



ING Australia

Sustainability Report

2023



Contents

ING Australia 2023 at a glance	2
1. Our story	3
1.1 Acknowledgement of country	4
1.2 Leadership message	5
1.3 Our approach to sustainability	6
1.3.1 Materiality assessment	7
1.3.2 ESG action plan	9
2 Climate action	10
2.1 Financing the change	11
2.1.1 Sustainable finance	12
2.2 Decarbonise our own operations	14
2.3 Deliver climate-focused solutions	16
2.4 Improve the way we manage climate risk	17
2.4.1 Understanding our climate risk	17
2.4.2 Our approach to managing climate risk	18
3 Social impact	20
3.1 Improve the financial wellbeing of Australians	21
3.1.1 Financial inclusion and wellbeing	21
3.1.2 Hardship and vulnerability	21
3.2 Embed sustainability throughout ING	22
3.3 Cultivate a diverse and inclusive workforce	22
3.4 Health, safety and wellbeing	26
3.5 Support communities in need	27
4 Governance	28
4.1 Compliance and culture	29
4.2 Tax transparency	30
4.3 Sustainable procurement	31
4.4 Human rights	31
4.5 Data, security and reporting	32



ING Australia¹ 2023 at a glance

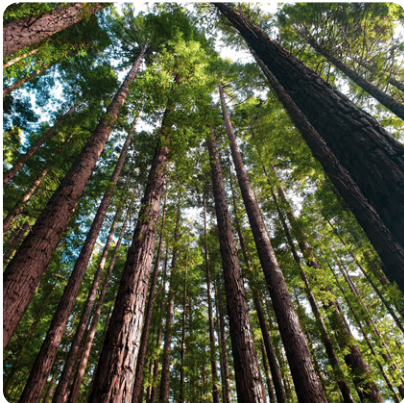
39%

female representation
in senior management
positions



\$6b

in sustainable finance
exposures to clients



25%

reduction in paper use



\$846k

donated by the
business and
employees towards
charitable and
community causes



3,500+

employee volunteer
hours dedicated to
community causes

¹ "ING" refers to ING Bank (Australia) Limited which is a wholly owned subsidiary of ING Bank N.V. and part of "ING Group".



1. Our story



1.1 Acknowledgement of country

In the spirit of reconciliation, ING acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to Aboriginal and Torres Strait Islander employees, partners and stakeholders, and to the Indigenous Peoples in the other locations where we operate.



1.2 Leadership message



I'm pleased to share our Sustainability Report 2023, which details the efforts we're making at ING to have a meaningful and positive impact on the environment, people and community.

ING is proud to be a trusted and valued bank for all Australians, but we know that this is only

possible if we continue the important work of embedding sustainability principles in the way we do business, and pursue positive outcomes for the communities and ecosystems that we support through our activities.

Climate action

This report outlines what we're doing in Australia to deliver on ING's global commitment to be a business with net zero emissions by 2050.

As part of the Net-Zero Banking Alliance, ING's focus on climate action is rooted in the active role we take in financing the changes required to move society towards a net zero pathway.

By the end of 2023 we had \$6 billion of sustainable finance exposures to clients, which is a 9% increase over 2022.

We continued to apply a climate risk lens to the fundamental work of keeping the bank safe. We're doing this so we can better understand how to help customers manage the impacts of climate change and ensure the business is strong through a just global transition to a net zero economy.

Simplifying the banking experience

We found new ways to help customers achieve their goals in life and in business, through new simple, safe and seamless banking experiences.

Our Everyday Round Up for Charity feature has allowed ING customers to connect with 28 Australian charities, and we have facilitated thousands of tiny acts of generosity since the feature was launched.

At the same time, we stayed true to ING's mission to be a fully digital retail bank, streamlining processes to save customers time, effort and paper.

Fighting scams

Scams took an enormous financial and emotional toll on Australians during 2023 and we continue to pursue high standards of protection for ING customers.

ING became a member of the Scam-Safe Accord, as part of a broader strategy designed to protect customers from organised crime and reduce the impact of scams on all Australians.

Our partnership with R U OK?

We proudly partnered with R U OK? for the third year, supporting its critical mission to equip Australians with the tools they need to have safe and supportive conversations with those in their lives doing it tough.

More than 230 ING team members received in-depth mental health support training during the year, such as Applied Suicide Intervention Support, Domestic Violence Awareness and Accidental Counsellor. We also boast a group of 42 Mental Health First Aiders across our Sydney and Wyong offices, who are trained to support anyone in the business who may need help managing tough feelings at work.

Giving with impact

We also continued to support community causes that foster positive outcomes in the areas that mattered most to everyone that works at ING.

More than 500 teammates took time out of the office this year to use their paid IMPACT Day volunteering in their local community.

Collectively, the team contributed more than 3,500 hours and \$846k towards community services ranging from homelessness and domestic and family violence services, to job creation, habitat restoration, and beach and bush clean-ups.

From meaningful actions, we're seeking to achieve meaningful outcomes for people and planet. This report provides a summary of how we advanced in this work during 2023, via a collective effort from the hardworking team, partners and customers.

Melanie Evans
Chief Executive Officer



1.3 Our approach to sustainability

There is no denying that one of the biggest challenges for society is sustainability, in all its forms. Climate change threatens both the planet and its people. People may struggle with inequality, poor financial health and even a lack of basic human rights.

We finance a lot of sustainable activities but we still finance more that aren't. ING aims to put sustainability at the heart of what we do, defining new ways of doing business where planet and people are just as important as economic growth.

It's about making progress together, step by step.

We want to be a banking leader in building a sustainable future for our company, our customers, society and the environment.

But how?

We focus on climate action

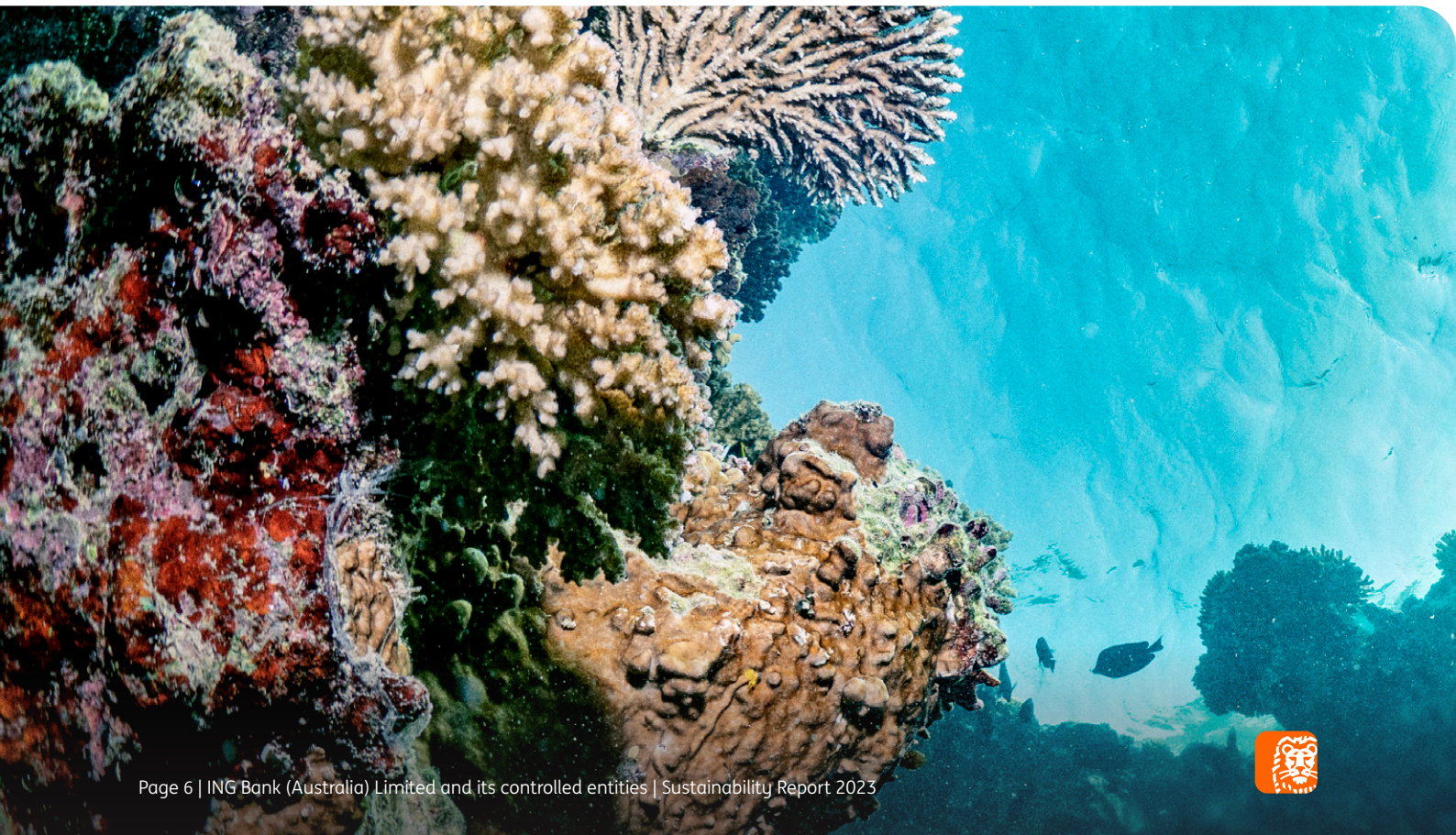
- We are a member of the Net-Zero Banking Alliance in support of achieving a world with net zero greenhouse gas emissions by 2050.
- We lead by example by striving for net zero in our own operations.
- We play our part in the social and low-carbon transformation that's necessary to achieve a sustainable future, steering the most carbon-intensive parts of our portfolio towards reaching net zero by 2050.

We collaborate

We work with clients to achieve their own sustainability goals, increasing our impact through partnerships and coalition-building.

We manage the most relevant environmental and social risks while fostering the protection of human rights across all our relationships.

We're working to advance financial health and inclusion for our customers and communities. And we empower our employees to contribute to it all.

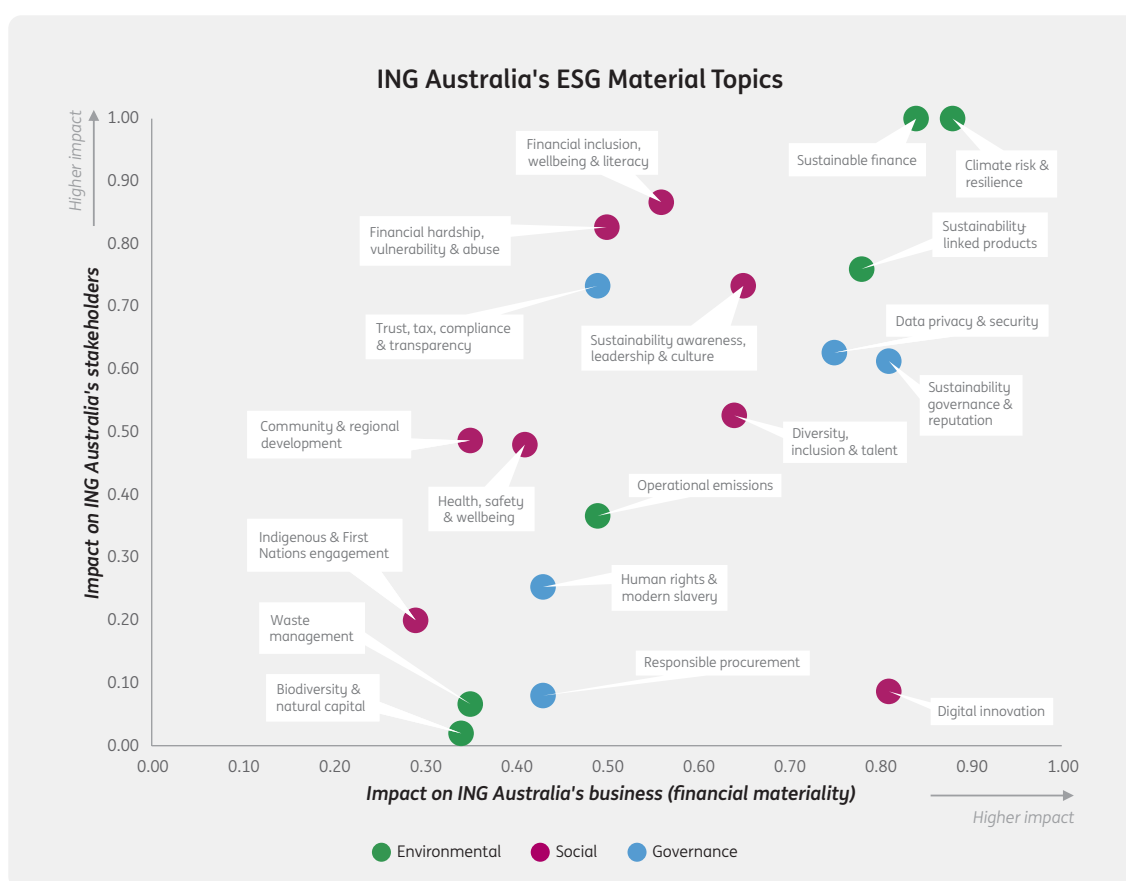


1.3.1 Materiality assessment

In accordance with sustainability reporting best practice, ING regularly reviews the most material environmental, social and governance issues affecting the bank. These topics represent the issues of greatest relevance and impact to ING and its stakeholders.

ING's sustainability strategy in Australia is informed by an ESG materiality assessment, which was recently revised in consultation with external experts in 2022.

Stakeholder engagement plays a key role in the identification and prioritisation of key sustainability focus areas for the bank. The process for the assessment was informed by an internal documentation review, market trend analysis, peer benchmarking, ESG reporting and regulatory standards and stakeholder engagement. A working group determined the impact of these ESG topics on the bank's broader business. These 19 topics were prioritised and then developed into the materiality matrix shown below.



This materiality assessment continues to inform our sustainability strategy and allows us to respond to material sustainability risks and opportunities. ING is working towards aligning its disclosures with Global Reporting Initiative ("GRI") standards and Task Force on Climate-Related Disclosures ("TCFD") recommendations.



Thematic area	Material topics	Risks and opportunities identified during stakeholder interviews
 Climate and nature	Climate risk and resilience	Assessing the physical risk of climate change to the bank's loan book. There is an opportunity to help customers with climate mitigation, adaptation and education.
	Sustainable finance	Financing clients who are driving social and environmental progress, for example by financing climate-resilient, low-carbon and circular solutions.
	Sustainability-linked products	Opportunities around sustainability-linked products that both incentivise and enable sustainability behaviours.
	Biodiversity and natural capital	Opportunity to improve awareness on this topic across the bank's broader lending value chain.
 Our environmental footprint	Operational emissions	Risk of compromising ING's reputation as a sustainable bank if operational emissions are not addressed.
	Waste management	Opportunity to reduce ING's waste footprint through recycling and green initiatives. Being a digital bank, ING is well positioned to leverage digital innovation to reduce plastic and paper waste.
 Financial enablement	Digital innovation	Developing digital products and technologies and creating end-to-end digitalised products and processes to better serve our clients.
	Financial inclusion, wellbeing and literacy	Ensuring accessibility and equality of opportunities to access financial services for all possible customers.
	Financial hardship, vulnerability and abuse	Opportunity to further build and develop responsible lending and debt prevention practices. Opportunities to continue strengthening monitoring and support for vulnerable customers, including continuing to help address problem gambling. Digital innovation can improve monitoring and detection capacities required to identify and combat financial and elder abuse.
 Community empowerment	Community and regional development	There are long-term strategic opportunities including broadening the workforce beyond Sydney and engaging regional communities. This in turn may promote regional development. There is also an opportunity to more actively lend to regional and national infrastructure projects as a way to stand out from peers.
	Indigenous and First Nations engagement	There are opportunities around reconciliation as well as increasing Indigenous recruitment, and supporting First nations communities. A key next step identified by several stakeholders is the development of a Reconciliation Action Plan.
 Our people	Diversity, inclusion and talent	Creating an inclusive work culture with diverse teams, in which people can be themselves and are treated equally.
	Health, safety and wellbeing	Important topics to employees include health (including mental health), wellbeing and safety.
	Sustainability awareness, leadership and culture	Risk that progress on sustainability may be limited by leadership's appetite and ability to speak with authority on sustainability and articulate what sustainability means for ING. Opportunity to educate leaders on ESG and sustainability as a lever to achieve progress.
 Supply chains	Human rights and modern slavery	Embedding principles of respect and dignity across the organisation can improve brand reputation, employee satisfaction and social license. There are increasing operational and reputational risks associated with poor management of human rights and modern slavery.
	Sustainable procurement	Stakeholders increasingly expect that organisations integrate ESG considerations in their procurement practices. There are opportunities for the bank to work with its business partners to create positive impact.
 Governance and innovation	Data privacy and security	Protecting customers' confidential information and managing threats from cyber-attacks or malware and wrongful exploitation of private or official data.
	Trust, tax, compliance and transparency	Any breach of trust was noted by stakeholders as a significant business risk for the bank. Opportunity to be more transparent with ESG impacts, data and performance.
	Sustainability governance and reputation	Greenwashing risk is becoming more important to stakeholders, with potential future financial implications and risk of reducing appetite to showcase sustainable products and initiatives.





1.3.2 ESG action plan

In Australia, our ESG action plan guides the work required for everyone in the business to deliver on ING's strategic global sustainability aspirations.

The plan details which teams are delivering on our goals by when and also captures many long-standing activities in a more formal way so we can show the impact we're making in reports (like this).

How ING Australia sustains a positive impact

	Planet	People
Global ambitions 	Climate action Steer our business towards limiting global warming to 1.5°C in line with the Paris Agreement	Prosperous people and communities Steer our customers and community towards improved financial health
ING Australia ambitions 	Empower our clients and business to reach net zero by 2050, including key milestones by 2030	Contribute to an inclusive society and economy, in which people are financially healthy and everyone can participate
ING Australia impact areas 	Finance the change Engage ING Australia business clients in ING Group's goal to mobilise \$203 billion ¹ capital towards sustainable projects worldwide by 2025 Decarbonise our own operations Decrease scope 1, 2 (and scope 3 travel) by 95% by year-end 2025 (base year 2014) Deliver climate-focused solutions for customers Remove 50% of paper and 70% of virgin plastic from retail processes and customer interactions by 2025 (base year 2022) Improve the way we manage climate risk Integrate the financial risks from climate change within existing risk management frameworks by 2025	Improve the financial wellbeing of Australians Improve financial education and financial wellbeing for 60% of customers via interactions or tools by 2025 Cultivate a diverse and inclusive workforce Achieve gender representation of 40/40/20 in senior management grades by 2025 Support communities Engage 400k people in actions that support planetary health and social wellbeing by 2025 Embed sustainability throughout ING Engage 100% of ING's Australian workforce in delivering on our ESG Commitments by 2025
Driven and enabled through transparent reporting and regular communications		

¹ \$203 billion AUD represents ING Group's target of €125 billion converted to AUD using the December 2023 closing exchange rate of 1.6263.



2. Climate action



2.1 Financing the change

As part of our commitment to help customers get ahead in life and in business, we also aim to be a trusted supporter in the work they need to do to transition to more sustainable ways of living and operating.

As a bank, we know we can make our biggest contribution to a sustainable future through our financing. We recognise the integral role we play in financing the economy of today and we aim to continue to play this role in the low-carbon economy of the future.

That's why we are also steering the most carbon-intensive parts of ING Group's loan portfolio with the ambition to empower our clients and business to reach net zero by 2050. This is part of ING's global commitment to climate action, called the [Terra approach](#).

We have the following strategic priorities to drive climate action, comprising our integrated climate approach, translated into our objectives and core initiatives, and supported by enabling activities:

1. Aim to reach net zero in our own operations;
2. Steer our portfolios and engage with our clients for positive climate impact; and
3. Manage climate and environmental risks.



2.1.1 Sustainable finance

Our Wholesale Bank lending is instrumental in ensuring ING plays an active role in financing the changes required to move society towards a net zero pathway.

We have ambitious targets to guide us in contributing to the ING Group's global commitment to mobilise \$203 billion¹ towards sustainable finance each year by 2025.

In 2023, ING Group has announced:

- we will phase out the financing of upstream oil and gas to zero by 2040, and aim to triple our renewable energy financing by 2025;
- to accelerate the reduction of our financing to coal-power generation, committing to reduce our exposure to close to zero by 2025;
- by the end of 2025 we will no longer finance clients in the utilities sector that are over 5% reliant on coal. We will, however continue to finance non-coal energy projects for these clients in support of their energy transition; and
- we will no longer provide dedicated finance to new coking (metallurgical) coal mines or the expansion of existing coking coal mines. We will take an engagement-based approach for clients that are involved in operating coking coal mines, asking them to explain to us how they plan to align with 1.5°C goals on time.

Locally, our Wholesale Banking team prioritises sustainable finance offerings for our clients across key sectors with the greatest potential for emissions reduction, including power generation, oil and gas, aviation, steel, cement and commercial real estate.

We had \$6 billion in exposure to sustainable finance as at the end of 2023, an increase of 9% from 2022.

We continue to engage in industry conferences and events and were recognised for seven awards at the Sustainable Infrastructure Awards in 2023.



Squadron Energy

ING acted as co-Green Loan Coordinator for the sale of CWP Renewables' 1.1GW renewable portfolio to Squadron Energy, one of Australia's largest renewables financing deals to date. ING was also Mandated Lead Arranger, sole Deal-Contingent Hedge provider, and swap provider.

The transaction saw Squadron Energy become Australia's leading renewable energy investor, operator and developer with an Australian development pipeline of 20GW. Squadron Energy provides enough electricity to power 1.35m homes and has avoided 6m tonnes of emissions.

ING's role as co-Green Loan Coordinator was supported by the expertise of our Sustainable Finance team and reinforced ING's position as a leader in Sustainable Finance.

¹ Volume mobilised for Wholesale Banking clients includes loan products, capital markets, derivatives and advisory propositions that support clients by financing their sustainable activities and contribute to their transition to a more sustainable business model. In cases where ING is appointed in an ESG lead role the pro-rata share of the transaction is included, otherwise ING's final take is included. \$203 billion AUD represents ING Group's target of €125 billion converted to AUD using the December 2023 closing exchange rate of 1.6263.



Business lending

Our Commercial Property Finance team expanded its support for Australian middle-market commercial property owners as they move to manage and reduce their contribution to climate change.

During 2023, the team mobilised more than \$200 million¹ towards sustainability upgrades to existing commercial properties and higher sustainability standards in new buildings financed by ING.

To ensure sustainability forms a key part of our business lending framework, we are also working to gain a more complete picture of how our business lending activities contribute to climate change.

We are now encouraging new clients to outline their emission-reduction commitments and are moving to increase the proportion of business lending dedicated to low or no emissions properties in the years to come.

Some examples include providing finance to help ING business customers:

- Acquire a new 5-star NABERS rated office building and provide finance for the adjoining development of a new 5-star NABERS rated office building (combined \$33 million) in Brisbane, QLD;
- refurbish a 5.5-star NABERS rated building at Mount Street, North Sydney (\$44 million); and
- complete a 6-star green energy residential development in Victoria (\$4.3 million).



Net zero housing

At ING, we want to help our home loan customers understand and reduce their household emissions.

Decarbonising housing in Australia is critical for achieving local climate targets.

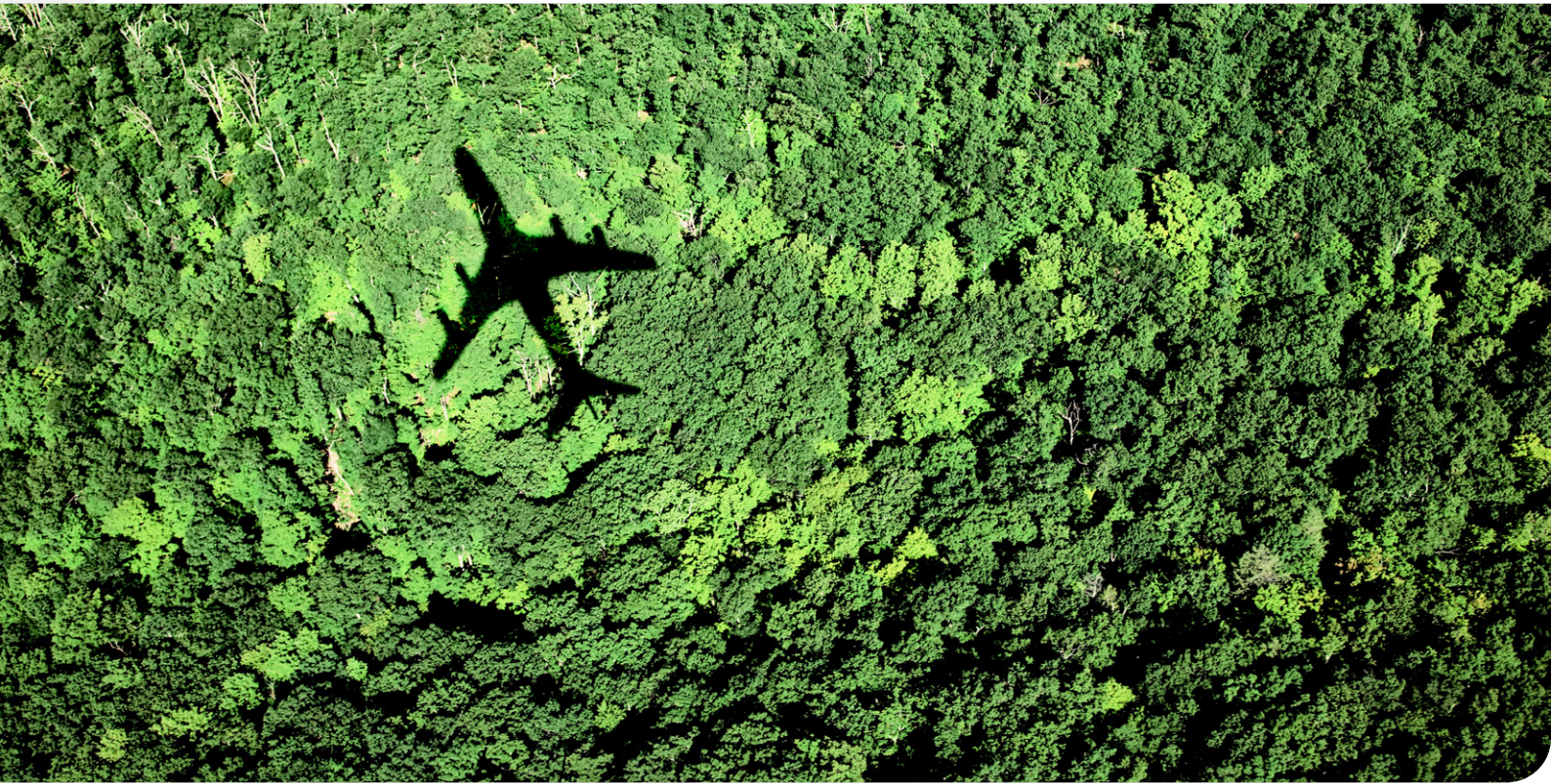
It also forms a key part of ING's own commitment, through the Net Zero Banking Alliance, to become a business with net zero emissions by 2050.

During 2023, we continued to consult with industry peers and government to reinforce the value of household energy ratings as a powerful resource in this work.

As part of our ongoing efforts to estimate the bank's total financed emissions, we will continuously refine our measurement as data sources and methodologies improve in the years to come.

¹ Globally ING Group has a global commitment to achieve \$3.25 billion AUD (representing €2 billion converted to AUD using the December 2023 closing exchange rate of 1.6263) of new annual production volume in sustainable finance by 2025 in Business lending.





2.2 Decarbonise our own operations

We aim to contribute to the global transition to a low-carbon, climate-resilient economy.

This starts at home by managing our own environmental footprint through our operations and suppliers.

Energy

One of the largest sources of carbon emissions globally is energy production and consumption.

Locally, we focus on the sources of energy used to power our operations while also working to reduce the energy we consume.

Since Q1 2020 we have purchased green energy for our buildings in Sydney and Wyong and compensated for all other emissions, including those from our data centres.

To support our ongoing efforts to reduce energy use, we reviewed our NABERS Office Tenancy Energy rating for both Sydney and Wyong with a view to achieve the highest possible certification.

We will continue to establish an emissions reduction pathway across our data and computing technology facilities in line with ING Group's global commitment to reduce our scope 1 and 2 CO₂e emissions from our buildings and data centres by 90% by year-end 2030 (base year 2014) with the aim to reach net-zero emissions by 2035.

We also continue to improve the integrity of our renewable electricity sourcing and reporting.

In 2023, the scope 1 and 2 emissions related to our buildings were 106 kilotonnes CO₂e (a 2% reduction compared to 2022).

Business travel

Globally, ING Group has a shared aim to reduce scope 1, 2 and 3 (business travel) emissions by 75% by year-end 2025 (base year 2014).

As a digital-first bank we continued to limit unnecessary travel by embracing technology for seamless digital collaboration while compensating for all emissions created by business travel by air and car.

We commenced transitioning ING's local car fleet to electric vehicles with a goal to remove all purely internal combustion vehicles from the fleet by year end 2026.



Operational emissions for Australia (Kg CO ₂) ⁽¹⁾	2023	2022	2014 ⁽⁷⁾
Total CO₂e scope 1 (actuals)⁽²⁾	49,013	50,628	-
Electricity emissions before Energy attribute certificates	1,653,435	1,686,649	3,821,164
Offsetting amount of Energy attribute certificates	(1,653,435)	(1,686,649)	-
Total CO₂e scope 2 (market-based)⁽³⁾	-	-	3,821,164
- Air Travel ⁽⁴⁾	432,162	257,812	366,094
- Road Travel ⁽⁵⁾	31,080	29,429	26,068
Total carbon scope 3 (from business travel)⁽⁶⁾	463,242	287,242	392,162
Total carbon⁽¹⁾	512,256	337,870	4,213,326

⁽¹⁾ The total actual carbon is the sum of scope 1, 2 and 3 actual emissions. To date, we only account for carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Data may sometimes not be complete for all emission categories. In case of incomplete or missing data, some figures may be based on assumptions and extrapolations based on actual data and the context for consumption.

⁽²⁾ Scope 1 comprises emissions from our use of natural gas and fuel oil. The conversion emission factors applied are sourced from the UK Department of Environment, Food and Rural Affairs ("DEFRA").

⁽³⁾ Scope 2 comprises emissions from our use of non-renewable electricity. For electricity generation, we use conversion emission factors from the International Energy Agency ("IEA"). From 2020 onwards, we purchased Energy Attributable Certificates "EACs" to offset 100% of our electricity consumption. Where ING does not maintain management control over buildings, we procure EACs which represent the environmental attributes of the generation of one megawatt hour (MWh) of electricity produced by renewable sources. EACs are market mechanisms that are recognised under government frameworks and RE100 guidelines.

⁽⁴⁾ Emissions from air travel are based on information divided into short-haul (<785km), medium-haul (785km-3,700km), and long-haul (>3,700km) distances. Conversion emission factors are then applied from DEFRA using an average fare-class. In 2022 our footprint was impacted by Covid-19 related restrictions affecting travel in the first part of the year.

⁽⁵⁾ Emissions from road travel include lease car, private car and available information on taxi travel undertaken for business related activities. As lease cars are also used by employee for private purposes, we assume (based on sample statistics from an ING internal survey) that 30% of all kilometres driven in lease cars are for business purposes. For car travel, we apply bespoke conversion emission factors provided by for the suppliers of lease vehicles and where not supplied DEFRA conversion emission factors are applied. We currently apply conversion emission factors for car travel using an average of car types.

⁽⁶⁾ Scope 3 comprises emissions from our business travel by air and car. This includes travel for business purpose only, and excludes emissions from employee commuting.

⁽⁷⁾ The scope of reporting for the base year is 2014 which has been sourced from the ING Group reporting platform and represents data reported at that time. The base year will be recalculated on best effort basis with the aim to ensure consistency and relevance of reported data.



2.3 Deliver climate focused solutions



Paper

While the Covid-19 pandemic helped accelerate digitisation globally, many retail banking processes still rely on paper to help customers manage their money.

As a digital bank, it makes sense we are focused on digitising processes and communications to make things simpler for our customers and ensure we continuously reduce our paper consumption.

In 2023 we helped hundreds of thousands of customers go paperless and managed to reduce paper use by 25% during the year.

We will continue to upgrade processes in the coming years, with a clear goal to halve our paper use between 2022 and 2025.

Digital cards

As part of our commitment to making banking easy, simple and more waste conscious, we will also offer all customers the option of a digital card in 2024.



2.4 Improve the way we manage climate risk

2.4.1 Understanding our climate risk

At ING, we view environmental, social and governance (ESG) risk as an overarching set of risk drivers affecting:

- financial risks;
- non-financial risks (operational risk, IT risk, reputational/litigation risk, compliance risk); and
- other overarching risks (model risk and business risk).

ESG risks are defined as any negative financial and or non-financial impact on ING due to the present or future impacts from environmental, social and governance factors stemming from ING's own operations as well as its business activities as a company, its counterparties and any sourced processes.

Environmental factors

Environmental factors relate to the quality and functioning of the natural environment and natural systems.

They include factors such as:

- climate change
- biodiversity and ecosystems
- water and marine resources
- resource use and circular economy
- pollution.

Social factors

Social factors relate to the rights, wellbeing and interests of people and communities.

They include factors such as:

- (in)equality health
- employee and customer health
- safety and protection
- inclusiveness
- labour relations
- human rights
- workplace health and safety
- human capital
- communities.

Governance factors

Governance factors relate to corporate governance practices, including:

- executive leadership
- executive compensation
- audits
- internal controls
- sound tax practices
- board independence
- shareholder rights
- ethical considerations
- anti-corruption and bribery
- sound risk management structures
- organisation and functioning of the management body
- transparency regarding disclosures of information rules and practices
- the way companies or entities include environmental and social factors in their policies and procedures.



2.4.2 Our approach to managing climate risk

ESG Risk Framework

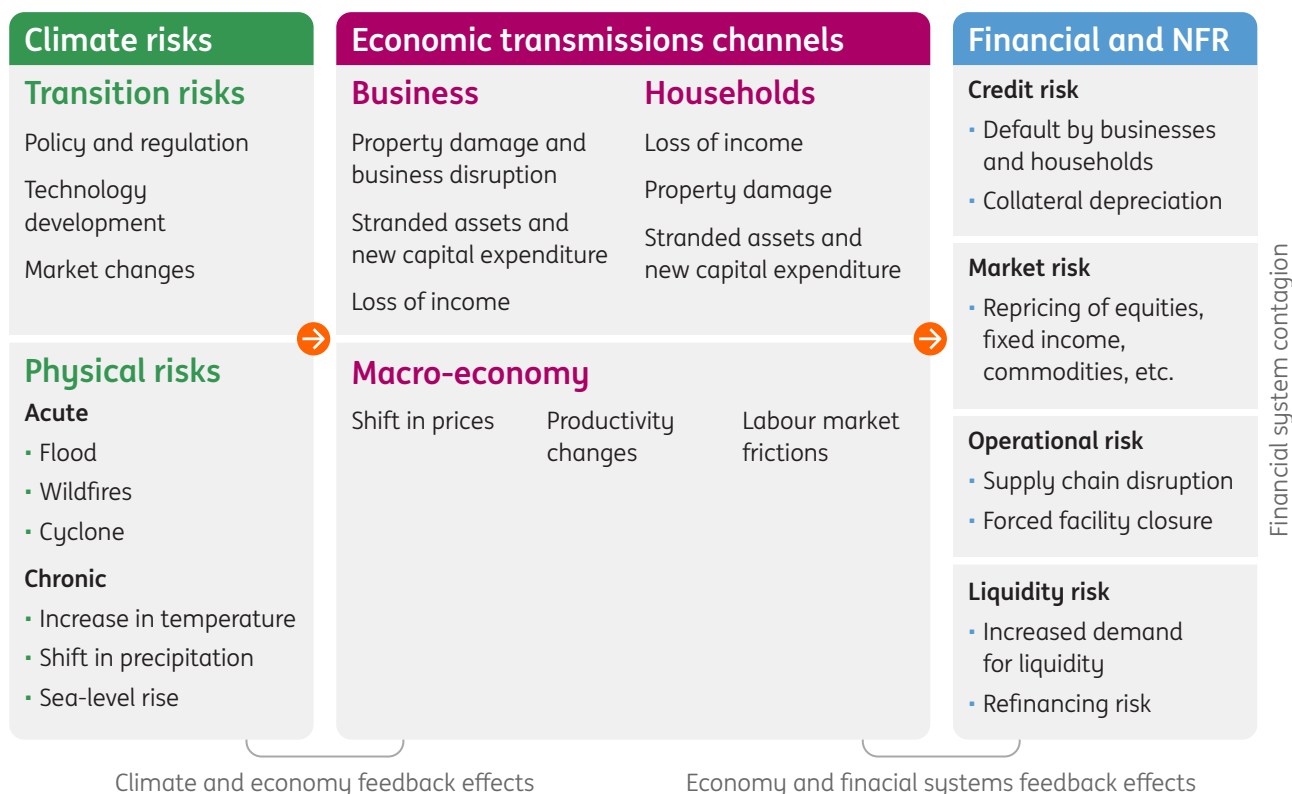
In October 2023, ING Group finalised its ESG Risk Framework.

ING Australia will formally align to the framework from 2024 and embed it into all key components of our risk management framework which includes governance structures, risk infrastructure and risk management enablers.

Risk identification

Considering our exposure to climate risks, ING has identified the physical and transition risk transmission channels relevant to:

- credit risk
- market risk
- operational risk
- compliance risk
- liquidity risk.



Summary per risk domain

ING continues to enhance its capabilities to identify climate risk drivers and integrate them into existing risk-management processes.

The tables below shows the potential impact climate risk can have on risk areas and some steps we are taking to manage the risk.



Financial risk

Risk category	Potential effects of climate risk drivers	What we do to manage risk
Credit	Climate risk drivers (physical and transition risk, as outlined above) can reduce the ability of businesses and households to fulfill their obligations on existing lending contracts. These may also lead to depreciation of collateral values which would translate into higher credit losses and loan-to-value ratios.	Climate risk drivers have been incorporated in the risk identification and assessment process, including a climate risk heatmap in wholesale and business banking.
Market and Liquidity Risk	As a result of changing market conditions, ING's funding base may become more volatile and be affected by availability and cost. That might lead to increased deposit outflows, higher drawdowns on credit/ liquidity facilities and scarcity of professional funding at increased cost. Changing market conditions could also drive volatility in market prices and increase market risk exposures.	Climate and environmental (C&E) risk drivers have been integrated in the liquidity and market risk identification process and assessed for materiality.

Non-financial risk

Risk category	Potential effects of climate risk drivers	What we do to manage risk
Operational	ING's operational capabilities and or ability to deliver services to clients may be disrupted due to acute or chronic physical risks.	<ol style="list-style-type: none"> 1. The Business Continuity Framework has been updated to incorporate physical risk drivers and the ability to recover from their impact. 2. Physical risk drivers are embedded in the risk identification and assessment process through new Environmental Risk guidance being progressively rolled out where applicable. 3. Physical risk drivers are embedded in the Internal & External Events management process through new Environmental Risk guidance being progressively rolled out where applicable.
Compliance	<ol style="list-style-type: none"> 1. Failure to timely address and implement C&E-related regulations, emerging C&E risks and society expectations in internal policies. 2. Inadequate processes and monitoring to ensure compliance with C&E related Policies and Guidelines. 	<ol style="list-style-type: none"> 1. Identification and implementation of relevant laws and regulations in the form of policies, procedures and guidelines. 2. Greenwashing Prevention Guidance issued, to be used in conjunction with the Product Approval and Review Process. The Customer Golden rules require consideration of ESG risk within this process.



3. Social impact



3.1 Improve the financial wellbeing of Australians

We believe financially healthy people contribute to a healthy economy and drive social progress, which is why we aim to steer our customers and communities towards improved financial health.

We are striving to make a difference by helping people to stay a step ahead of their financial challenges.

3.1.1 Financial inclusion and wellbeing

Financial literacy and resources

Part of ING's work supporting customers to achieve their financial and life goals relies on the careful use of analytics to help people build financial knowledge in ways that matter to them.

Throughout 2023, we delivered resources tailored to customers aged 18–35 and 55+, along with materials to help parents talk to their children about money and low-income earners access support services.

The ING Help Hub was launched in December 2023 to provide customers with valuable financial wellbeing tips and guides on-demand.

Creating safe, simple products

Building on the success of our existing ING Everyday Round Up features for savings and home loans, the Everyday Round Up to Charity feature allows Orange Everyday customers to round up their day-to-day transactions to the nearest \$1 or \$5 and pay it forward to one of 28 leading Australian charities.

Since the launch of Everyday Round Up to Charity in April 2023, ING customers have donated more than \$61,845 in small gifts, all of which were tax deductible once the combined total passed \$2 per customer.

3.1.2 Hardship and vulnerability

Helping customers to save

Following the Reserve Bank of Australia's decision to raise the official cash rates, we increased interest rates across a number of our savings and term deposit products to help customers boost their savings with higher interest rates and the rising cost of living.

Hardship

ING continued to provide financial health resources and referrals to assist customers experiencing financial hardship. We strive to connect vulnerable customers with services and support as early as possible, including through our partnership with Way Forward. In instances when customers need further support, our local Financial Hardship team is available to help address the customer's situation.



3.2 Embed sustainability throughout ING

Our people

To be a truly sustainable business, we need to provide our whole team with the knowledge and opportunity to help make a positive difference in our areas of expertise.

Our aim to put sustainability at the heart of what we do requires that we empower our team members to contribute to our sustainability approach and climate action. As a key preparatory step, we try to make sure that our colleagues are highly engaged with our strategy and all sustainability-related topics.

In March, 2023 we introduced a 30-minute Sustainability at the Heart training module, which was taken by 1,584 (66%) of ING team members during the year.

We also hosted a series of employee events to educate and inspire our people about ING's commitments and the role we can each play in delivering them.

Nearly 400 team members took part in activities as part of ING's Sustainability Week, including 'ask me anything about climate change' sessions and a global watch party to inform all employees about the progress ING is making towards its climate goals.

3.3 Cultivate a diverse and inclusive workforce

At ING, having a diverse and inclusive culture is not just the right thing to do. It is essential for ensuring our customers' needs are exceeded and our employee experience is strong.

Our Diversity, Inclusion and Belonging strategy was launched in March 2023, focusing on:

- **Promoting a diverse workforce** – ensuring our people align with and support the customers and communities we serve.
- **Culture of inclusion and belonging** – ensuring our people feel seen, heard, valued and connected.
- **Inclusive leadership** – leaders leverage diverse perspectives and foster inclusive teams to deliver amazing customer outcomes.
- **Promoting inclusion for customers** – understanding and connecting with our diverse and vulnerable customers to ensure a great experience.

We aim for an equitable and inclusive process in the way we attract, recruit and develop our people.

To continue building gender equality, we set targets for increasing gender representation at leadership levels and reducing the gender pay gap, which are tracked and reported to our Executives and the Board.

To help drive this, we aim to ensure a gender balance in all recruitment shortlists and interview panels as well as internal mentoring and leadership development programs. We also support the next generation of talent through our employee inclusion networks and mentoring programs.



How we measure:

Our ambition was to achieve 37% female representation in senior leadership positions and a 22% gender pay gap by end of 2023.

How we did:

Female representation in our most senior roles increased from 33% to 39% in 2023. We have gender balanced representation (over 40%) on both ING's executive committee and board.

As at December 2023, ING's average gender pay gap is 21% for fixed remuneration and 22% for total remuneration (down from 23% in 2022). Key drivers of the gender pay gap include the gender representation across varying levels of our workforce. Closing the gender pay gap will continue to be a focus in 2024.

Family inclusive workplace

ING is certified as a Family Friendly Workplace 2023-25 and remains a proud supporting partner of Family Friendly Workplaces – UNICEF Australia and Parents at Work's national family and work standards and certification framework. ING also joined The Parenthood Alliance to help drive advocacy in policy development that support parents, caregivers and children.

Accreditation is based on workplace approaches to flexible work hours, parental leave, family care and wellbeing and leadership.

We're building a family-friendly workplace and promoting support for parental leave and flexible working, to ensure parents and carers have the chance to be successful professionally while managing their family lives.

In 2023 we enhanced our parental leave policy to provide all new parents with access to 20 weeks paid parental leave.

We also increased the paid leave and support available for employees experiencing family and domestic violence.

FlexING is our approach to flexible working. Whether it's working from home, or varying start and finish times, we empower our people to manage their work so they do not miss moments that matter in life.



Advocacy and external recognition

As a member of the Champions of Change Coalition, we're working with a cross-industry network of leading practice organisations to drive change and progress gender equality within our workplace, industry and communities.

We are proud to be recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency. ING is a citation holder for 2021–2023.

ING is also a founding partner of Workplace Pride, dedicated to improving the lives of LGBTQ+ people in workplaces worldwide.

Workplace Pride activities include the Workplace Pride Global Benchmark. In 2023, ING scored 82% (up from 78% in 2022) and was recognised as a Workplace Pride Ambassador.

Attracting and retaining talent

In 2023 we maintained our strong commitment to developing ING leaders of the future and continued our investment in the following three key leadership programs:

- Local Talent Accelerator Program;
- Leadership Experience Power Up Program; and
- Global Leadership Accelerator.

Programs focus on enhancing participants' leadership mindset, skillset and toolset to optimise leader readiness for their next opportunity at ING.

Importantly, we also achieved a gender balanced representation across each program.

Additionally, we expanded our offering in building leadership capability by facilitating Inclusive Leadership workshops and Inclusive Hiring training for over 100 ING leaders across Sydney and Wyong.

How we measure:

In 2023 we measured our organisational health mid-year and the end of the year using the Organisational Health Index (OHI) survey.

How we did:

We saw an uplift in OHI scores, particularly in the areas of job engagement, strategic clarity, customer focus, and diversity and inclusion.



Family
Inclusive
Workplace™
CERTIFIED 2023-2025





Rainbow Lions

ING is dedicated to having an LGBTQ+ inclusive culture. Our LGBTQ+ employee network, Rainbow Lions, has played an important role in shaping this.

The network is led by an Executive Sponsor and Chair, supported by an active Committee, and has over 250 engaged members. Their vision is to provide a safe and inclusive work environment for LGBTQ+ team members to be able to express themselves and bring their whole self to work.

Rainbow Lions champions inclusion through education and awareness, facilitating social and networking opportunities, and implementing policy and practice changes at ING. The network is active in the LGBTQ+ community, acknowledging and celebrating days of significance.

In 2023, key activities included:

- Building opportunities to connect, and promote LGBTQ+ inclusion, by celebrating days of significance with events for Mardi Gras/World Pride, Pride month and Wear it Purple day;
- Building LGBTQ+ awareness, knowledge and capability across ING, and enabling active allies, through Awareness and Ally training and launching Guidelines for Allies; and
- Supporting the LGBTQ+ community by sponsoring the Coastal Twist LGBTQ+ festival on the NSW Central Coast and joining the R U OK? Mardi Gras float.

Globally, ING is a founding partner of Workplace Pride, dedicated to improving the lives of LGBTQ+ people in workplaces worldwide. Workplace Pride activities include the Workplace Pride Global Benchmark. In 2023, ING scored 82% (up from 78% in 2022) and was recognised as a Workplace Pride Ambassador.



3.4 Health, safety and wellbeing



Our partnership with R U OK?

In our third year as R U OK? Conversation Partner we continued to work inside and outside of the business to normalise the fact that anyone can experience tough times and that we can support one another when we are going through those tough times.

Mental health help givers

Through the partnership, more than 230 ING team members received in-depth mental health support training, including:

- applied suicide intervention support;
- domestic violence awareness;
- accidental counsellor; and
- mental health first aid.

We also hosted seven experiential learning events featuring mental health speakers and maintained an active group of 42 employees qualified in mental health first aid who share their time and guidance to help create a safe workplace for all.

Supporting the R U OK? mission

The partnership enabled R U OK? to conduct new research to better understand how to communicate with and support young Australians¹. The research revealed a clear role for peer support amongst this cohort, finding that 12-25 year olds were most willing to engage in meaningful conversations with each other during tough times.

Acting on this, we were proud to fund the #FriendBetter campaign, which launched in April and in the six months following launch, reached more than one million young Australians. Conversation guidance tailored to address the top stressors impacting young people was accessed more than 160,000 times.

We promoted the R U OK? message throughout the year via our 40 R U OK? workplace champions. Our champions helped bring the R U OK? message to life at work and in their lives and stepped up to support R U OK? through working bees and events, marching with R U OK? in the Mardi Gras World Pride parade, and raised more than \$20,000 through a garage sale and City2Surf fundraising activities.



¹ Connecting Young Australians – YouthInsight (2022)



3.5 Support communities in need

Our goal is to ultimately contribute to society's transition to be more sustainable. Not only a greener society but one with people who are in better financial health and connected, supportive communities.

Community volunteering

All ING employees receive one day a year – called an Impact Day – to dedicate to volunteering for a cause they care about.

More than 500 of our people used their Impact Day during 2023, contributing more than 3,500 volunteer hours towards community causes, including Landcare, Coast Shelter, Oz Harvest, Rough Edges and United Way.

Corporate giving

We continued to support causes doing good things in the community to drive positive impact for people and the planet.

Together with our employees, we contributed \$846k towards charitable and community causes, including R U OK?, the Powerhouse Museum, St Johns Community Foundation, Coast Shelter, Kids Giving Back and Gidget Foundation.

We also helped our people contribute to eight chosen charities – WWF, Dress for Success, United Way, OzHarvest, Unicef, Landcare, Cerebral Palsy Alliance and R U OK? – through payroll giving with ING matching every employee donation dollar for dollar.

Supporting social enterprises

As part of ING's ongoing support for Australian social enterprises, we partnered with StartSomeGood to deliver a business design course for aspiring social entrepreneurs called ING Next Finds.

Launched in October 2023, Next Finds is based on StartSomeGood's successful Good Hustle program and gives 20 emerging founders a free chance to learn the foundational elements of successful social enterprises, including:

- impact model
- business model
- go-to-market strategy
- customer avatar
- fundraising possibilities
- personal sustainability and more.



4. Governance

STAND BEHIND
YELLOW LINE



4.1 Compliance and culture

Board

The Board reviews the bank's environmental, social and governance impact areas and agrees the Group's priorities, with a focus on climate actions and embedding sustainability within the core functions of the bank.

Customer Conduct and Reputation Committee

As part of ING's sustainability strategy, oversight of environmental and social governance is addressed within the existing governance structures of the bank. This affords our leadership visibility across all ESG priorities, and ensures integration across the business strategy.

Sustainability is a standing item within ING's Customer Conduct and Reputation Committee.

The Committee maintains an open dialogue with the Board Risk Committee and Executive Committee (ExCo) to ensure any risk appetite tolerances and other matters recommended by the Committee are addressed by the relevant leadership and processes.

Banking Code of Practice

We continued to engage all employees with the Banking Code of Practice, embracing its principles that drive trust and confidence, integrity, service, transparency and accountability.

These principles provide an ethical, customer-oriented and sustainable framework, and guide us in our decision-making when performing our work and serving our customers.

 [Read more](#) about the Banking Code of Practice.

Orange Behaviours

For ING, success will only be achieved if we act with integrity. We will not ignore, tolerate or excuse behaviour that breaches our values. Our ING values are part of the Orange Code – our manifesto that describes our way of working.



You take it on and make it happen

- You take responsibility
- You delegate
- You ask
- You speak up



You help others to be successful

- You collaborate
- You listen
- You contribute
- You trust



You are always a step ahead

- You challenge
- You bring change
- You invent and simplify
- You are courageous



4.2 Tax transparency

We are committed to paying our fair share of taxes and maintaining the highest standards of corporate governance, social responsibility and ethical conduct. This includes a strong commitment to comply with our tax obligations and contribute directly to the economy by paying taxes to support public services and amenities for the benefit of the wider community.

Our tax transparency disclosures conform with the Australian Board of Taxation, voluntary Tax Transparency Code ("TTC") of which the Bank has been a signatory since 2018.

 [Read more](#) about the code. Please refer to Note 4 – Income Tax of the Annual Report for additional disclosures.

The Bank's tax strategy is to:

- safeguard our tax position in compliance with all applicable tax laws and regulations;
- ensure that our tax position is correctly disclosed in the financial statements; and
- provide high-quality tax support to our businesses and management.

ING adopts a conservative approach to managing its tax affairs and obligations.

The Bank adopts a conservative approach to managing its tax affairs and obligations. We pay taxes in accordance with all applicable laws and regulations, taking into account of both the letter and spirit of the law. We do not undertake any aggressive tax planning or enter into artificial and contrived arrangements to achieve a tax benefit. The commercial requirements of a transaction will dictate its form and no transactions will be entered into where obtaining a tax benefit is the primary purpose. We seek professional advice or a tax ruling from the Australian Taxation Office ("ATO") in circumstances where the potential taxation outcome is uncertain.

Our tax risk governance underscores a prudent approach to tax management and operates within our broader governance and risk management framework. Tax risk governance is underpinned by the Tax Risk Management ("TRM") policy which is reviewed annually and approved by the Board of Directors. The TRM policy is designed to effectively implement tax strategy, operate within its acceptable level of risk appetite and is aligned with the ATO's tax risk management and governance review guide. Our employees must adhere to the ING Values – to be honest, prudent and responsible, and with integrity above all – when managing tax affairs.

We are committed to maintaining a transparent and collaborative relationship with the ATO and other tax authorities. Dealings are conducted in an open and transparent manner throughout the tax risk and assurance reviews regularly undertaken by the ATO.

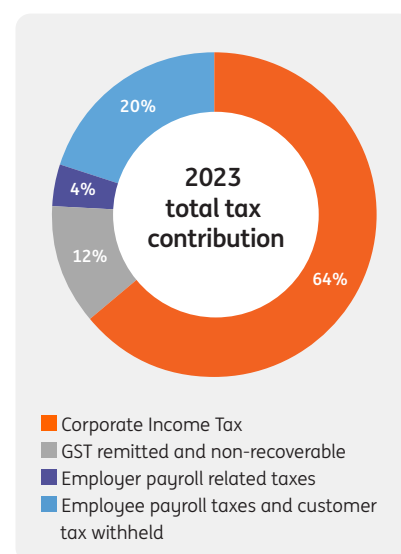
Tax contribution summary

The Bank's total tax contribution (paid and remitted) amounted to \$471 million during the year ended 31 December 2023.

International related party dealings

The Bank believes in the principle that tax should follow business and consequently profits are allocated to the countries in which business value is created. The Bank's international related party dealings are conducted in accordance with arm's length principles as prescribed by the Australian transfer pricing laws and in accordance with the Organisation of Economic Cooperation and Development ("OECD") guidelines. We disclose transactions with related parties at Note 24 of our Annual Report.

The main related-party transactions are with ING entities in The Netherlands and Singapore. The key business dealings include provision of management and administration services, employment related recharges, support and technology services, long term funding, and money market transactions.



4.3 Sustainable procurement

We continued to apply an ESG lens to the choices we made about new vendors and suppliers. We endeavour to embed a procurement approach that is sustainable and contributes to our net-zero goals, by striving to make sure that our suppliers share our commitment to fighting climate change and protecting human rights. This includes processes that encourage our suppliers around the world to act responsibly.

In 2023 we updated our supplier questionnaire with new ESG criteria and embedded ESG screening into the Australian tender process.

We continued to track and monitor risks for Modern Slavery in our value chain, conducting due diligence on all suppliers.

 [View the ING Australia 2022 Modern Slavery Statement.](#)

4.4 Human rights

Our environmental and social risk framework has an overarching human rights policy which applies in our workplace and supply chain, and to how and with whom we do business.

ING's most recent human rights review outlines the work being done across the ING Group to manage human right risks in our operations.

 [Read the review.](#)



4.5 Data, security and reporting

Data privacy

During the year, we continued to focus on uplifting the maturity on some of the key GDPP (Global Data protection policy) principles around Data minimisation, Data Storage limitations, third party processes and Data Breach reporting.

We also introduced a program to build capabilities across the bank to continuously monitor how personal data is captured, stored, shared and destroyed across the bank. This will ensure we continue to do the right thing for our customers and employees.

We focus on educating and promoting bank wide awareness sessions to ensure employees responsible for capturing and managing personal data continue to use the tools and processes required to keep our customers and bank safe.

Protecting customers and fighting scams

In 2022, Australians lost a record \$3 billion to scams.

Despite general scam awareness and education increasing, many Australians are still at risk of falling victim to common pitfalls. We are determined to play our part in keeping customers and the broader public safe from scams.

This year, we became a member of the Scam-Safe Accord to deliver a higher standard of protection for customers and to put scammers out of business in Australia.

The accord—between Australia's community-owned and commercial banks, building societies and credit unions—is a set of anti-scam measures reflective of strong industry collaboration and aligns with ING's unwavering commitment to safeguarding every customer.

At the heart of the Scam-Safe Accord is a \$100 million industry investment in a new confirmation of payee system to be rolled out across Australian banks.

Design of the new system is underway and is set to be rolled out during 2024–2025.

However, this is only the start. ING has set out a comprehensive scams strategy to protect our customers from organised crime and reduce the impact on Australians.

We will continue to invest in this space to make banking with ING safer and increasingly secure.



Digital innovation

ING continues to make progress on our transformation program with focus on transforming and modernising our technology landscape and building capacity and capabilities.

Our next investment phase focuses on front-to-back transformation of our systems, operations and processes to enable a scalable operating model, accelerate digitising and automating core manual and legacy processes, modernising core bank and data infrastructure and pursuing cloud strategy as foundations for future scale.

Regulatory reporting

ING continues to invest in projects to improve data and technology in order to meet the increasingly complex regulatory obligations.

This includes reporting to regulators situated locally (ACCC, ASIC, APRA, RBA) as well as abroad, as ING in Australia is a subsidiary that is included in the consolidated results of ING Group located in the Netherlands.

