

# People

A company is only as good as its people. ING is made up of over 54,000 employees from different countries, cultures, backgrounds, education and experience. We value diversity and our success depends on it. ING needs every position filled with capable, motivated professionals. To do that, we have put a series of programmes in place aimed at further developing the skills and attributes needed to achieve our goals.

## Our people strategy

Our people strategy centres around creating greater leaders and better managers to engage employees and empower them to deliver on ING's customer promise. At the same time, it equips employees to own their positions and become the best they can be.

We have a distinctive culture: entrepreneurial, open, collaborative, innovative and energetic. But we also recognise that there are areas where we can improve – such as diversity – and that from a people perspective, working in a changing environment can bring challenges.

## Who we are

Our more than 54,000 employees are drawn from a wide variety of backgrounds and are active in over 40 countries. We aim to have a workforce that reflects the diversity of our customer base and to foster an inclusive culture. It is important that our people feel comfortable being themselves irrespective of who they are, what they believe or where they come from.

## Why diversity is important and what we are doing in this area

We value diversity. Our success depends on it. That is why we introduced a diversity manifesto, "Success through difference", in January 2016 that applies to all employees worldwide. This official bank policy sets out what diversity means at ING, why it is important, and what employees can do.

ING believes that there is a clear link between more diverse leadership and better financial performance. More diverse companies are more successful at attracting and retaining talent, relate to customers more effectively, have higher employee engagement and are better at decision-making.

ING is committed to accelerating the development of diversity, including in areas such as gender, age, background, sexual orientation, physical ability and religious beliefs.

Different diversity challenges exist in each of our locations and business units. In several markets, such as the Benelux, we need to do more to make gender balance more representative.

The bank is working to increase the number of women in leadership positions, ie employees that manage others. ING, as with many financial organisations, is finding this a challenge. Of our managers of managers, 29.3 percent were women as of end-2016.

With the support of our Leadership Council, ING has introduced a range of initiatives to promote the inclusion of women in leadership positions. These include:

- Diverse interview and decision panels in the recruitment process.
- Inclusion of more female candidates on succession lists.
- Tracking and analysing the number of female appointments, promotions and leavers to gain more insight into problems and potential solutions.
- Actively supporting flexible working.

Earlier this year, Isabel Fernandez was appointed to ING's Management Board Banking (MBB) as head of Wholesale Banking, the first-ever woman appointed to the board.

## Overcoming unconscious bias

ING has encouraged managers from a variety of business units to attend workshops that help them understand their unconscious biases, promoting more objective people decisions. We all have these biases. By being aware of them we can learn to be more objective.

More than 1,000 employees across eight countries, including the bank's Leadership Council and the Human Resources Management Team, have participated in the course.

## External recognition for diversity

The *Bloomberg* Financial Services Gender-Equality Index was published for the first time in May 2016. ING was recognised as one of the most transparent financial sector companies for diversity and social equality. The index measures how companies disclose gender statistics and company policies and practices. It also provides investors and organisations with standardised data on these statistics and policies.

In October, we also saw an improvement in scores within the Workplace Pride Global Benchmark Survey – an external measurement of lesbian, gay, bi-sexual and transgender (LGBT) workplace inclusion. In 2016, we achieved a top-tier score of 70 percent compared to a median score of 61 percent in the Finance and Industry sector. This has increased from 63 percent in 2015, and 51 percent in 2014.

## Internal networks

We encourage employees to participate in a number of internal networks that stimulate diversity. These include:

- **Crossing** – a network concentrating on cultural diversity.
- **Lioness** – a network to help women realise their ambitions.
- **Gala** – a community focusing on LGBT inclusion.
- **Ring** – a networking community for young employees up to 36 years of age.
- **Experience** – a network for senior employees.

**HeForShe programme leads to real action  
for Turkish mothers**

*Since March 2016, Turkey has supported the UN's HeforShe initiative, a programme that aims to create a gender equal world. ING in Turkey regularly organises HeforShe dinners for mothers working at the bank. Colleagues share their experiences, hold discussions and create communities so they can develop practical solutions for the advancement of women, including special leave, increased networking opportunities for female colleagues and monitoring of women in leadership positions.*

*ING in Turkey is a signatory to the UN's Women's Empowerment Principles (WEP). With 35 percent of women in leadership it exceeds the WEP's criterion. Fifty-five percent of employees are women.*

**How we work**

What does ING believe in and what sets it apart from other companies? In January 2015, the Orange Code was launched, a framework for a common corporate culture to unite employees, based on input from employees themselves.

The Orange Code, which is based on the principle of "integrity above all", comprises:

- Values that set the standard. The non-negotiable promises we make to the world no matter what.
  - We are honest.
  - We are responsible.
  - We are prudent.
- Behaviours. 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 a step ahead.

The Orange Code underpins all people processes and tools including performance management. We also have ongoing local and global communication programmes around living the Orange Code to make sure it is embedded within ING.

June saw the launch of kudos, ING's online compliment tool. Employees can send compliments to colleagues for displaying Orange Code behaviours. ING believes that compliments can shape people's behaviour and lead to better performance. Regular compliments lead to more positive emotions, stimulate behaviour directly linked to the Orange Code and ultimately foster a more productive culture.

At the end of 2016, more than 33,000 employees had signed up as kudos users and just under 143,000 compliments were sent.

In a recent survey, 97 percent of employees globally, indicated they were familiar with the Orange Code, 79 percent were aware of the Code and 18 percent said that they had heard of it ("it rings a bell").

**Banker's Oath**

Since April 2015, all new employees working for ING in the Netherlands take the Banker's Oath routinely. The oath contains a set of principles affirming the banking industry's commitment to maintain high standards of ethical behaviour. A disciplinary sanction mechanism is linked to breaches of these principles.

An Ethics Centre of Expertise (ECE) and a Banker's Oath Committee were also established to support employees in dilemma management. The ECE provides training and a methodology (a so-called "seven-step approach") which is used in dilemma discussions and to support balanced decision making in dilemmas experienced by employees and management.

The Banker's Oath Committee was established to provide a platform for employees and management to discuss more complex dilemma cases. Advice is also given to help ethical decision-making and to resolve dilemmas.

**How we attract and motivate employees**

Trends in the market and ING's own business strategy determine long-term skill requirements and allocation of resources.

The labour market is a global marketplace and the bank has recruitment challenges in some areas. To ensure we have the resources we need at the right place and time, we have to be able to identify talent, internally and externally.

Internal mobility plays an important part in this. To better facilitate internal people moves, job opportunities are made more accessible and transparent for employees within the company. A new internal careers site will be launched early in 2017.

Job rotation, international assignments and job swaps help to optimise our talent management strategy. Employees are encouraged to apply for any position or training that fits their skills and experience. We aim to give qualified internal employees preference over external candidates and are committed to a positive employee experience for staff from the moment they apply for a job until the moment they leave.

**ING Top Employer and a Great Place to Work**

*The Top Employer Institute is an independent organisation that measures employee offerings against an international standard. For employees, the classification illustrates that ING is a top-ranked company in its culture, in how we deal with each other and in the way we deal with human talent. The Top Employer Institute gave individual certificates to Spain, Poland, France, Belgium and the UK as well as awarding us Top Employer Europe status.*

*Austria, Germany (including Interhyp), Luxembourg and Spain were all recognised by the US-based Great Place to Work Institute in 2016. The institute analyses feedback from more than 10 million employees in 50 countries representing some 6,000 organisations. To obtain recognition as a Great Place to Work, employees from each ING country are surveyed and their responses collated to provide an overall ranking.*

**Employer branding**

In 2016, ING introduced a new global Employee Value Proposition (EVP). The EVP provides a consistent point of reference for all of the bank's employer branding activities. It sets out the qualities ING looks for in its people and what the company offers.

The EVP consists of two layers:

- **Distinctive:** These are the promises that make ING different. These are very much linked to the Orange Code.
- **Competitive:** While these promises might not set us apart, they are still important as they represent what the bank needs to offer to attract and retain good people. They include work-life balance, emphasis on good performance and the importance of respecting one another.

The starting point in formulating the EVP was an extensive global research project to identify the benefits of working at ING. Input came from external surveys held across 12 different markets, with responses from students, professionals and employees.

The EVP will be used to guide the employee experience underpinning HR processes, as well as being central to our employer brand positioning.

**Employee engagement**

We believe there is a direct link between employee engagement and business performance and our ability to serve customers. ING regularly measures employee engagement and is committed to taking the actions identified.

ING's Winning Performance Culture (WPC) survey looks at how engaged, enabled and energised employees are. A WPC survey was conducted in September 2016. Around 70 percent of employees responded. ING achieved an overall engagement score of 77 percent exceeding the 70 percent target it had set. The survey identified a range of improvement areas on a global and local level.

Engagement scores, on a country level, ranged from 64 percent to 84 percent. Following the survey, HR and local management teams develop action plans which aim to address the improvement areas identified.

Communication is also an important part of employee engagement. Global and local communication teams collaborate to make sure employees are engaged in our strategy and direction on a global and local level. In 2016, we also undertook roadshows around the globe where our CEO and Management Board Banking members visited 16 countries to help explain the acceleration of the Think Forward strategy. A further 12 visits are also planned for early in 2017.

**Equipping employees to become the best they can be  
Leadership development**

Creating greater leaders and better managers is pivotal to ING's people strategy. The bank needs effective leaders to engage employees and empower them to deliver on its Customer Promise.

ING manages the performance of senior managers centrally. It aims to ensure that all performance management activities are coordinated and implemented to the highest standards.

ING continued to run its distinctive banking training platform for senior leaders, the Think Forward Simulation. The training simulates operations at a bank and is fully aligned with the priorities of the Think Forward strategy. Over 100 leaders from 15 countries attended this training in 2016.

We also introduced a new Think Forward Leadership Programme specifically designed to develop the leadership behaviours needed to achieve our strategy. The Think Forward Leadership programme was piloted in the fourth quarter of 2016 and will be introduced from January 2017. Designed for the Management Board and two hierarchical levels below, it has been tailor-made for the bank and is based on results from ING's 2015 Organisational Health Index survey. Eventually the programme will be broadened and made available globally to around 6,800 managers.

ING recognises that being fit to lead is not just about expertise and experience. The programme takes an all-inclusive approach to developing leadership. It targets specific proficiencies, but also encourages and equips participants to reflect on and develop their mental, spiritual and physical wellbeing.

**Early career talent development**

The ING International Talent Programme (IITP) is designed to ensure the bank has the right talent in the right place to help meet future leadership needs. The programme selects and develops top graduates who are ambitious, international and have high growth potential.

The IITP features six tracks: Wholesale Banking, Retail Banking, Finance, Risk, HR and IT. It is primarily delivered by ING staff. In 2016, ING recruited 130 IITP trainees of which 53 percent were female and 47 percent male. This was in line with an ambition to have at least 50-50 gender balance by 2016.

### Development and training

ING encourages employees to take the lead in their own personal and career development. It allocates a budget for employees for training, professional development and personal development. Around EUR 70 million was spent on training and development in 2016.

More than 72 percent of learning is carried out via online channels. Globally, much of this training is offered online through the ING Learning Centre. Here, a variety of educational and business reading, inspirational videos and e-learning courses are made available. This includes the compulsory Promoting Integrity Programme, online training for all employees designed to strengthen our risk culture.

Online learning includes a global e-learning programme, Get Orange, which supports ING's local onboarding programmes in welcoming new employees to the company. The programme introduces them to ING's strategy, culture and way of working. Get Orange is available in almost all ING countries. All new joiners are invited to participate.

### Work-life balance

We need people to be at their best. That can only happen when they are rested, healthy and enjoying life. ING is an ambitious company and that can bring challenges as employees seek to combine their personal and professional commitments. Nevertheless, we are committed to a positive work-life balance. Local HR teams support this ambition with tailored work-life balance programmes to suit both business and employee needs.

ING also encourages employees to contribute to positive change in society and the communities where they live. A wide range of local programmes gives employees opportunities to contribute their time or to make a financial contribution to worthwhile causes. In 2016 we donated over EUR 13.5 million to various charities and just under 50,000 company hours.

### Managing performance

#### Stepping up performance management

A strong performance culture is needed if the bank is to achieve its ambitions and deliver on its Customer Promise.

Employees are required to take personal responsibility for becoming the very best they can be. ING's approach to performance management supports this. In 2016, 99 percent of employees took part in a formal performance management process.

We are also working to improve performance management through the Step up Performance Management practice. It replaces a backward-looking review process with real-time improvement that aims to empower employees and make them more personally accountable for their own performance and growth.

Step up Performance Management includes:

- **Stretch ambitions:** personal "stretch" aspirations that drive personal growth and make a tangible difference to the bank.
- **Validation sessions:** objectives and outcomes of mid-year review and year-end evaluations are validated in management team discussions and against peers to ensure relevance and consistency.
- **Continuous improvement conversations:** informal coffee-corner conversations designed to provide instant, meaningful feedback that immediately improves performance.
- **Recognition management:** An approach where managers are fully empowered and responsible for continually deciding on tailored recognition including financial recognition in line with standard guidelines.

As part of the rollout, almost 300 workshops involving more than 1,000 managers were held in 2016 in 15 countries. The process was also introduced to all employees in Spain, managers in Belgium and around 200 senior leaders globally. The implementation is ongoing and will be introduced to all employees from 2017 onwards.

### Remuneration

ING has compensation and reward packages in place to attract, recruit and retain highly qualified employees. Our Employee Value Proposition (EVP) sets out the various rewards and benefits received by employees in return for their performance. Remuneration is just one of these. Our promise includes personal growth opportunities, an open and dynamic environment as well as a forward-thinking mentality.

### People planning for the future

Organisational requirements continually change so we need to stay a step ahead in strategic people planning.

ING is developing its HR analytics and HR intelligence capabilities to aid business performance and employee well-being. The goal is to understand what most makes a difference to employees so investments can be made in the right places.

The Human Capital Return on Investment indicator shows ING's profitability in relation to total employee costs. This ratio helps ING to identify the influence of HR contributions, such as performance management, training and development, automation and organisational structures, on the bank's profitability. We are improving in this area. In 2016, the indicator was 2.59 compared to 2.48 in 2015 and 2.30 in 2014.

## Changing resource requirements

Like all companies, ING periodically restructures activities in line with business requirements. In some instances this may lead to job losses.

In October 2016, ING announced its intention in many countries and business units to start a path of convergence towards one digital banking platform. The various measures and intentions announced are expected to have a significant impact on many colleagues. It means some functions will change significantly in nature. It may require changes in the location of some functions. Certain positions may no longer be there in the future. While not all plans are finalised, we anticipate that over the coming five years around 7,000 jobs will be impacted, including 950 positions held by external suppliers.

It is always extremely difficult to announce such proposals, because of the possible consequences for many colleagues. We intend to build on our good track record of treating affected colleagues with respect and care, doing our utmost to help them find new job opportunities.

### HR Mobility in the Netherlands

*In the Netherlands, HR Mobility provided assistance to redundant colleagues in multiple locations. To prepare colleagues for a future outside ING, we closely monitor the external job market. Redundant colleagues are supported during the period preceding any redundancy and are helped with interview preparation – internally and externally. Activities included:*

- *Job link events were held in Amsterdam, Arnhem and Leeuwarden. Around 935 colleagues attended these events which included around 1,000 speed dates, helping every participant to walk away with at least four new networking contacts.*
- *Mobility events for secretaries at a specialist secretarial agency in which 86 colleagues participated.*
- *Ninety IT colleagues met with external companies and IT specialist job organisations as part of our External Job Matches project with 68 percent of participants finding a new job within four months after leaving ING.*

## Bankwide shared services

ING continues to look at different ways to help standardise, consolidate and optimise operational processes across the bank so that it can address new client demands rapidly and efficiently. In some areas, we are looking to further centralise operational and IT tasks bringing people together to create larger, more specialised skill pools in single locations.

This could mean that some activities could be transferred to our existing shared service centres, for example in Bratislava or Bucharest, or outsourced to external providers as part of our strategy to converge towards one digital banking platform. This is not new for ING. We have already standardised and streamlined some of our Wholesale Banking and IT operations and have centres of excellence in several locations.

## Supporting colleagues in transition

We recognise that it is not always easy for colleagues to find new jobs within the banking industry. ING is committed to helping employees to find new roles and/or supporting them in learning new skills so they are better equipped for their next role, whether that be inside or outside of ING.

## Collective bargaining and employee consultation

Human rights are fundamental and universal. ING upholds the rights proclaimed in the Universal Declaration of Human Rights and aims to respect human rights in all global operations. Where countries have weaker labour laws, ING abides by its own human rights policy, developed in accordance with the International Labour Organisation convention.

ING upholds freedom of association for all employees and recognises the right to collective bargaining as laid down by International Labour Organization convention Numbers 87 and 98. We seek to judge employees only on their merit and skills. Our policy is not to discriminate by social origin, gender, age, background, sexual orientation, physical ability or religious beliefs.

ING always aims to treat employees with respect and communicate with them fairly and transparently. How we consult employees depends on local legislation and culture. In some countries, employee consultation is a legal requirement. In much of Europe it is arranged via works councils. At a bank-wide level, ING aims to encourage local employee participation in countries where employee consultation is not already formally established.