

Material Issues

Scope and boundaries

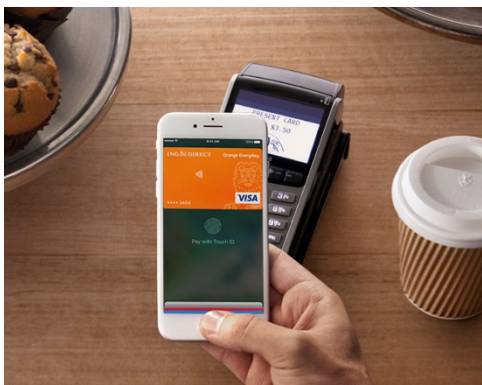
Through our materiality analysis we ensure that all material economic, social and environmental topics are addressed in this report. The report covers the period 1 January to 31 December 2017. The data and content in our GRI G4 Reporting and associated links aim to provide an accurate and balanced account of ING's economic, social and environmental performance in 2017. Our approach and performance are explained by referring to our policies or by data and progress on targets.

Confidence & trust earned through fair price for products & services

This Aspect is material for all entities within the organisation. It is also material for Regulatory Authorities, ING's customers, Broker network, clients and suppliers.

A fair price for our products and services increases accessibility for our customers and is important for our competitiveness in the marketplace. ING is Australia's most recommended bank and as such customer advocacy is integral to the growth of our business. Our customers and other stakeholders trust ING to offer fair, straightforward and good value products and we must continue to earn this trust.

As a bank, we are subject to a regulatory framework that focuses on structural measures to reduce systemic risk. We have increased the strength of our capital base to protect customers and contribute to a sustainable financial environment.



At the same time, innovative business developments are also important to stakeholders. This is in line with our Customer Promise to “keep getting better”. We aim to be a leader in transforming banking, staying at the forefront of digital developments. These activities require capital. We can increase profitability by raising prices or lowering interest rates paid on savings accounts, but reasonable pricing of our products

and services is important both to us and our clients, as we know we must remain competitive. Balancing and reconciling these competing interests is an ongoing challenge.

ING monitors our Net Promoter Score monthly to better understand how we are tracking against this Indicator. In 2017 our December NPS score was 20.7 and our gap to the nearest major (Q4) was 32.7. We actively respond to the monthly NPS results to ensure we are delivering for our customers. For example, when customers displayed frustration with service levels for our Mortgage product, the business placed a higher priority on addressing processing times.

Responsible lending & debt prevention

Responsible lending is material for all entities within the organisation. It is also material for Regulatory Authorities, ING's customers, Broker network, clients and suppliers.

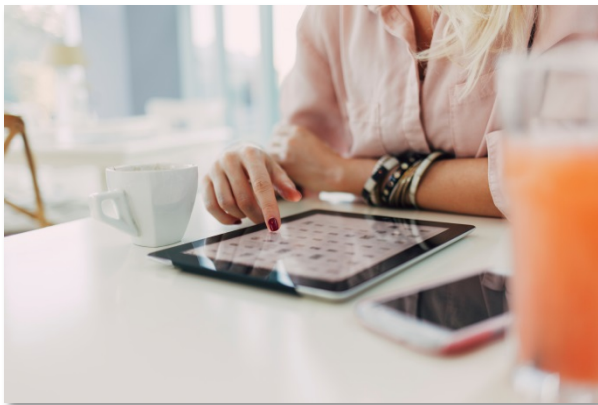
We believe that financially empowered people make smarter financial decisions that positively influence their day-to-day finances. This drives social progress and contributes to a healthy economy.

We strive to empower people to make better financial decisions by providing the right information and tools at the right time, supported by clear and easy products and services that are available anytime, anywhere. When it comes to lending, ING takes a prudent position in how it provides credit to customers. Our approach is to ensure customers do not put themselves under financial stress with the amount of debt they take on.

ING also has hardship provisions to help manage debt for customers who face changed circumstances. The assistance includes access to financial counsellors.

We also educate our broker partners about ING's responsible lending practices. We track arrears and our Credit Risk team monitors arrears levels. This information is regularly reviewed by a Local Credit Committee who recommends actions that may be required to be taken by the business in response to data changes. Our objective is to have as few customers as possible come under financial stress.

System availability, data security and digital innovation



As a digital bank, our customers are reliant on our digital systems to access their money. We need stable and secure systems to deliver on our customer promise.

Operational excellence for system availability requires continuous focus to ensure that ING's operations deliver a seamless and flawless customer experience.

Our operational excellence vision concentrates on delivering the Customer Promise. That means we need to continually upgrade and streamline our processes and IT systems.. We aim to bring best-in-class service to customers every day and create an experience that suits customers.

While we innovate we are also making significant investments to provide stable IT systems and platforms to ensure we are there for our customers when they need us and to provide them with the highest standards of data security. Service Level Agreements require 99.9% availability of services to customers. ING operates two data centres and has the ability to

switch between the two at any time in order to maintain availability of services to customers. In addition, system availability performance indicators are embedded in all relevant supplier contracts.

Talent attraction and retention

Financial institutions face constant competition for skilled employees. The ability to attract and retain employees is increasingly important, particularly where innovation is critical to the business strategy. To respond to this, in 2017 ING placed greater focus on partnering with industry including sponsoring and participating in events such as [Girl Geeks #SheHacks](#) and [Remarkable Enabled by Designathon](#) to develop our people and engage with the wider industry.

In addition, ING continues to provide opportunities for global mobility, professional development, an active wellbeing program, a global Innovation Bootcamp and has built its position as a thought leader in Digital Innovation.



In 2017, Team Leaders gained Mental Health First Aid qualifications providing them with knowledge and skills to identify, prevent and support for employees experiencing mental health conditions, such as depression, anxiety and substance abuse, or those who may be experiencing a mental health crisis like suicide, panic attacks and traumatic events.

In 2017 we also launched Gala, our employee resource group for lesbian, gay, bisexual and transgender (LGBT) employees, their friends and supporters. We also launched the Lioness Group which supports emerging female leaders and Stella, our program for select top talents who will be our leaders of the future.

These strategies aim to position ING as a top employer in order to attract the best talent to deliver quality products and services for our customers. The effectiveness of our approach and strategy is assessed during the evaluation of our performance against pre-decided success measures.

Financial Empowerment

At ING, our purpose is to empower customers to stay a step ahead in life and in business. By offering products, services and tools that help people make better financial decisions; we make it easier for them to take control of their finances now and in the future.

We believe that empowering customers to make the right financial decisions helps to improve long term financial wellbeing, contributes to a healthy economy and helps to drive social progress.

Our approach

We help to financially empower our customers in 3 ways:

1. Simple and straightforward products and services

At ING we place emphasis on the quality rather than the quantity of our product range, and only launch new products and services that we believe will deliver fair value as well as an exceptional customer experience.



We are dedicated to offering simple and straightforward products and services that make it easy for our customers to manage their personal finances anytime, anywhere. For example, our Orange Everyday transaction account offers customers easy access to their money through free cash withdrawals at every ATM Australia wide and overseas, and our award winning mobile app allows users to

money 'on the go' wherever and whenever they want to.

A credit card was the number one product that customers were asking for, and in 2017 we delivered Orange One. The credit card comes with easy to use features such as managing big purchase payments over set terms that the customer chooses. We identified a gap for a socially responsible card to manage consumer spending, and repayments, in an ethical way.. In the Orange One, we've produced what Australia's Money Magazine has called 'Australia's first ethical credit card' - a credit card that empowers people to demonstrate positive debt management behaviour.

We're also committed to making our products and services accessible to all areas of society. In 2017, ING developed In partnership with the National Relay Service (NRS), hearing or speech impaired customers can contact ING (and vice versa) with the assistance of an NRS relay officer via their computer, phone or tablet. The relay officer acts as a conduit between both parties to aid communication.

ING complies with the Web Content Accessibility Guidelines (WCAG). The WCAG documents explain how to make web content more accessible to people with disabilities. In 2016, we developed and launched our new online banking system in line with the WCAG guidelines to improve customer experience and maximise access to customers with a disability. For

example a visually impaired customer is able to use screen reading technology to login to online banking and perform key tasks such as checking balance and transferring money.

2. Relevant information and tools

In line with the trend for growing digitalisation in society, we recognise the importance of offering customers digital tools that help them increase financial knowledge as well as aid decision making.

In 2017 we were one of the early adopters of Apple Pay because our customers asked for tools that make life easier by connecting in with their existing digital lifestyle. More than 20,000 customers used the payment service in the first fortnight following its launch in February 2017. 25% of our customers with 'mobile wallets' now make mobile payments.

In 2017, ING also launched Everyday Round Up, a digital savings feature designed to strengthen the bank's primary relationships with customers. More than 66,000 customers activated the feature within the first 100 days and the amount saved exceeded \$3.1m within that same period.

Research showed us that our customers were increasingly travelling overseas and purchasing online so we decided to put an end to ATM fees globally and dropped our fees for international transactions made overseas or online. We're proud that ING was the first bank in Australia to fully rebate ATM fees globally.

In addition, as part of our effort to keep our customers informed, we conduct a quarterly Financial Wellbeing Index to gain insight into Australian consumer sentiment around personal finance management, including their views on spending, saving and investing. This research forms the foundation for executive thought leadership, blog articles and dialogue sessions which inform the way in which we create tools and content to deliver a valuable customer experience.

3. A positive impact



We aim to make a positive impact in the communities we operate in, and on society in general.

We believe social enterprise presents a sustainable alternative to traditional models of addressing social issues. We want to play our part in empowering these start-ups with access to the

funding and capacity building support they need to establish successful businesses that can continue to create positive change long into the future.

Our [Dreamstarter](#) initiative provides knowledge, support and funding to help a wide range of social businesses launch, grow and scale to affect real change in the communities we live in. To date, Dreamstarter has contributed over \$1.5million to over 70 social enterprises and social impact projects across Australia. In 2017, ING also launched Dreamstarter Gifts that give, a campaign that showcases a range of little products from Australian social businesses making a big difference in our community.

Approximately 20% of Australia's population has a disability, and for many this can be challenging for achieving financial independence. As a long-term supporter of the [Cerebral Palsy Alliance](#), ING aims to empower young people with a disability with the skills and capabilities they need to become financially independent in the future. To this end, ING supports the following programs specifically:



[Conductive Education:](#) Life skills, independence and hope for pre-school and school age children with cerebral palsy and their families. This early intervention sets young people on the course for improved physical outcomes and greater independence as they grow older.

[Ignition Mentoring:](#) This 10-month mentoring program matches ING volunteer mentors with a teenager with a disability. Now in its 12th year, Ignition Mentoring continues to create empower teenagers with a disability to be self-confident, independent and plan for their future.

[Transition to Work:](#) In 2017, ING and Cerebral Palsy Alliance completed two 8-week mentoring programs to complement the successful Transition to Work initiative. The [mentoring programs](#) paired an ING volunteer mentor with a young adult with a disability to help prepare them for and transition into employment.

Beyond our support of these programs, ING is one of the top corporate fundraisers for the annual [Steptember](#) campaign, raising \$98,000 to provide much-needed services, support, and care for so many kids and adults living with cerebral palsy and their families.

Globally, ING's "[Power for Youth](#)" partnership with [UNICEF](#) aims to reach 335,000 adolescents in less-developed countries – to help them develop the social and financial knowledge and skills they need to build brighter futures for themselves, their families and their communities.

How are we doing?

We want to be sure our efforts are really driving sustained improvements in the financial behaviour of our customers and society. We measure our performance to make sure we're helping more people to stay a step ahead each year.

In 2017, ING had more than 11.1 million interactions with customers and non-customers through our financial empowerment initiatives.

Global Aspiration

- Our global ambition: to make 25 million people feel financially empowered by 2020
- Our ambition: strive to achieve the highest Net Promoter Scores in all retail banking businesses compared to our peers
- Our performance in 2017: ING achieved the highest NPS of any Australian Bank.