

ING Communication on Progress 2019

UN Global Compact Principle	SDG		Link/Location
<p>Principle 1 Business should support and respect the protection of internationally proclaimed human rights</p>	<p>5, 10, 12</p>	<p>ING's respect for human rights and their integration into our business engagements are guided by the standards established in the Universal Declaration of Human Rights; the eight Fundamental International Labour Organisation Conventions ('ILO Conventions'); the Corporate Responsibility to Respect Human Rights under the UN Guiding Principles on Business and Human Rights and the UN Global Compact.</p> <p>We base our own human rights policy on these conventions. We seek to judge employees on their merit and skills and without discrimination on race, age, sex, religion, ability or belief. We believe that by respecting human rights and increasing our efforts in diversity, we are strengthening our workforce and our business. As part of this, we developed a framework to help us balance human rights in our operations. Launched in February 2018, it helps guide our decisions on whether to maintain, start or expand our activities in specific countries, as well as to protect employees from human rights risks in new markets.</p> <p>In 2018, ING published its first ever UNGP Human Rights Report. In the report, we take a look at five salient human rights issues. For ING as an employer, these are work-related stress and discrimination; as a corporate lender, these are land-related community issues, child labour and forced labour. Knowing the biggest risk to our people and the people in the supply chains that we finance, (known as 'salient' issues) means we can start managing them first.</p> <p>The report outline our policies, performance and transparent examples of our human rights management. It also describes our human rights governance structures. This report is a landmark for how we communicate about managing human rights. It allows us to share insights clearly and obtain feedback on how we can further improve. We aim to continue this transparency, with this first human rights report acting as a starting point for future disclosures on our performance.</p>	<p>ING Values: https://www.ing.com/About-us/Purpose-strategy.htm</p> <p>ING Statement on Human Rights: https://www.ing.com/sustainability/statement-on-human-rights.htm</p> <p>ING Annual Report 2018: Report of the Executive Board: Risk-Commitment to Human Rights p. 57 – 59.</p> <p>ING Human Rights report: https://www.ing.com/Sustainability/The-world-around-us-1/Reporting.htm</p>

<p>Principle 2 Businesses should make sure that they are not complicit in human rights abuses</p>	<p>5, 8, 12</p>	<p>Human rights are an integral part of ING's ESR Policy Framework and apply to all economic sectors that we conduct business with. ING's has adopted a Statement on Human Rights based on the ILO Core Conventions. The Statement sets our expectations of employees, suppliers and clients.</p> <p>We ask our suppliers to agree to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection, and anti-corruption.</p> <p>ING is a member of the Thun Group of Banks, dedicated to investigating how the United Nations guidelines on business and human rights can be applied. We are also Equator Principle steering members and actively take part in OECD working groups on due diligence, including human rights. These and other external engagements help us improve our practices and also promote a level playing field across our sector.</p> <p>In our 2018 human rights report, we transparently outline how we screen corporate clients, how we approach procurement, and how we make sure our own work force does not risk human rights abuses. This publication goes into detail on our current approach and future priorities.</p>	<p>ING Statement on Human Rights: https://www.ing.com/sustainability/statement-on-human-rights.htm</p> <p>ING Annual Report 2018, Report of the Executive Board: Risk-Commitment to Human Rights p. 57 – 59.</p> <p>ING Human Rights report: https://www.ing.com/Sustainability/The-world-around-us-1/Reporting.htm</p>
<p>Principle 3 ILO Conventions 87 and 98 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<p>8</p>	<p>We uphold freedom of association for all our employees and recognise the right to collective bargaining in accordance with ILO Conventions number 87 and 98.</p>	<p>ING Statement on Human Rights: https://www.ing.com/ING-in-Society/Sustainability/Human-Rights.htm</p> <p>ING Human Rights and the Workplace Statement: https://www.ing.com/web/file?uuid=ab4fa4ba-0590-49da-943f-cb042eac631b&owner=b03bc017-e0db-4b5d-abbf-003b12934429&contentid=28342</p>

<p>Principle 4 ILO Conventions 29 and 105 <i>Businesses should support the elimination of all forms of forced and compulsory labour</i></p>	<p>1, 3, 8</p>	<p>Through ING's Statement on Human Rights we express our commitment to support international labour rights standards for our employees.</p> <p>ING upholds the elimination of all forms of forced labour and compulsory labour. ING's Human Rights and the Workplace Statement explicitly prohibits all forms of forced and compulsory labour in line with ILO Conventions 29 and 105.</p> <p>ING goes beyond our own workplace and addressed forced labour as a salient issue through lending to corporate clients. We manage this risk through our ESR policy, applying international standards, and also engaging with clients. Through the Dutch Banking Sector Agreement on Human Rights we are also participating in value chain analysis to understand where key human rights risks occur in the value chains of our clients. This is outlined in our 2018 human rights report.</p> <p>In 2018 we also began proactive client engagement with corporate clients. Through this engagement we are discussing forced labour explicitly with corporate clients. This also includes the understanding of the risk in the supply chains through which we are exposed through corporate lending. This is outlined in our 2018 human rights report.</p>	<p>ING Statement on Human Rights: https://www.ing.com/ING-in-Society/Sustainability/Human-Rights.htm</p> <p>ING Human Rights and the Workplace Statement: https://www.ing.com/web/file?uuid=ab4fa4ba-0590-49da-943f-cb042eac631b&owner=b03bc017-e0db-4b5d-abbf-003b12934429&contentid=28342</p> <p>ING Human Rights report: https://www.ing.com/Sustainability/The-world-around-us-1/Reporting.htm</p>
<p>Principle 5 ILO Conventions 138 and 182 <i>Businesses should support the effective abolition of child labour</i></p>	<p>1, 3, 4, 8</p>	<p>At ING, we will uphold the Children's Rights and Business Principles in our activities.</p> <p>ING does not tolerate any form of exploitative child labour, as defined in the International Labour Organization Convention 182, Article 3 (Worst Forms of Child Labour) and in line with ILO Conventions 138 (Minimum Age).</p> <p>ING goes beyond our own workplace and addressed child labour as a salient issue through lending to corporate clients. We manage this risk through our ESR policy, applying international standards, and also engaging with clients. Through the Dutch Banking Sector Agreement on Human Rights we are also participating in value chain analysis to understand where key human rights risks occur</p>	<p>ING Statement on Human Rights: https://www.ing.com/sustainability/statement-on-human-rights.htm</p> <p>ING Human Rights and the Workplace Statement: https://www.ing.com/web/file?uuid=ab4fa4ba-0590-49da-943f-cb042eac631b&owner=b03bc017-e0db-4b5d-abbf-003b12934429&contentid=28342</p>

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<p>Principle 6 ILO Conventions 100 and 111 Businesses should support the elimination of discrimination in respect of employment and occupation</p>	<p>5, 8, 10</p>	<p>As a global company ING needs a workforce that reflects and understands the demographics we serve in the various markets where we operate. Studies show that teams with a healthy mix of Turkey prepares for data-driven future Data science can be a real game-changer for ING. To accelerate in this area, we partnered with Özyeğin University in Turkey to set up our own data science training and certification programme for employees. Close to 600 people applied, of which 55 were selected to participate in the first two training rounds. The one-year programme is a combination of online and classroom training and will count towards a future degree should they continue their studies. The programme reaffirms ING’s commitment to a data-driven future by cultivating its own talent pool and empowering employees to keep developing themselves professionally. people contrasting perspectives are more creative, more inventive and faster to adapt. When people feel free to be themselves they perform better. In 2018, we defined a new direction to promote a more diverse and inclusive workforce introducing ‘mixed teams’ and the 70 percent principle. This principle strives for 30 percent difference in team make-up. Mixed teams include all types of diversity, both visible and less visible. Ultimately, managers are responsible for building mixed teams by choosing the dimensions of diversity to focus on while also being guided by the global 70 percent principle as far as possible. At the same time, we will continue our efforts to make all people feel included whatever their background, culture, experience, religion or sexuality. Like many other financial organisations, getting the right mix of people remains a challenge in parts of the business and there is more to be done to redress imbalances</p>	<p>ING Values: https://www.ing.com/About-us/Purpose-strategy.htm</p> <p>ING Diversity and Inclusion: https://www.ing.com/sustainability/our-own-operations/diversity-and-inclusion.htm</p> <p>ING Diversity Manifesto: https://www.ing.com/web/file?uuid=3499d0f1-2a56-4c2e-b5c4-c1d8893d1a86&owner=b03bc017-e0db-4b5d-abbf-003b12934429&contentid=36656</p> <p>ING Annual Report 2018, Report of the Executive Board: Risk-Commitment to Human Rights p. 57 – 59.</p>

		<p>that still exist. Women in leadership positions remained stable at 38 percent of managers (39 percent in 2017) and 30 percent of managers of managers (29 percent in 2017 and 2016). Initiatives to improve the gender balance include having more female candidates on succession lists and more representative decision panels and interviewers during the recruitment process. Nevertheless, we continue to be recognised for our efforts in this area. In an independent genderequality report by Amsterdam-based interest group Equileap, ING ranks among the top 200 companies in the world and among the top five in the Netherlands. The 2018 report compared more than 3,000 companies from 23 countries on a wide range of criteria around gender issues in the workplace. It found the financial sector to be the strongest performer. Banks were the highest performing group in any sector. As part of our commitment to a diverse and inclusive organisation, our CEO Ralph Hamers signed the United Nations' Global Compact Women Empowerment Principles in 2018. We also supported the UN Standards for Combatting LGBTI Discrimination in the Workplace. Our support of these standards will continue to guide our approach and be a source of learning for our own practices to combat discrimination and promote diversity and inclusion.</p>	
<p>Principle 7 Businesses should support a precautionary approach to environmental challenges</p>	<p>7, 11, 12, 13</p>	<p>ING's ESR Policy Framework aims to mitigate environmental and social risks to our business activities. ING applies the Equator Principles to project finance.</p> <p>The ING Procurement Code of Conduct includes environmental criteria.</p> <p>ING's environmental management programme aims to limit the environmental impact of our own operations.</p>	<p>ESR Policy Framework: https://www.ing.com/Sustainability/Sustainable-business/Environmental-and-social-risk-policies.htm</p> <p>Equator Principles: https://www.ing.com/Sustainability/The-world-around-us-1/Equator-Principles.htm</p> <p>ING Annual Report 2018, Report of the Executive Board: Environmental and social risk</p>

			<p>management (p. 70-73)</p> <p>ING Annual Report 2018, Consolidated Annual accounts (p. 302)</p>
<p>Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility</p>	<p>6, 7, 9, 11, 12, 13, 14, 15</p>	<p>ING's Environmental Approach outlines how we manage our direct and indirect environmental impacts, as well as how we mitigate risks and create and seize opportunities.</p> <p>ING's ESR Policy Framework helps us mitigate environmental and social risks through our finance. In project finance, ING applies the Equator Principles.</p> <p>The ING Procurement Sustainability Standards include environmental criteria to ensure the environmental sustainability of our suppliers.</p> <p>Furthermore, in lending, ING promotes greater environmental sustainability by growing its business with companies considered to be industry environmental, social and governance (ESG) leaders and by growing its Climate Finance deals. In investments, ING aims to increase its sustainable investments year-over-year.</p> <p>In 2018, we received perfect scores for environmental reporting and climate strategy in ratings from the Dow Jones Sustainability Indices. We also achieved the highest possible score on CDP's climate change assessment, receiving the Euronext/CDP Leadership award and being included in the 'A-list'.</p> <p>As a bank, ING makes the most impact through our financing, via the money we loan to companies and customers. We have a loan book of about €600 billion across many sectors, which we have now begun steering towards meeting the Paris Agreement's two-degree goal.</p>	<p>ING Environmental Programme: https://www.ing.com/Sustainability/Our-own-operations/Environmental-programme.htm</p> <p>Responsible Finance and Investments: https://www.ing.com/Sustainability/Sustainable-business/How-we-measure.htm</p> <p>ING Annual Report 2016, Non-financial appendix (349-351)</p> <p>Terra Approach: https://www.ing.com/Sustainability/Sustainable-business/INGs-Terra-approach.htm</p> <p>ING Annual Report 2018, Report of the Executive Board: Environmental and social risk management (p. 45-46)</p>

		<p>We call our strategy to get there the Terra approach.</p> <p>How does it work? ING will focus on the sectors in our loan book that are responsible for most greenhouse gas emissions: energy (oil & gas, renewables and conventional power), automotive, shipping & aviation, steel, cement, residential mortgages and commercial real estate. We will use a specific approach per sector in order to make the most impact, partnering with leading external climate measurement experts where it makes sense.</p>	
<p>Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies</p>	<p>7, 9, 11, 12</p>	<p>At ING we understand that our activities impact the environment we operate in - both directly, through the operations of our buildings, IT systems and business travel, but also indirectly, through our financing portfolio and our through our procurement supply chains.</p> <p>We are committed to reducing our own environmental footprint and working closely with both customers and suppliers to adapt and take advantage of opportunities within the low-carbon economy of the future.</p> <p>We are proactively identifying opportunities to finance environmentally impactful projects and industry ESG leaders.</p> <p>And we will double lending to environmental, social and governance (ESG) industry leaders by 2022 compared to 2017.</p> <p>We were well on track in 2018 as Climate Finance rose 11% to €16.5 billion, Social Impact finance was up 73% to €774 million and lending to industry ESG leaders grew 29% to €7.1 billion. The tables below provide a breakdown of our Responsible Finance portfolio as of December 2018.</p>	<p>Our Stance: Energy: http://www.ing.com/ING-in-Society/Sustainability/Our-Stance/Energy.htm</p> <p>Our Stance: Climate https://www.ing.com/ING-in-Society/Sustainability/Our-Stance/Climate.htm</p> <p>Responsible Finance: https://www.ing.com/ING-in-Society/Sustainability/Sustainable-business/How-we-measure.htm</p> <p>ING Annual Report 2018, Report of the Executive board (p.4, 46, 419,428)</p>

<p>Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery</p>	<p>12, 16, 17</p>	<p>Only by acting with professionalism and integrity can we maintain our stakeholders' trust and our company's reputation. The ING Values play an important role in this respect. ING has zero tolerance towards bribery and corruption and has clear policies on this. ING implements a Corporate Policy on Financial Economic Crime (FEC).</p>	<p>Bribery and Corruption: http://www.ing.com/About-us/Compliance/Zero-Tolerance-Bribery-Statement.htm</p> <p>ING Values: http://www.ing.com/About-us/ING-Values-1.htm</p>