm)
Our ESG focus supports a future proof ING and drives long-term value creation

<table>
<thead>
<tr>
<th>A strong governance structure</th>
<th>A diverse and engaged workforce</th>
<th>A focused approach to the environmental and social transition</th>
</tr>
</thead>
<tbody>
<tr>
<td>drives the right behaviour, delivers on evolving regulatory requirements and protects our employees, customers and society</td>
<td>makes us more adaptive and inventive, and enables us to better serve our diverse customer base</td>
<td>enables us to capture opportunities and manage risks related to climate change and human rights</td>
</tr>
</tbody>
</table>

- Behavioural Risk Management
- KYC Enhancement Programme
- Orange Code
- 70% principle for mixed teams
- Workplace Pride Founder & Ambassador
- Organisational Health Index survey
- Terra approach
- Sustainable Finance
- Environmental & Social Risk policy (ESR)

**A sustainable and trusted company**

attracts talent, clients and a long-term focused investor base
Corporate governance structure
ING’s Legal and Management structure

Legal structure
- ING Groep N.V. is publicly-listed on Euronext Amsterdam, Euronext Brussels and the New York Stock Exchange*.
- ING Groep N.V. is the ultimate parent of various legal entities, the major one being ING Bank N.V.
- ING Bank N.V. is the parent company of various Dutch and foreign entities, consisting of bank branches and subsidiaries.

Management structure
- ING Groep N.V. and ING Bank N.V. both have a two-tier board structure consisting of a Management Board (MB) (Executive Board (EB) for ING Groep N.V./Management Board Banking (MBB) for ING Bank N.V.) and a Supervisory Board (SB; for both ING Groep N.V. and ING Bank N.V.)
- The SB is responsible for supervising the policy of the MB, the general course of affairs of the company and the business connected with it, and advising and challenging the MB.
- The SB has four permanent committees, which are by nature independent from ING:
  - Risk Committee
  - Audit Committee
  - Remuneration Committee
  - Nomination and Corporate Governance Committee
- The EB is responsible for the management of ING Groep N.V. including its long-term strategy for the company as a whole.
- The MBB, which also includes the Executive Board members, is responsible for the management of ING Bank N.V.

* ADRs are listed on NYSE
ING’s Board members possess a wide range of experience

<table>
<thead>
<tr>
<th>Name</th>
<th>Year of birth</th>
<th>Gender</th>
<th>Nationality</th>
<th>Executive experience</th>
<th>International experience</th>
<th>Competencies Banking / Finance / Audit / Risk</th>
<th>Operations a/o IT</th>
<th>Corporate governance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management Board (EB/MBB)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steven van Rijswijk, CEO (EB/MBB)</td>
<td>1970</td>
<td>M</td>
<td>Dutch</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Tanate Phutrakul, CFO (EB/MBB)</td>
<td>1965</td>
<td>M</td>
<td>Thai</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Ljiljana Ćortan, CRO (EB/MBB)</td>
<td>1971</td>
<td>F</td>
<td>Croatian</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Pinar Abay (MBB)</td>
<td>1977</td>
<td>F</td>
<td>Turkish</td>
<td></td>
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<tr>
<td>Aris Bogdaneris (MBB)</td>
<td>1963</td>
<td>M</td>
<td>Canadian</td>
<td></td>
<td></td>
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<tr>
<td>Andrew Bester (MBB)</td>
<td>1965</td>
<td>M</td>
<td>British / South African</td>
<td></td>
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<td></td>
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<tr>
<td>Ron van Kemenade (MBB)</td>
<td>1965</td>
<td>M</td>
<td>Dutch</td>
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<tr>
<td>Roel Louwhoff (MBB)**</td>
<td>1965</td>
<td>M</td>
<td>Dutch</td>
<td></td>
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<tr>
<td><strong>Supervisory Board</strong></td>
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<tr>
<td>Hans Wijers (chair)</td>
<td>1951</td>
<td>M</td>
<td>Dutch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mike Rees (vice-chair)</td>
<td>1956</td>
<td>M</td>
<td>British</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Juan Colombás</td>
<td>1962</td>
<td>M</td>
<td>Spanish</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mariana Gheorghe</td>
<td>1956</td>
<td>F</td>
<td>Romanian / British</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Margarete Haase</td>
<td>1953</td>
<td>F</td>
<td>Austrian</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lodewijk Hijmans van den Bergh</td>
<td>1963</td>
<td>M</td>
<td>Dutch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Herman Hulst</td>
<td>1955</td>
<td>M</td>
<td>Dutch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harold Naus</td>
<td>1969</td>
<td>M</td>
<td>Dutch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Herna Verhagen</td>
<td>1966</td>
<td>F</td>
<td>Dutch</td>
<td></td>
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</tr>
</tbody>
</table>

* Information as of 1 May 2021.
** Roel Louwhoff will leave ING effective 1 August 2021. Further announcements on his succession will be made as and when appropriate.

- was accountable and (had) executed over several years
- sufficient relevant knowledge/experience in the area
ING’s remuneration principles aim to maintain a sustainable balance between short and long-term value creation and builds on ING’s long-term responsibility towards customers, society and other stakeholders.

Shareholders at the 2020 AGM approved new remuneration policies for members of the EB and the SB, coming into effect retrospectively from 1 January 2020. In designing these new policies, the SB consulted advisory bodies and a broad range of stakeholders to achieve the right balance among the various viewpoints and interests.

EB remuneration consists of 3 components:
- **Base salary**: annual base salary is set at the level that allows ING Group to attract, engage and retain qualified and expert leaders needed to drive long-term value creation for ING and its stakeholders.
- **Variable remuneration**: any variable remuneration is capped at 20% of base salary, in line with Dutch regulations. Any award reflects performance that is consistent with ING’s strategy as measured against annual financial, non-financial and risk objectives. Non-financial performance target areas include: customer, sustainability, people, strategic priorities and regulatory.
- **Pension & Benefits**: EB members participate in the same collective ING pension scheme and receive the same proportion of savings allowance as Dutch employees. Benefits are set at levels that are market competitive and allow ING Group to attract, engage and retain qualified and expert leaders needed to drive long-term value creation for ING and its stakeholders.

SB members receive fees for their service on the SB. An individual's fee level is based on 3 factors:
- The role the relevant SB member fulfills;
- Complexity and time commitment per committee; and
- Country of residence in order to compensate for travel time to attend the meetings in person.

For more information on the policies, please visit: [www.ing.com/About-us/Corporate-governance/Remuneration-1.htm](http://www.ing.com/About-us/Corporate-governance/Remuneration-1.htm)
Keeping ING safe, secure and compliant
The Orange Code guides our behaviour, placing integrity above all

With integrity above all, the Orange Code is our manifesto describing the values and behaviours that define ING

Our values
The ING values are the non-negotiable promises we make to the world and the principles we stick to no matter what:

- We are honest
- We are prudent
- We are responsible

Our behaviours
These behaviours are the commitments we make to each other and the standards by which we measure each other’s performance:

- You take it on and make it happen
- You help others to be successful
- You are always a step ahead

The Orange Code is incorporated in ING’s performance management process and is one of the three dimensions that each employee is evaluated on.
Our Global Code of Conduct outlines the core principles for conduct

The 10 core principles of our Global Code of Conduct build on our Orange Code. They are based on ING policies, standards and guidelines that we adhere to and contribute to keeping ING safe, secure and compliant.
We mitigate potentially risky behaviour with the support of our Behavioural Risk Management (BRM) team

BRM identifies and intervenes in potentially risky behaviour

- Behavioural risk is when behavioural patterns are (part of) the root cause of financial and non-financial risks, which can impact our performance and risk profile.
- In 2018, a dedicated BRM team was set up, with the aim to identify and mitigate behavioural risks, following a three-step process:
  - Identification of areas prone to behavioural risks and/or that can benefit from better understanding behavioural patterns and their drivers.
  - Assessment of (drivers of) behaviours that contribute to root causes of financial and non-financial risks, by observing behaviours, interviewing employees individually and in groups and conducting surveys.
  - Support the business with the design and implementation of interventions, tailored to patterns and risks identified in a specific assessment, with the aim to change behaviour.
- Initial focus has been on KYC processes with several assessments completed.

‘Nudging’ is used to trigger behavioural change

- An intervention technique used is ‘nudging’, which applies subtle triggers that change behaviour in a predictable way. Nudges are co-created by the departments included in the assessment and the BRM team during a nudge-lab.
- Examples of identified behaviour and nudges applied by the departments involved in the KYC value chain:
  - An ingroup-outgroup bias, when people in the chain don’t know each other, was addressed by an interactive email signature banner, bringing a group identity to life. This resulted in more positive, less frequent email exchanges, while increasing trust between departments.
  - A lacking sense of a common challenge was addressed by creating a celebratory report for the team, emphasising its joint achievement when finalising a KYC file. This resulted in improved collaboration and cohesiveness between departments and a more enjoyable process.
  - Solutions created in a nudge-lab are piloted locally for several weeks, after which a decision can be made for a further scale up in the organisation.

We mitigate potentially risky behaviour with the support of our Behavioural Risk Management (BRM) team
Our risk and control structure is based on three lines of defence

- ING’s risk and control structure is based on the three lines of defence model. This model aims to provide a sound governance framework for risk management by defining and implementing three different risk management layers with distinct roles, responsibilities and oversight.
- We believe this set-up facilitates the overall risk and control environment.
- Together with a governance process using business and Group-level risk committees, the Executive Board receives regular information about the risk profile of the Group.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk appetite</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>ING's risk governance framework</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance</th>
<th>Three lines of defence</th>
</tr>
</thead>
</table>

1st Line of defence
Business lines
Business line managers have primary responsibility for day-to-day risk management

2nd Line of defence
Risk
- Formulates and implements policies and procedures, sets limits and risk appetite
- Executes transaction approval processes with veto
- Oversees, challenges and supports the optimisation of risk/reward trade-off

3rd Line of defence
Audit
Independent and objective assurance of the overall effectiveness of internal controls

<table>
<thead>
<tr>
<th>Execution</th>
<th>Value creation / risk taking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alignment between risk taken and the risk appetite</td>
<td></td>
</tr>
</tbody>
</table>
Strengthening our management of compliance risks since 2017

One common global approach

- Global KYC organisation in place to oversee end-to-end KYC capabilities and processes
- Global KYC Policy and Risk Appetite Statements rolled out
- Global & local KYC Committees set up to manage KYC capabilities
- Local Client Integrity Risk Committees set up for compliance-based client acceptance/exit
- Behavioural Risk Management team set up with several assessments finalised
- Ongoing roll-out of global standards, systems and operations to support customer KYC lifecycle e.g. in
  - Customer Due Diligence
  - Transaction monitoring
  - Adverse media, name and pre-transaction screening

Digital solutions

- A model using machine learning to detect instances of fraudulent transactions related to ‘smurfing’; the practice of breaking up transactions into smaller amounts to evade alerts
- An advanced AI-based anomaly detection model to automatically analyse and detect new potentially suspicious behaviour in foreign currency clearing and settlement
- An API (Application Programme Interface) to integrate our banking systems with a country’s trade registry, for quicker access to more accurate data on legal entities

Collaboration with 3rd parties

- In the Netherlands, the government presented an AML action plan, which also investigates data-sharing. Five Dutch banks, including ING, have set up TMNL, a separate entity to cooperate on transaction monitoring
- In Belgium, ING has joined forces with other banks and fintech Isabel Group to more effectively identify suspicious transactions
- Collaboration is also needed on a supra-national level. ING welcomes the European Commission’s action plan to ensure harmonisation of EU laws, implement an EU-level supervising authority, and promote information sharing
The KYC customer lifecycle
Our values and our people
We have over 57,000 colleagues working across the globe.

**Total workforce breakdown – geographic region**

- Asia: 11%
- Australia: 3%
- Belgium: 13%
- Netherlands: 26%
- North America: 0.2%
- Rest of Europe: 46%
- South- and Mid-America: 1%

**Total workforce composition: Age group**

- <30 years: 19%
- 30-50 years: 65%
- >50 years: 16%

**Total workforce composition: Contract type**

- Permanent: 96%
- Temporary: 4%

**Total workforce composition: Gender**

- Female: 48%
- Male: 52%

**Diversity at the top**

<table>
<thead>
<tr>
<th>Women on our Boards*</th>
<th>Supervisory Board</th>
<th>Executive Board</th>
<th>Management Board</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>33%</td>
<td>33%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Women in leadership positions**

<table>
<thead>
<tr>
<th>As managers of managers</th>
<th>As managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>37%</td>
</tr>
</tbody>
</table>

* Board figures reflect the composition of the Boards as of 30 June 2021. All of the other percentages on this slide reflect 2020 data as reported in ING Group's Annual Report.
We are committed to diversity and inclusion

- As our business grows, the customers we serve are increasingly diverse. Giving them a differentiating experience is central to ING’s Think Forward strategy.
- To promote a diverse and inclusive workforce, we introduced ‘mixed teams’ and the 70% principle, which strives for 30% difference in team make-up. Mixed teams include all types of diversity, both visible and less visible. Our aim is for no group or level to comprise more than 70% of the same gender, nationality or age group.
- At the same time, we will continue our efforts to make all people feel included whatever their cultural background, experience, religion or sexual orientation, etc. Everyone is welcome at ING.
- ING has more than 20 employee networks globally that help us advance our diversity and inclusion efforts. These networks bring together like-minded people within ING who want to make a difference.

ING supports the UN Global Compact’s Women Empowerment Principles and the UN standards of conduct for business on tackling discrimination against lesbian, gay, bi, trans & intersex people.

ING is one of the 380 firms recognised in the 2021 Bloomberg Gender Equality Index.

ING has been officially recognised by the Financial Times as a diversity leader and one of Europe’s most inclusive companies.

ING is a founding partner of the international platform for LGBTI (Lesbian, Gay, Bi-sexual, Transgender and Intersex) Inclusion at Work.
Employees are supported with a broad learning and development offering

- Employees are responsible for taking the lead in their own development, on job-related as well as personal skills.
- To facilitate this, ING provides a wide range of local and global training programmes. Employees follow mandatory group-wide training modules on topics including the Orange Code, compliance and KYC. In addition, we encourage all staff to develop our Big 6 capabilities.
- During the Covid-19 pandemic, our digital training and content offering was expanded so employees could continue to invest in their development while working from home.

Our (digital) training programmes include:

- **My Learning** is ING’s new intelligent digital learning platform where employees can find our complete offering of learning content in one location. My Learning offers content selected specifically for the user.
- ING’s tailormade **Think Forward Leadership Programme** and **Think Forward Leadership Experience** aim to develop greater leaders and better managers, who can engage staff and enhance team performance.
- ING’s **International Talent Programme** selects and develops graduates with high growth potential. Trainees follow one of eight tracks in areas such as Retail Banking, Wholesale Banking, IT, Analytics and Risk Management as part of ING’s long-term talent development strategy.

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**Training and development spend in 2020**

<table>
<thead>
<tr>
<th>Total amount</th>
<th>Amount per FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>€43 mln</td>
<td>€760</td>
</tr>
</tbody>
</table>

**Trainings completed in 2020**

Various formats including: (virtual) classroom, online, programmes, workshops/seminars, exams, and task-based learning.

844,900
We use continuous listening to engage with employees...

**Our continuous listening approach**

- To make sure our employees are equipped to do their best to help ING achieve its ambitions and have the opportunity to share their views, we strive to create a continuous dialogue with our people using an approach called continuous listening.
- Our continuous listening approach consists of:

  **Organisational Health Index survey (OHI)**

  - The OHI measures the ability of an organisation to adapt and renew itself to make sure it is successful in the long-run. OHI looks at core organisational skills and capabilities, such as leadership, innovation and learning. It also looks at how we relate to customers and the outside world.
  - OHI results help us define improvement areas that greatly influence the desired performance culture across ING.
  - A full OHI diagnostic survey is carried out every two years. It was most recently completed in May 2021 and we will report on the outcomes in our next annual report.

  **OHI pulse surveys**

  - Getting regular insights to monitor ING’s progress on OHI action plans is important to maintain momentum and dialogue so we can address employee feedback in a timely manner.
  - The Pulse survey is a shorter survey focused on employee engagement and the OHI priorities. It is available in nine languages, consists of around 20 questions and takes around 5-10 minutes to complete.
  - The Pulse survey takes place two times during the year, when the full OHI survey is not being conducted.

- We recognise that the Covid-19 pandemic is still affecting our employees’ everyday lives. In addition to the above, we have been conducting regular short surveys to monitor employee sentiment.
Step Up Performance Management

- Our global performance management approach is based on continuous conversations between employees and their managers to enhance their performance.
- Each employee is asked to set targets and perform against three dimensions: Job expectations, Orange Code behaviours and stretch ambitions. Employees are formally evaluated against these three dimensions during their mid-year review and year-end evaluation.

To further encourage our employees to take the lead in their development, we use Individual Development Plans (IDP). The IDP is a digitally enabled framework to document personal development needs and career ambitions, helping employees to be more effective in their current role and prepare for future roles, in- or outside ING.
Measures are in place to support employee wellbeing

- Measures to promote employee wellbeing and a healthy work culture are tailored to local needs. Some of our offerings include:

  **Wellbeing Quotient**
  - The Wellbeing Quotient programme in the Netherlands focuses on improving employees’ physical and mental wellbeing.
  - The programme is specifically designed for teams to motivate and support each other in becoming fitter and healthier, and have fun together while doing so.

  **Coach & Care**
  - The Coach & Care programme in Belgium includes a number of initiatives to help staff maintain positive energy.
  - This includes training on energy and stress prevention, relaxation rooms and an employee assistance programme offering coaching to employees and their family members.

  **Health Budget**
  - In Germany, a “health budget” is provided to all employees via a digital platform. The budget is intended to strengthen wellbeing and encourage employees to actively take care of their physical and mental health.
  - The budget can be used for preventive health offers such as sports, health check-ups, resilience workshops, flu vaccines and more.

- During the Covid-19 pandemic, we have increased our focus on safeguarding the wellbeing and vitality of our employees, helping them to do their job remotely, by providing tools and trainings.

- Going forward we will ‘return to the office’ in a hybrid working model, in which we seek to balance the advantages of working from home and working from the office.

- We’re carefully designing phased return plans, defining a new way of working and following local rules and regulations.
Our Sustainability Direction
Sustainability is embedded in our purpose

- ING’s purpose is to empower people to stay a step ahead in life and in business, and we believe this also means helping customers and society stay a step ahead of the challenges they’re facing.
- We believe that we can make the biggest impact in two areas, being 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 business partner and through the services we offer our customers.
- ING employees further contribute through:
  - Internal experts develop policies, programmes and targets on sustainability-related risks and opportunities.
  - Our front-office teams use financing, advisory products and services to actively support clients’ transition to new sustainable business models.
  - Furthermore, all employees are empowered to contribute to sustainable impact through sustainability-focused training and employee engagement activities.

**Climate action**
- We steer our lending portfolio towards global climate goals

**Financial health**
- We contribute to a financially healthy society

**Respecting human rights**
- Our commitment to respecting and advancing human rights is inherent in our business practices.

**Engagement and transparency**
- To support these goals, we engage with both internal and external stakeholders and disclose our progress transparently.
Our actions to address climate change

Improving our own footprint

- Reducing scope 1, 2 and 3 CO2e emissions from our own operations
- Sustainable procurement standards to encourage suppliers to act responsibly

Empowering our clients

- Provide leading product/service innovations to empower customers
- Steer our lending portfolio towards the well-below 2°C goal of the Paris Climate Agreement
- Grow our Responsible Finance business through supporting our clients in their sustainability ambitions

Contributing to society

- Make our Terra approach for climate alignment measurement open source
- Contribute to the development of global policy and standards on the topic of climate change
- Disclose TCFD alignment in our annual reports
- Advance the understanding of our impacts on biodiversity, to protect biodiversity and inform our approach

For more information please visit: www.ing.com/Sustainability/Sustainability-direction/Climate-action.htm
How we manage risks related to climate change

ING is increasingly aware of the risks associated with climate change and we have measures in place to protect our lending portfolio and customers. In 2020, we published a Climate Risk Report that describes our efforts.

**Actions to assess and manage climate-related risks**

- **Establishing a clear governance structure to address climate risks**
  We have working groups dedicated to assessing the impact of climate risk. The Climate Change Committee (CCC) is mandated to oversee and set priorities for the implementation of the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and other strategic climate-related topics that impact ING.

- **Developing a strategic framework to address climate risks**
  We’re developing an internal framework that addresses climate-related risks and opportunities – including climate commitments, risk policies, climate-related programmes and opportunity management initiatives – with the end goal to embed climate with ING’s risk appetite.

- **Implementing TCFD and addressing supervisory expectations and regulations**
  Next to endorsing the Financial Stability Board’s (FSB) TCFD recommendations, ING aims to address recommendations on incorporating climate risk into governance, strategy and risk management, as for instance described in the ECB Guide and the EBA Discussion Paper. We will continue to provide updates on our progress in our climate reporting.
Terra: steering our loan book to meet climate goals

**Terra**
- Our strategy to steer our lending book towards the Paris Agreement’s well-below 2°C-goal

**Methodology**
- Main methodology in Terra toolbox co-developed with 2° Investing Initiative
- Measures the needed shift in technology for key sectors against actual and future technologies used by clients (or measures the energy efficiency measures needed)
- Steers climate alignment of our portfolio on a sector basis towards a well-below 2°C compatible CO₂ intensity per unit of production
- Open source – banks around the world are engaged

**Progress**
- Further dialogue with peers, NGOs, regulators and government bodies to create a global standard
- UN-backed pledge to align portfolios with the Paris Agreement following the Principles for Responsible Banking Collective Commitment to Climate Action; over 35 banks around the world have joined us
- Completed analysis for all sectors in scope (the most CO₂-intensive) as published in our 2020 ING Terra Progress Report

**Next steps**
- Engage further with clients on the findings
- Continue to provide updates on our progress

Terra: Climate Alignment Dashboard*

Portfolio view – Outstandings as of year-end

* Progress measured for 2019 as published in our 2020 ING Terra Progress Report. Terra focuses on the most climate-relevant sectors, measured by global carbon footprint (sectors globally responsible for approximately a combined 75% of total emissions). Within each sector, we look at the part of the value chain that generates most of the climate impact.
We are a leader in sustainable products

Responsible Finance remains a strategic growth area for ING

- We’re committed to support the transition of our clients around the globe, to drive progress by financing and advising them to accelerate their environmental and social investments.
- We do this through various financial instruments, including green loans, sustainable improvement loans, green bonds and advisory.
- We remain committed to social impact finance and have innovated our product offering to support clients in issuing Covid-19 social bonds to address challenges in healthcare, housing, employment and other areas.
- ING welcomes the EU initiatives that aim to harmonise standards in the sustainability markets, improve transparency and increase funding for the necessary transition. As a thought leader in sustainable finance, we contribute to shaping the regulatory environment and actively participate in these developments. We are also collaborating with other banks, through the UNEP FI and EBF, to facilitate the implementation of the new regulations in the banking sector.

We are a leader in sustainable products with strong credentials in green and social instruments

Green, social and sustainability bonds
# of successful transactions supported*

- ING analysis, bond transactions include SSAs and Schuldschein.

Green loans and sustainability improvement loans
# of successful transactions supported**

- ING analysis, lending transactions include Syndicated and Bilateral transactions. Figures also include advisory, green guarantees and green finance frameworks.

Sustainable structured finance
# of transactions closed

Sustainable investments
# of deals closed

* ING analysis, bond transactions include SSAs and Schuldschein.
** ING analysis, lending transactions include Syndicated and Bilateral transactions. Figures also include advisory, green guarantees and green finance frameworks.
We issue green bonds to support meeting our sustainability objectives

Green Bond issuance objectives
- Support meeting our sustainability objectives
- Fund growth in our green asset portfolio
- Continued leadership in the Green Bond market
- Development of the Global Green Bond market
- Meet future MREL/TLAC requirements

External consultants & providers
- Second party opinion provider
- Green buildings consultant
- Renewable energy consultant

Green Bond benchmark transactions

<table>
<thead>
<tr>
<th>Year of Issuance</th>
<th>2018</th>
<th>2020</th>
<th>2021</th>
<th>2021</th>
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<tr>
<td>Issuer</td>
<td>ING Group N.V.</td>
<td>ING Group N.V.</td>
<td>ING Group N.V.</td>
<td>ING Group N.V.</td>
</tr>
<tr>
<td>Size / Currency</td>
<td>€1.5 billion &amp; $1.25 billion</td>
<td>$1 billion</td>
<td>£800 million</td>
<td>€500 million</td>
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<tr>
<td>Tenor</td>
<td>12yr &amp; 7yr</td>
<td>6NC5</td>
<td>Short 8NC7</td>
<td>11NC6</td>
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<td>Funding Type</td>
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<td>HoldCo Senior</td>
<td>HoldCo Senior</td>
<td>Tier 2</td>
</tr>
</tbody>
</table>

For more information please visit: www.ing.com/Investor-relations/Fixed-income-information/Debt-securities-ING-Groep-N.V/Green-bonds-1.htm
We designed a Green Bond Framework that meets the highest standards on transparency and disclosure, and aligns with the ICMA Green Bond Principles (GBP)

1. **Use of Proceeds**
   - Eligible Green Loan Portfolio includes:
     - Renewable energy (global Wind and Solar) ~€4.1 bln*
     - Green buildings (EPC label A in the Netherlands) ~€4.4 bln*
     - ING’s eligible green loan portfolio is contributing to the EU environmental objective of climate change mitigation

2. **Project Evaluation and Selection**
   - When identifying eligible projects and their non-financial impacts ING may rely on external consultants and data sources
   - A Green Bond Committee will manage any future updates to the Framework, including expansions to the list of Eligible Categories
   - ING’s Environmental & Social Risk Policy Framework and transaction approval process ensures that loans comply with our environmental and social risk policy

3. **Management of Proceeds**
   - Portfolio based allocation approach
   - Single pool of eligible green loans of ~€8.5 bln*
   - ~€5.3 bln** green funding outstanding

4. **Reporting**
   - Aggregated (between multiple Green Bonds)
   - Allocation report: number of eligible loans, balance of unallocated proceeds, amount or the percentage of new financing and refinancing
   - Impact report: total installed renewable energy capacity in MWh, estimated energy consumption in kWh/m², estimated annual avoided / reduced CO₂ emissions in tons
   - GHG Emissions avoided / reduced for Eligible Green Loan portfolio: 5,642,819 ton CO₂eq*

* As of latest allocation and impact report (FY2020)
** As per 30 June 2021

**Green Covered Bonds**

- As part of our Green Bond Programme, we aim to issue covered bonds in green format to support meeting our sustainability objectives
- ING Bank Hipoteczny issued a PLN 400 mln Green Covered Bond in 2019 under its Green Bond Framework, which also has an SPO from ISS-ESG
- Under the ING Green Bond Framework, other ING subsidiaries have the ability and intention to issue Green Covered Bonds
Our actions to promote and advance financial health

Empower Customers
Improve financial decision making for customers through our products and services.

We provide them with:
- **Information**: the right information at the right time.
- **Innovation** that helps customers make better financial decisions.
- **Nudges** towards financially healthier behaviours and outcomes.

Empower Communities we operate in
We support programmes that are focused on creating an inclusive economy, one where everybody has the opportunity and capability to participate.

We invest in:
- **Future-proof employment**, through skills development and access to employment.
- **Financial capabilities**, helping people get out of financial distress.
- **Social enterprises**, through innovative solutions developed by social enterprises.

For more information please visit: [www.ing.com/Sustainability/Sustainability-direction/Financial-health.htm](http://www.ing.com/Sustainability/Sustainability-direction/Financial-health.htm)
Empower Customers

- **Empower-camp** and other tools help customers understand and change their financial profiles.
- **Para Mevzulari** (in Turkey) and other blogs and vlogs keep customers informed about how to manage their money.
- **Global Money Week** and other programmes where we help children and young people learn about money.
- **Everyday Round Up** (in Australia) and other money management features make saving easier.
- ING helped to create the **Debt-Assistance Route** in the Netherlands, supporting customers to avoid falling into problematic debt.
- We partner with apps like **Minna**, which shows all of a customer’s subscriptions in one place.

Community Investment

- **The Youth Perspective Fund in the Netherlands** offers an innovative approach to helping people aged 18-27 manage their debts.
- **Banometru in Romania** helps adults with financial difficulties to develop a financial plan and receive counselling support.
Our actions to respect human rights

**UNGP prioritisation and due diligence**
- ESR Framework and a dedicated human rights policy
- Salience approach, where we track salient issues in our portfolio and with client engagement
- Proactive leverage through client dialogue, bringing value chains together
- Sustainable procurement standards to encourage suppliers to act responsibly

**Transparency**
- Disclosure aligned with the UNGP Reporting Framework
- Disclosure on management and tracking of human rights risks
- Client case studies on where things go right and where we can do better

**Contributing to society**
- Developing and contributing to open source tools, sector and risk findings to engage others on the topic of human rights
- NVB commitment to responsible business conduct
- Involvement in projects with clients and civil society aimed at de-risking supply chains and improving severe risks

UNGP prioritisation and due diligence

Transparency

Contributing to society
Our commitment to respecting and advancing human rights

- The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights form the basis of our business conduct regarding human rights.
- ING is aware of the contribution we can make to human rights in each of our business roles.
- We issue annual human rights disclosures to describe our efforts.

Actions to assess and manage human rights risks

- **Assessing human rights risks**
  We assess, monitor and evaluate clients and transactions against the requirements of ING’s [Environmental and Social Risk](#) (ESR) framework.

- **Developing tools to assess further risks and engage clients**
  We have taken learnings from human rights engagement pilots and are testing a new tool for portfolio-level analysis focusing on ING’s salient human rights risks: forced labour, child labour and land-related issues. This data helps us build an even stronger non-financial risk portfolio. In addition, we can use data points to expand specific knowledge of human rights risks and have a better understanding of how our clients are performing on human rights.

- **Alignment with the UN Guiding Principles on Business and Human Rights**
  ING aims to proactively apply these principles through: governance and policies; iterative due diligence; increasing leverage; contributing to remedy when impacts occur. We will continue to provide updates on human rights risks and opportunities in each of our roles through our annual disclosure.
Our approach to engagement

Engagement is an essential part of our Sustainability Direction. Our approach to engagement involves collaboration, listening and being transparent.

**ING endorses (is signatory of):**
- Children's Rights and Business Principles (CRBP)
- The Core Conventions of the International Labour Organisation (ILO)
- EU Transparency Register
- United Nations Global Compact (UNGC)
- United Nations Guiding Principles on Business and Human Rights (UNGP)
- UN Environment Finance Initiative Principles for Responsible Banking
- United Nations-backed Principles for Responsible Investment (UN PRI)
- The Universal Declaration of Human Rights (UDHR)
- OECD Guidelines for Multinational Enterprises
- Financial Stability Board’s (FSB) Task Force on Climate-Related Financial Disclosures (TCFD) recommendations

**ING is a member of:**
- The Academy of Business in Society (ABIS)
- Association for Financial Markets in Europe (AFME)
- Circle Economy
- Climate Markets and Investment Association (CMIA)
- CRO Forum, Sustainability Working Group
- Equator Principles Association (EP)
- European Financial Services Round Table (EFR)
- EUROISIF (VBDO)
- Institute of International Finance (IIF)
- International Capital Market Association (ICMA)
- International Integrated Reporting Council (IIRC)
- Loan Markets Association (LMA)
- Roundtable on Sustainable Palm Oil (RSPO)
- Thun Group of Banks
- United Nations Environmental Programme Finance Initiative (UNEP FI)
External recognition of ING’s commitment to ESG

ESG ratings ING Groep N.V.

- Ranked #1 in our market cap group
- Position 10th percentile of 374 banks
- Updated: July 2020

- Rating AA
- Updated: December 2020

S&P Global Ratings
- ESG evaluation ‘strong’ (score 83/100)
- Updated: January 2021

Sustainability Index Products
ING is regularly included in ESG and sustainability-focused indices, such as:

- EURONEXT vigeo.eiris INDICES BENELUX 20
- EURONEXT vigeo.eiris INDICES EUROZONE 120
- FTSE4Good
- STOXX ESG LEADERS INDICES
- MORNINGSSTAR Indexes
Sustainability Governance & Environmental and Social Risk Management
Sustainability governance

- The global Sustainability department helps cascade sustainability responsibilities throughout ING.
- Subject-matter experts help develop ING’s policies, programmes and targets on sustainability-related risks and opportunities.

**MBB member and Head of Wholesale Banking**

**Global Head of Sustainability**

**The global Sustainability department coordinates with subject-matter experts on:**

- ESR
- Sustainable Finance
- Human Rights
- Climate Change
- Financial Health
- Etc.

**The Human Rights Steering Committee** oversees and takes responsibility for implementing our human rights related commitments.

**Chair:**
- MBB member and Head of Wholesale Banking

**Members:**
- Head of Regulatory and International Affairs
- Global Head of Sustainability
- Head of the global Centre of Expertise for Communications and Brand Experience
- Wholesale Banking CRO
- Wholesale Banking COO
- Wholesale Banking head of Sectors

**Advisors:**
- The committee is supported by internal advisors.

**The Climate Change Committee** is mandated to oversee and set priorities for the implementation of The Task Force on Climate-related Financial Disclosure recommendations and other strategic climate-related topics.

**Co-chairs:**
- ING Group CRO
- MBB member and Head of Wholesale Banking

**Members:**
- Board members and senior managers from the Wholesale and Retail businesses
- Global Head of Sustainability

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We check clients and transactions against our environmental and social risk (ESR) policies. If they don’t meet our standards, and aren’t willing to change, we don’t do the deal.

The ESR Framework is applied in two different processes: the ESR Client Assessment and the ESR Transaction Assessment.

For specific types of project financing we apply a third process, the Equator Principles (EP), to assess and manage environmental and social risks.

The EP framework helps financial institutions define, among other things, processes and standards for stakeholder engagement, including mechanisms for affected communities to address grievances proactively with project sponsors.

**ING's Environmental and Social Risk (ESR) framework**

**Client assessment**
- Integrated in mainstream Know Your Client process
- For all corporate clients on parent level
- Checks on country, policy standards, reporting, track records stakeholders engagement
- Includes checks on ESR restrictions

**Transaction assessment**
- Integrated in mainstream credit approval process
- For all corporate transactions on legal entity level
- Checks on country, impacts on indigenous peoples, alleged labour and human rights violations, sensitive activities, media/NGO coverage
- Includes checks on ESR restrictions
- Aligned with Risk Managers globally

**Ongoing ESR assessments process**

**Generic use of funds**
Further due diligence, e.g.
- Application of Equator Principles
- Application of specific IFC Performance Standards or EHS Guidelines

**Specific use of funds**

For more information please visit: [www.ing.com/Sustainability/Sustainable-business/Environmental-and-social-risk-policies.htm](http://www.ing.com/Sustainability/Sustainable-business/Environmental-and-social-risk-policies.htm)
ESR efforts aim to mitigate risks and contribute to positive change

- We actively manage social and environmental risks associated with its business engagements. In doing so, we not only mitigate risks, but also contribute to positive change by supporting clients that seek continuous improvement in environmental and social practices.
- The ESR policy framework is reviewed regularly to ensure we adequately identify and manage not only existing but also new environmental and social risks.
- Under ING’s ESR policy, there are certain activities that are completely excluded from financing. An example for the energy sector:

  **Energy Restrictions**
  - Companies engaged in thermal coal power production and subsequent distribution to 3rd parties
  - New thermal coal-fired power plant (or extending the useful life of an existing plant) for general electricity purposes
  - Arctic offshore oil and gas exploration and production
  - Mining, exploration and upgrading of oil/tar sands, including pipeline infrastructure dedicated to exclusive use of transporting oil from oil sands (i.e. not blended with other fossil fuels)
  - Oil/tar sands trading
  - High-level nuclear waste processing, transportation or storage activities
  - Mining, exploration and upgrading of shale gas in Europe

- The ESR policy also restricts activities concerning: animal welfare and fur, defense/controversial weapons, fisheries, forestry and agri-commodities, genetic engineering, mining, protected areas, ship breaking (manufacturing) and tobacco.
- We recognise that certain countries or jurisdictions may have higher risks than others, depending on factors such as their laws, regulations and conventions—and their enforcement. This is addressed in our country risk assessments. We take a risk-based approach, applying more in-depth analysis and enhanced due diligence, when high-risk countries or jurisdictions are in focus.
Important legal information

ING Group’s annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (‘IFRS-EU’). In preparing the financial information in this document, except as described otherwise, the same accounting principles are applied as in the 2020 ING Group consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to a number of factors, including, without limitation: (1) changes in general economic conditions and customer behaviour, in particular economic conditions in ING’s core markets, including changes affecting currency exchange rates (2) the effects of the Covid-19 pandemic and related response measures, including lockdowns and travel restrictions, on economic conditions in countries in which ING operates, on ING’s business and operations and on ING’s employees, customers and counterparties (3) changes affecting interest rate levels (4) any default of a major market participant and related market disruption (5) changes in performance of financial markets, including in European money markets (6) political instabilities detailed in the most recent annual report of ING and the United States (7) discontinuation of or changes in ‘benchmark’ indices (8) inflation and deflation in our principal markets (9) changes in conditions in the credit and capital markets generally, including changes in borrower and counterparty creditworthiness (10) failures of banks falling under the scope of state compensation schemes (11) non-compliance with or changes in laws and regulations, including those concerning financial services, financial economic crimes and tax laws, and the interpretation and application thereof (12) geopolitical risks, political instabilities and policies and actions of governmental and regulatory authorities (13) legal and regulatory risks in certain countries with less developed legal and regulatory frameworks (14) prudential supervision and regulations, including in relation to stress tests and regulatory restrictions on dividends and distributions, (also among members of the group) (15) regulatory consequences of the United Kingdom’s withdrawal from the European Union, including authorizations and equivalence decisions (16) ING’s ability to meet minimum capital and other prudential regulatory requirements (17) changes in regulation of US Commodities and derivatives businesses of ING and its customers (18) application of bank recovery and resolution regimes, including write-down and conversion powers in relation to our securities (19) outcome of current and future litigation, enforcement proceedings, investigations or other regulatory actions, including claims by customers who feel mislead and other conduct issues (20) changes in tax laws and regulations and risks of non-compliance or investigation in connection with tax laws, including FATCA (21) operational risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business (22) risks and challenges related to cybercrime including the effects of cyber-attacks and changes in legislation and regulation related to cybersecurity and data privacy (23) changes in general competitive factors, including ability to increase or maintain market share (24) the inability to protect our intellectual property and infringement claims by third parties (25) inability of counterparties to meet financial obligations or ability to enforce rights against such counterparties (26) changes in credit ratings (27) business, operational, regulatory, reputation and other risks and challenges in connection with climate change (28) inability to attract and retain key personnel (29) future liabilities under defined benefit retirement plans (30) failure to manage business risks, including in connection with use of models, use of derivatives, or maintaining appropriate policies and guidelines (31) changes in capital and credit markets, including interbank funding, as well as customer deposits, which provide the liquidity and capital required to fund our operations and (32) the other risks and uncertainties detailed in the most recent annual report of ING Groep N.V. (including the Risk Factors contained therein) and ING’s more recent disclosures, including press releases, which are available on www.ING.com.

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