

ING GLOBAL DIVERSITY FAQ

MARCH 2012



FAQ – DEFINITIONS

Q. What is diversity?

Diversity in business is about welcoming and embracing other people's differences. This is reflected in:

Mindset – Diversity of thinking

Competencies – Diversity of skills

Demographics – Diversity of appearance

A diverse workforce includes people of different genders, backgrounds, lifestyles and nationalities as well as with different skills, religions, interests, races, sexual orientation, opinions and more.

Q. What is inclusion?

Inclusion is the term used to describe an organisational culture that allows diversity to thrive. Inclusive organisations value diversity and try to incorporate the needs and viewpoints of diverse communities and individuals into all aspects of the organisation.

Q. Why do diversity and inclusion matter?

They matter for many reasons:

1. We want to attract the best people

We want to attract the very best people to work for ING. But if we only recruit people from the same countries or universities or who match a certain profile, we will limit our access to talent. Talent comes in many different shapes and forms, which is why we need to take a broad perspective when recruiting and hiring.

Many businesses view a lack of key skills as the biggest threat to future growth. Declining birth rates mean that the talent pool is shrinking, making it business-critical to cast the net as wide as possible when recruiting. At the same time organisations are also shrinking, and therefore it is important to have the best people on board: we need to be more effective and more efficient and yet achieve this with fewer people.

2. We want to retain the best people

Once people are on board, they should feel respected and accepted for who they are. If you are able to bring your whole true self to work, you will be more motivated, perform better and therefore be more likely to stay with the company.

3. It is good for our clients

When you put people with different skills, experience and opinions together in a room, you get a much richer discussion and more interesting ideas. A diverse workforce is a catalyst for more creative and surprising solutions, which in turn can help us make better decisions and become more innovative.

When we explore or enter new markets, we need first-hand knowledge of those markets to enable us to connect more effectively with existing and prospective clients. We can secure such knowledge by making sure we have people from different countries and cultures on our staff. We want our staff to reflect our customer base.

Our long-term success depends on being in touch with society so that we as a business can better anticipate trends and developments. Having employees from diverse backgrounds, with diverse interests, lifestyles, hobbies, skills and experience is helpful in this respect. As the 'eyes and ears' of their communities they can bring that knowledge and intuition to their work at ING.

4. It is one of our core values

'We respect each other', one of our shared values, extends to respecting people who may be different from ourselves.

5. The outside world expects it

Our customers expect us to understand them and their specific needs. This is a lot easier if your employee base reflects your customer base.

Corporate responsibility rating agencies and sustainability investors look at how companies treat their employees. Their findings have a direct impact on our sustainability ratings, which can in turn influence our share price.

There are also a growing number of laws and regulations that require us to introduce greater gender diversity. The Dutch government has passed a bill requiring the executive and supervisory boards of all listed companies to consist of at least 30% women by 2016. Other countries where ING is active (for example Spain, France, Belgium and others) have similar requirements. But creating a workforce with more women at the top is about more than just compliance.

Q&A – DIVERSITY & ING

Q. What have we done so far to increase diversity at ING?

Diversity and inclusion are not new to ING. We have been working to create a more diverse workforce and more inclusive culture since the 1990s. Here are some of the achievements we can be proud of:

- We have had a Global Diversity Council since 2000. Consisting of senior business leaders from various regions, it is chaired by the Vice Chairman of ING Bank.
- The diversity of our workforce is best reflected in the many employee networks we have at ING. Around 10% of our employees belong to a staff network, and ING actively supports the creation of new staff networks.
- Awards and rankings: ING has received many external awards for its progress on diversity. We also actively participate in diversity and workforce rankings gain an understanding of how we are doing compared to others.
- Diversity forums: We regularly invite managers and employees to hold debates on diversity.
- At a global level, we have set a target to increase female representation on the Management Council to 33% by 2015.
- In the Netherlands ING publicly committed to increasing female representation at senior management level by signing the ‘Talent to the Top’ charter in May 2008.
- In 2010 we introduced Customised Diversity Plans, a tool that enables individual countries to identify gaps in their diversity profile and make improvements where necessary. The plans are highly flexible because what is necessary and desirable to increase diversity may differ entirely from one country to another. The Global Diversity Council does not want to dictate what each country should do to improve its diversity profile.

Q. What is ING’s approach to diversity?

We have an integrated approach to diversity based on five key pillars.

- **The basics**
Having the basics in place: a commitment to diversity, appropriate diversity policies and compliance with laws and external diversity covenants.
- **Exposure**
Sharing our ambition and progress both internally and externally: through our internet sites, in the media, by signing charters, etc.
- **Staying in touch with society**
Actively listening to our communities and making employees at ING feel comfortable and respected for who they are, for example by supporting the creation of diverse employee communities at ING (employee networks).
- **Actions**
These include the programmes we have in place (for example the Customised Diversity Plans) and the strategic interventions we undertake (such as incorporating diversity into our performance management processes) that

demonstrate the concrete action we are taking to embed diversity in our corporate culture.

- **Measuring & reporting**

Tracking and reporting our progress, both internally and externally.

Q. What are our diversity priorities up to 2014?

We want to make diversity and inclusion the things that really set our corporate culture aside. In order to achieve this we plan to:

- Increase the number of women in ING Bank global senior management positions.
- Increase the diversity (gender, ethnicity, LGBT, age and ability) within ING Bank's management and talent pipeline.
- Boost the awareness and knowledge within ING Bank of the importance of diversity and an inclusive culture to ING's long-term business success.
- Enhance ING Bank's exposure and image towards relevant external (diversity) partners, networks and (future) employees.

Q. What is ING doing to increase female representation in its senior management?

In the past ING did not consistently make the best use of its diverse talent. Though women account for half our workforce and over half of university graduates, they make up only 12.5% of our Management Council and just 5% of the Leadership Council. This imbalance does not reflect our true leadership talent.

To address this, in 2009 ING set a target - not a quota - to have 33% of Management Council positions filled by women by 2015. To achieve this target, we are looking very critically at what factors have prevented talented women at ING from moving up the career ladder at the same speed as their male counterparts. These factors may be prejudice, lack of sponsors and good mentors, insufficient work/life balance, hiring and promotion processes that tend to favour male candidates, lack of exposure to key decision-makers or inadequate coaching of women. ING is determined to remove the bottlenecks to create equal opportunity, and to intervene where necessary.

In 2010, ING introduced a new leadership development programme designed specifically for women. It is called the Inclusive Leadership Journey (ILJ) and 43 women are currently enrolled. The ILJ provides peer-to-peer coaching, roundtable discussions, mentoring, team assignments on high-profile projects, lectures with some of the world's top management thinkers and various learning experiences that enhance the participants' knowledge of senior leadership dynamics and effectiveness. Equally importantly, the ILJ increases the participants' visibility among ING's Executive and Management Boards and broadens their internal network - both critical factors for getting noticed by key decision-makers when the time comes for promotions.

There are also special initiatives at country level targeted at women.

Q. Why the focus on gender?

Gender focus is not just about creating equal opportunities for talented women to move up the corporate ladder; men also benefit from teams with more gender balance. At present the male/female representation in our senior leadership is unbalanced, which is why we have a target to increase the representation of women in the Management Council to 33% by 2015.

Why the 33% target? Because research has shown that this is the level that provides the critical mass needed to tip the balance. In other words, in order to change the dynamics of a homogeneous group, you need to include at least 1/3 of the new influence. Viewed from the other perspective, teams and departments that are predominantly female should also be balanced out with more men.

Q. What is ING doing to promote multicultural diversity?

Multiculturalism is the appreciation, acceptance or promotion of multiple cultures, applied to the demographic make-up of a specific place, usually at the organisational level.

An ethnic group (or **ethnicity**) is a group of people whose members identify with each other through a common heritage, often consisting of a common language, a common culture (often including a shared religion) and/or an ideology that stresses common ancestry or the desirability of marrying within the group.

With operations in 40 countries, we want our staff to reflect our customer base so we can better connect with existing customers. And when we explore new markets, it's important to have staff members who understand the local cultures.

Various business lines, such as Commercial Banking, have included specific plans and initiatives regarding multicultural diversity in their Customised Diversity Plans.

ING Crossing, an ING employee network focused on cultural diversity, also plays an important role. The network is open to employees with a multicultural background as well as to colleagues who feel an affinity with the theme of cultural diversity and want to learn more about the different cultures within ING.

Activities and initiatives include workshops, speakers, a mentoring programme, appointing executive ambassadors and using our own employees in various ING marketing material.

Q. What is ING doing to increase lesbian, gay, bisexual and transsexual (LGBT) diversity?

ING is a gay-friendly organisation. Our Gala network, established in 2004, currently has around 1,000 members. As well as organising activities for its members Gala welcomes all employees in order to build mutual understanding.

Research has shown that around 30% of gays in the Netherlands are still 'in the closet' at work. In other countries the situation is worse. ING is committed to being a company where everyone is welcome, regardless of their sexual orientation.

To demonstrate how seriously we take this commitment, we have a dedicated Executive Board sponsor for LGBT issues, Hans van der Noordaa, who attends both internal and external events to talk about what ING is doing for its LGBT employees.

ING has won several awards for being an LGBT-friendly workplace. For example, we have been given a top ranking by the Human Rights Campaign (HRC) for many years now and have also received the International Gay and Lesbian Chamber of Commerce (IGLCC) Business Equality Index award.

Q. What is ING doing to cater to the needs of different age groups?

ING has several employee networks targeting different age groups, for example the Ring Network, which focuses on the needs of young professionals, and the Silver Lions Network representing older professionals.

In view of the aging of the population and rising retirement ages, it is important that we take the needs and concerns of our older colleagues into account and help them to be productive and active in the advanced stages of their career. One way ING is doing this is by promoting more flexible working patterns so that employees can work when and where they feel most productive.

Q. How do we promote generational and life-phase diversity?

Another way of looking at age diversity is to pursue a life-phase oriented HR policy. This approach does not group people by age but rather by what life phase they are in. We distinguish between the following life phases:

- **Starting phase:** Starting your career. A period of orientation and exploration ('What do I want?', 'What am I capable of?', 'What do I like doing?')
- **Ambition phase:** Gradually getting a better feel for what you want to do and what you are good at. You are also eager to learn and develop yourself and are starting to formulate ambitious career goals. Many people in this life phase tend to work full time. Work/life balance is not yet a prominent issue.
- **Combination phase:** A phase in which you have many demands at home and at work. You might be combining your career with raising a family or caring for an aging parent or ill relative. Flexibility becomes increasingly important in this phase.
- **Expertise phase:** Employees in this phase have accumulated a good deal of work and life experience. They have established certain routines in both their personal and professional life. They have mastered their field of expertise and still have a lot to offer an organisation. Employees in this phase tend to be a source of new creativity.
- **Landing phase:** A phase in which employees are still actively contributing to the organisation, but are also gradually preparing for retirement. Employees in this life phase need more flexibility and free time. They may have less energy for some tasks, while other tasks become easier. During this phase, older employees start to transfer their knowledge and experience to younger colleagues.

Not everyone goes through the various phases at the same speed and two people of the same age and gender may well be in totally different life phases.

Considering people's life phases is a better way of looking at age than simply assuming that two people who are the same age will share the same profile (for example 'a member of Generation Y' or 'a baby boomer') or have the same needs.

ING is starting to embrace this life-phase approach to enable it to take the diverse needs of all its employees into account. For example, life-phase thinking is already being embedded into ING's Dutch collective labour agreements in the form of more flexible working arrangements for employees in the combination phase.

Q. What is ING doing to support colleagues with disabilities?

People with disabilities are not a homogeneous group. There are physical, sensory, intellectual and mental disabilities. People may have had their disability from birth, or acquired it in their childhood, teenage years or later in life. A disability may have little impact on a person's ability to work and take part in society, or it may have a major impact, requiring considerable support and assistance. All over the world, people with disabilities are participating in and contributing to the world of work at all levels.

At ING, we have found that people sometimes tend to focus too much on the disability instead of what a person is able to do. So we should always be mindful of this bias.

Most of our colleagues with disabilities are able to articulate what, if anything, they need in the workplace in order to do their work properly, such as specific software (for the blind) or modified office furniture. ING's health & safety and facility management teams provide the necessary support to our colleagues with a disability or chronic illness.

Q. How does ING measure diversity and inclusion?

We have a target for women to make up 33% of our international Management Council by 2015. We report our progress on this target annually in our Corporate Responsibility Report. Under Dutch law we will also be required to report on the gender balance on our Executive and Supervisory Boards.

Further diversity-related KPIs are included in the performance management of our senior leaders. These KPIs are not limited to correcting gender imbalance in leadership, but may encompass other issues that our senior leaders want to address in order to create a more diverse workforce and a more inclusive culture.

At a country level, we introduced Customised Diversity Plans in 2010. A Customised Diversity Plan is a tool that enables individual countries to identify gaps in their diversity profile and make improvements where necessary. The plans are highly flexible. The Global Diversity Council does not want to dictate what each country should do to optimise its diversity profile. Rather, it provides tips and resources that can help each country to systematically analyse its current situation and come up with a plan that reflects local circumstances and local priorities, and makes good business sense.

ING also monitors employee engagement through the annual Winning Performance Culture survey. The WPC survey includes a number of demographic questions, for example on

country, organisational level, gender, period of service and age, and — specifically for the Netherlands — also provides opportunities for voluntary self-reporting on ethnicity and sexual orientation. The results enable us to monitor at a high level whether there are any imbalances based on specific demographic factors, and to take targeted action as and when required.

Q. So, how are we doing in terms of diversity?

ING is getting a lot of things right. We have the basics in place. We have a Global Diversity Policy Statement and a clear commitment from our senior leadership and our Global Diversity Council. And we have numerous employee networks that help ING stay in touch with the employees' communities and society at large.

We have set targets to create more gender balance in our senior management. All of our key countries have drawn up their own diversity plans. We take action where required and we measure our progress.

We actively participate in diversity rankings and have won a number of awards in recent years for the progress we've made.

But we are not where we want to be yet. Our diversity numbers could be better. Further cultural change is needed to create the kind of diverse and inclusive workforce that will make us a top employer in all our key markets and for all types of employees. We will continue to make diversity and inclusion a priority going forward — and we need your help to be the change we want to see.

Q. How many women are currently employed in top-level jobs at ING?

Supervisory Board: 10%

Executive Board: 0%

International Management Council (Bank): 13%

Q. How is diversity linked to the Top Employer programme?

You cannot be a top employer for just one group of people. A true top employer is a diverse employer.

Below are some of the ING standards we have identified as being crucial to becoming a top employer and which dovetail seamlessly with diversity:

- Managers consistently attract and select people of diverse backgrounds based on their competencies and 'Orange' fit.
- There is flexibility with regard to how employees organise their work so long as individual and collective deliverables are met.
- Employees are supported in their physical and mental wellbeing, which enables them to perform better.
- Managers leverage diversity in order to create and lead high-performing teams.
- Career paths are available and job and assignment opportunities are posted at all levels, along with clear requirements.

- Employees are actively encouraged and facilitated to make a difference in society.
- We listen to and value employees' ideas.
- Every effort is made to ensure that people who leave ING will remain ING ambassadors.

Q. How is diversity linked to ING's leadership profile?

Our leaders play a major role in deciding who gets hired, promoted or put forward for a talent management programme. The more senior the leader, the more influence they have on decisions regarding promotion and talent development. It is therefore critical that all our leaders, from first-line to senior executives, understand the business imperative of diversity and set the tone for creating an inclusive culture.

Research shows that people tend to hire people who are like them. Often people think this is the 'safest' thing to do when you have a choice of different candidates, but this practice is not conducive to creating a more diverse workforce. Leaders need to consider a wider pool of talent and sometimes need challenging about their choices. For example, did the promotion in fact go to the person who was more vocal about getting promoted whilst someone who was just as qualified but failed to promote themselves strongly enough got overlooked? We need to be alert to such practices and challenge them.

In short, our leaders are on the front line of diversity and have a primary role in ensuring that we build a diverse leadership and talent pipeline. Our leaders have a responsibility to create an atmosphere that values and embraces different, and sometimes conflicting, perspectives and ideas.

Q. How does diversity tie in with engagement?

In an inclusive corporate culture you bring your whole self to work and are accepted for who you are, regardless of any differences between you and your colleagues. Being accepted and valued for who you are makes people more engaged and motivated. Embracing diversity therefore allows us to get the best out of our people.

ING measures engagement through the annual WPC survey and analyses the data using various demographic factors to determine whether anything stands out compared to the previous year. This insight gives us the opportunity to make improvements when and where they are needed, for example by taking greater account of the needs of groups with a certain demographic profile.

Q. How is diversity linked to our strategy & values?

Diversity is embedded in our One Bank strategy and in our core values: We are open and clear, we respect each other, we are entrepreneurial, we are no-nonsense, and we are socially and environmentally responsible.

Q. How does diversity tie in with corporate responsibility?

Corporate Responsibility rating agencies and sustainability investors look at how in touch we are with society and how we treat our employees. Their opinions have a direct influence on how they rate us, which can in turn influence our share price.

ING has been reporting annually on diversity within the 'Our People' and workforce demographics section of our Corporate Responsibility (CR) Report since 2004. Comparison of the successive reports clearly shows a gradual upward trend in terms of gender equality. The reports also describe the efforts made in the past year in the field of diversity and inclusion.

For more information about what we're doing in CR and diversity, visit www.ingforsomethingbetter.com

Q. How can I contribute towards a more diverse and inclusive workplace?

Diversity affects all of us. We are all different in our own way and we deal with colleagues and customers who are different from us. Our success as a company depends on how well we are able to cope with this diversity. The key is to be balanced and tolerant.

You can determine your attitude to diversity by asking yourself the following questions:

- Do I encourage new and radical ideas and approaches?
- Do I accept that making mistakes is a way of learning?
- Do I fully accept diversity in behaviour and beliefs, both in the company and in my private life?
- Am I prejudiced with regard to race, sexual orientation, nationality or disability?
- Are all competency and leadership profiles in my business unit similar?
- When I think differently from the group, do I speak out?
- Do I value and appreciate people who think differently from me?
- Do I bring my whole self to work, or do I conform to the group?
- Am I authentic?
- Are others authentic around me?

Q. What else can I do?

On a practical level there is more you can do:

- Join a diverse employee community or initiative in your country.
- Ask a member of senior management to be the ambassador for your network.
- Challenge the status quo.
- Ask your HR department or general manager if there is a Customised Diversity Plan for your country.
- Find out what your local diversity strategy is and ask how you can contribute.