

Our Approach to Materiality

To ensure that we are always improving as an organisation, it is essential to identify and understand the most important economic, social and environmental issues for our stakeholders and how these intersect with what we do. To better understand this we conduct regular materiality assessments to find out what the key priorities are for our stakeholders and their potential impact on our organisation. The results guide us in our strategic decision-making, stakeholder engagement agenda and reporting framework.

Stakeholder Engagement

Stakeholder	How we engaged	Material issues
Customer	Customer research, social media, web chat, post call surveys and focus groups	Fair price for products & services System availability, data security and digital innovation Efficient and effective customer service
Employees	Annual culture and engagement surveys; company forums; bi-annual performance reviews; internal communications; lunch/coffee with the CEO sessions; WH&S Workgroup Committee; Diversity Hub; Monthly CEO update; Webcasts	Leadership development Career opportunities and development System availability, data security and digital innovation Consultation regarding workplace changes Focus on culture Fair price for products & services
Government & Regulators	Regular meetings and communications with APRA, ASIC, Treasury and the Reserve Bank.	Compliance with laws and regulations Fair price for products & services Responsible lending & debt prevention Consumer protection Regulatory compliance
ING Group	Regular and ongoing contact and reporting at senior executive and management levels; Annual planning, review and objective setting	Financial performance Financial Empowerment Responsible lending & debt prevention System availability, data security and digital innovation Talent attraction and retention
Board	Regular board meetings with CEO and senior management	Financial performance Regulatory compliance Alignment with vision and strategy Focus on any risks to the sustainability of the business
Ratings	Annual review of ING	Greater focus on deposit funding

Agencies	DIRECT's business; Regular meetings between ING Australia's Treasury and Ratings Agencies for residential mortgage-backed securities deals	Investment grade assets Responsible lending & debt prevention
Third Party	Broker roadshow; focus groups (especially around superannuation); internal & external surveys, independent reports, broker & aggregator partner programs; Business to Business	Confidence & trust earned through fair price for products & services Responsible lending & debt prevention System availability, data security and digital innovation Talent attraction and retention
Media	Meetings, direct communications and briefings; Electronically through our digital newsroom and press releases	Confidence & trust earned through fair price for products & services Responsible lending & debt prevention System availability, data security and digital innovation
Broader community	ING DIRECT community impact program (including regular meetings with partners, community grants, team and skilled volunteering); Chairing a cross-sector forum to facilitate Research with non-customers, media coverage.	Confidence & trust earned through fair price for products & services Responsible lending & debt prevention System availability, data security and digital innovation Financial Empowerment Environmental responsibility Community impact

The 2016 materiality matrix

We combined the outcomes of the 2016 materiality survey among stakeholders and conducted an extensive analysis of a) the importance of the issue to our stakeholders and b) the impact of the issues on our business. The issues with the highest priority for stakeholders and the biggest estimated impact on our business are considered our key material issues.

How ING approached materiality

Materiality is a challenging journey we want to approach in the best way possible - it is much more than a 'tick the box' exercise. We strive to make our materiality assessment increasingly representative of our stakeholder universe so we can be confident that the outcomes really reflect the most important issues of the moment. Materiality at ING is characterised by the following elements:

Identification of issues through extensive research

Identification of material issues was done through desk research conducted in cooperation with an external agency, resulting in a list that represents issues of interest for our sector and company. It took as its starting point the indicators specified in the GRI G4 guidelines as well as issues considered material for the financial sector by the Sustainability Accounting Standards Board (SASB). Other issues were also identified by reviewing the outcomes of ING stakeholder engagement activities (both global and local) and through media scans.

Prioritisation of issues by a large amount of stakeholders

The list with issues of interest was distributed as a Materiality Survey to a large group of internal stakeholders. They were asked to rank the issues by significance. The material

issues identified as part of this process were:

- Confidence & trust earned through fair price for products & services
- Responsible lending & debt prevention
- System availability, data security and digital innovation
- Talent attraction and retention
- Financial Empowerment

Collaboration of ING experts to reach out to stakeholders

An extensive network of ING experts, from across business disciplines regularly engages with both internal and external stakeholders, reaching out to a large network of stakeholders.

Integration in the content of our Annual Report and stakeholder engagement approach

We use the outcomes of our materiality assessment to inform the content of our Annual Report. We also use the outcomes to inform our proactive stakeholder engagement approach. This is adjusted each year as the most important material issues from the assessment represent the issues that are more significant to our stakeholders.

We value your opinion

We want to know more about which economic, social and environmental issues are important to you. Your opinion will be used to help our approach to doing business in a responsible and sustainable way. Email sustainability@ingdirect.com.au to share your thoughts.