

ING Group Sustainability Annex **2014**

Empowering people


About this annex

In our first Annual Report as a standalone Bank, we have decided to embrace integrated reporting for a comprehensive disclosure on our financial and non-financial performance.

Replacing a sustainability report, we now include material sustainability information in the relevant chapters in the integrated Annual Report. However, for specific stakeholder groups and rating agencies, detailed supporting non-financial data is provided in this Annex and at www.ing.com.

Icons used in the report

 Read more

 Find out more online

ING Group online reports

These reports can be read on desktop, tablet and mobile devices at www.ing.com. This ING Group Sustainability Annex 2014 forms an integrated part of, and should be read in conjunction with, the 2014 Annual Report of ING Groep N.V.

For any questions on these reports:
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Sustainability at ING

ING's role in society is to facilitate financial activity and stimulate economic development in a way that ultimately drives sustainable progress. We strive to do so by acting on our purpose to empower people to stay a step ahead in life and in business and by ensuring long-term success measured by the sum of all of its parts – economic, social and environmental.

ING's Sustainability Direction

Sustainability is not just what we do as a business but how we do it. We earn our licence to operate and the trust of our customers by conducting our business responsibly.

Accelerating financial empowerment

In the current world economy, increased household debt, growing unemployment and negative or slow economic growth are sources of financial anxiety for individuals. Our financial empowerment strategy aims to enhance the financial capabilities of both customers and non-clients. ING deploys a wide range of financial empowerment products and services such as online platforms, blogs, customers, dialogue sessions and functional tools to stimulate financial knowledge and build awareness.

☐ For details of our approach to implementing financial empowerment programmes please refer to page 26 of the Annual Report.

Accelerating sustainable transitions

We see sustainability as a source of competitive advantage. We apply our core expertise and functional capabilities to support solutions to shared global issues such as the scarcity of natural resources and the development of lower-carbon energy generation, amongst others.

In our experience, companies that proactively reduce their use of scarce resources have a better financial performance and lower-risk profile. We have therefore increased our focus on servicing and financing clients and projects that contribute to addressing challenges in the areas of energy, water and waste.

☐ For details on how we approach the acceleration of sustainable transitions please refer to page 39 of the Annual Report.

Sustainability governance at ING

ING's sustainability agenda is a board level mandate. Within the larger organisation sustainability is cascaded through various business units by subject matter experts who develop ING's strategy, policies and goals in response to sustainability-driven risks and opportunities. These experts support, monitor and ensure the delivery of ING's Sustainability Direction. Progress on identified priorities is communicated regularly to the Management Board Banking and to external stakeholders through ING's Quarterly Report.

Sustainability performance 2014

The Progress Report lists the non-financial key figures that are a result of the actions we undertook in 2014. We are currently revising and extending our non-financial targets for 2015–2017 as a result of the ING Sustainability Direction that was approved by the Management Board Banking in 2014. Additional information on the results below can be found in the various chapters of this annex.

Progress Report

	Our goal	Our performance in 2014
Accelerating financial empowerment		
Aspiration	We strive to achieve the highest Net Promoter Scores ⁽¹⁾ in all retail banking businesses compared to our peers	9 out of 11 retail banking business units achieved 1st place
Target	We will provide 1 million children with access to education by 2015	981,960 children reached over 10 years
Accelerating sustainable transitions		
Aspiration	We will increase our sustainable assets under management	Sustainable assets under management increased by EUR 652 million to a total of EUR 1.5 billion
Target ⁽²⁾	We aim to increase our financing of sustainable transitions	Increased to EUR 19.5 billion sustainable transitions financed
People		
Aspiration	We aim to further invest in the personal and professional development of our employees	EUR 57 million spent on learning and development
Target	Our Employee engagement score is above 70%	75% Employee engagement score
Improving environmental performance		
Target	We will reduce our total global CO ₂ emissions by 18% by 2017 and 20% by 2020, from 2014	The total extrapolated amount of carbon emissions decreased from 127 to 102 kilotonnes

- (1) Based on latest research results available over 3Q and 4Q, our Net Promoter Scores is benchmarked against selected local groups of two or more peers.
 (2) Exact target to be defined in 2015 as a result of ING's Sustainability Direction.

Sustainability governance



ING's position on issues highlighted in 2014

We are confronted with various developments, issues or challenges throughout the year. These are brought to our attention by, or discussed with, a wide range of stakeholders – customers, employees, supervisors, shareholders, civil society organisations, citizens and regulators. In the table below, we provide a snapshot of the key issues from 2014.

Issues		
Stakeholder	Topic of discussion	ING's point of view
Society at large (Germany)	Interest rates on credit At the start of the year there was social concern and public debate in Germany about interest rates on credit.	In February, ING DiBa (Germany) announced a reduction in interest rates for overdrafts on payments accounts. Customers pay in case of exceeding the arranged limit, the same interest rate as they do when they stay within the arranged limit. ING DiBa was the first major bank in Germany to take this step.
NGO – the Fair Finance Guide (Netherlands)	Update on Environmental & Social Risk policies of Banks In April, the Fair Finance Guide (FFG) published its annual update in which it compared banks' policies with their own expectations. FFG concluded that ING did not have any policy updates in 2013.	ING's reporting covers a calendar year from January to December while the FFG report covered April 2013 to end-March 2014. As a result of this difference in reporting important developments in ING's policies, in and before March 2013 were not included in this FFG analysis. In March 2013, ING published its Environmental & Social Risk Policy Framework (ESR Framework) on www.ing.com. The ESR Framework, dating back to 2003, had been revised, implementing new screening processes and adding policies for ship-breaking, fisheries and power utility companies. In 2013, hundreds of employees globally were trained in preparation for further roll out.
NGO – Wakker Dier (Netherlands)	Animal welfare In May and July 'Wakker Dier' (a Dutch pro animal welfare NGO) published two reports on animal welfare, expressing their concerns about meat production by companies outside the EU that did not abide by.	ING finances the entire food chain and expects its clients active in this industry to abide by the applicable laws and regulations, also with regard to housing and animal welfare. Many of our clients, also outside the EU, produce in line with EU standards. Wakker Dier is concerned about the possible regional differences in legislation between, for example, the EU and the USA. In consultation with Wakker Dier, we commissioned an independent research institute to look into these alleged differences. The institute's findings will inform our continuing conversation with Wakker Dier.
Various NGOs (Australia)	Investments in fossil fuels In May, various NGOs in Australia sought to encourage supporters to contact their banks to establish whether their money was invested in fossil fuels. If so, they were advised to divest their funds to help to persuade these banks to avoid investment in fossil fuels.	Some countries largely depend on fossil fuels and have few renewable alternatives. Depending on local circumstances, the available alternatives and the technical standards applied, we may finance specific coal-fired power projects. However, we are decreasing the percentage of coal-fired power plants in our portfolio year by year. ING is financing the transition towards a more sustainable economy by gradually decreasing coal finance (13% at year-end 2014) and increasing renewable energy finance (43% at year-end 2014) in our EUR 1,730 million project finance portfolio for electricity generation.
Various NGOs (Australia)	Financing a coal export terminal ING was approached by various NGOs about its involvement in financing a coal export terminal at Gladstone harbour – the southern end of the Great Barrier Reef.	ING complies with all relevant environmental protection laws in the countries it does business. Before we would consider financing any project we would first check if the project we would be engaged in, has negative consequences for protected areas, such as UNESCO World Heritage Site (WHS). The proposed coal terminal will mainly replace an existing facility at Barney Point that was considered too close to the city. The project has obtained all necessary Government approvals, and is being built in compliance with the most stringent international standards. In 1981, the Great Barrier Reef was given a WHS status. The port of Gladstone had been an active port long before that time and as such its port activities were still allowed as long as they remained within port zone boundaries and conformed to the highest environmental standards. The Gladstone harbour project meets those conditions.
NGO – PAX (Netherlands)	Investments in nuclear weapons and cluster munitions In November, PAX issued a report on investments made in companies producing nuclear weapons. Overall, PAX was positive about the decrease of investments made in these companies by Dutch Banks like ING. FFG and PAX also issued a report on worldwide investments in cluster munitions in November. ING was again included in the runners-up category.	ING considers nuclear weapons to be controversial as they are indiscriminate and are likely to hurt civilians when used. We therefore do not finance nuclear weapons. However, we may finance the non-controversial activities of high-tech companies, such as civil aviation. ING does not finance the production, trade, purchasing or sales of cluster munitions. We do not service companies that produce cluster munitions. The same policy applies to anti-personnel landmines, munitions with depleted uranium, and biological and chemical weapons.
Various NGO's	Possible investments in a coal terminal project In 2012, 2013 and 2014, NGOs approached ING and asked us to confirm not to engage the Abbot Point coal terminal project located at an UNESCO World Heritage Site.	ING has no involvement in this project and no in-detail knowledge about environmental and social impacts. We can confirm that any involvement in this project would require full Equator Principles compliance. ING has a clear policy on avoiding business engagements that are located in, or will negatively impact, a WHS.
NGO – the Fair Finance Guide (Netherlands)	Tax positions of Banks and their clients In December, FFG raised questions about taxes paid by banks and their clients.	ING's results are taxed against regular rates in countries where it conducts its banking operations. We publish our global effective underlying tax rate, which is currently 26 percent.

Our approach to sustainability reporting

Integrated reporting and the Sustainability Annex

Our stakeholders want to assess our ability to create and sustain value in the short, medium and long term. To do that, they need both financial and non-financial information. Within the structured narrative of an Annual Report, they seek to understand strategic goals, and gain insights into the risks and opportunities we face. We believe that integrated reporting is the best way to meet the requirements and interests of all our stakeholders.

We have steadily been moving in this direction with successive Annual Reports. In our first Annual Report as a standalone Bank we have decided to embrace integrated reporting more fully. We have introduced an integrated process and document for disclosure of ING's performance over 2014. Instead of publishing a separate Sustainability Report for ING Bank we are integrating material information into the Annual Report.

However, for specific stakeholder groups and rating agencies, detailed supporting non-financial data is provided in this annex and at www.ing.com.

What matters most: defining materiality

We are listening to key constituencies. As material issues change, we adapt our reporting to fit developing stakeholder expectations.

Input from our stakeholders helps us balance competing expectations, address issues from an informed perspective and, crucially, develop into a better organisation. Customers, employees, supervisors, shareholders, civil society organisations, private citizens and regulators are among our most important constituencies. We engage with stakeholder groups in over 40 countries at various levels of the organisation and on various issues, to listen to our stakeholders and understand what they find important and what they expect from us.

In drawing up content for our integrated Annual Report we embarked on a focused stakeholder consultation process to help identify the issues that can have the most material impact on our business and operations as well as risks, opportunities, applicable regulation and trends.

We have undertaken a materiality analysis to guide our reporting with the aim of providing a balanced and complete picture of our performance over the reporting year. The materiality matrix in the Annual Report is based on extensive analysis of issues on which we have an impact through our business and operations, and those that might have an impact on our business continuity.

Our network reached out to stakeholders in seven countries and seven stakeholder groups. In total, over 1,600 stakeholders worldwide provided us with their insights into what issues are material to them. We chose these specific countries and stakeholder groups as they are impacted by, and have an impact on, our business and operations the most. In future years we would like to further expand this scope.

The stakeholder groups we reached out to were; retail clients, business clients, employees, government/regulators, suppliers, investors, and civil society organisations. We engaged with stakeholders in the Netherlands which we consider a market leader in our Bank strategy, Spain that is seen as a challenger and Turkey as a growth market. We also engaged with stakeholders in Belgium, France, the US and the UK to expand the scope.

Identification of material aspects was done through desk research in collaboration with an external agency, Royal HaskoningDHV (RHDHV). The agency prepared a long list of material aspects, and each scored according to its relevance and impact on ING and by ING on society and the environment.

We started with an identification of issues for our sector suggested by expert organisations (e.g. Global Reporting Initiative (GRI), Sustainability Accountant Standards Board (SASB), combined with extensive input provided by our own stakeholders and through media analysis. Details on the stakeholder engagement process can be found in the issue table included in this annex page 4.

As the 15 highest priority material issues represent the issues that are most significant to our stakeholders, we integrated them into the chapters of the Annual Report and further explained them in the 'What Matters Most' chapter. Here, we also disclose the impact of our business and operations regarding these issues.

Boundaries and scope of reported data

Through a suite of integrated reporting tools including the Sustainability Annex and www.ing.com, we aspire to present a balanced and comprehensive overview of our financial and non-financial performance. We disclose data on our economic performance as well as the impact of our organisation on society and the environment.

We report performance data on areas of our business and operations where we can have a material impact both inside the organisation and externally. The 15 high-priority material issues identified and disclosed in our materiality analysis are reported on in the relevant sections of this annex. For a detailed description of the data-gathering scope and process, please refer to the Sustainability Data Reporting Protocol. This provides the definitions on performance indicators and describes the internal data-gathering process.

A summary of the Sustainability Data Reporting Protocol and the detailed G4 disclosures table can be found on www.ing.com.

Data quality and validation

Data is extracted from the financial data systems and aligned with the Annual Accounts. We collect labour practice and relevant human resources data from ING's global HR registration systems. Data on our environmental footprint and community investment is gathered through our proprietary online data management system and validated by internal and external controls. Data on our customer servicing is gathered through the same online tool and the customer intelligence department.

The centralised data-processing team is assisted by independent external agency RHDHV, that helps to validate and process the large amount of data gathered from our operations worldwide. Our external auditor EY has reviewed the content as described in the assurance report of the independent auditor.

Assurance report of the independent auditor is available in the Annual Report 2014.

G4 reporting guidelines

ING Bank's integrated reporting is prepared in accordance with the G4 Sustainability Reporting Guidelines. Currently, our report complies with the comprehensive GRI G4 level.

How we create value

This section is a supplement to the chapter 'How we create value', of the Annual Report and further demonstrates our direct economic contribution to different stakeholder groups.

Economic value generated and distributed

ING contributes to the economies of more than 40 countries where we have operations.

In addition to this, we aim to align the disclosures with the Global Reporting Initiative (GRI) G4 guidelines. These guidelines suggest that Economic Value Generated is expressed in revenues. For us, this translates to our income, which in 2014 is EUR 15.3 billion. We also follow GRI guidance on expressing Economic Value Distributed and this is illustrated in the table below. We deliberately choose to align the mentioned economic value with the results of the ING Group Consolidated Annual Accounts 2014.

Economic value distributed from continuing operations

In EUR million		Economic Value
Stakeholder group	Indicator	
Suppliers	Operating cost ⁽¹⁾	2,159
Employees	Staff expenses ⁽²⁾	5,788
Shareholders	Net result ⁽³⁾	2,657
Governments	Corporate income tax and bank levies ⁽⁴⁾	1,459
Community	Total donations	11.3

- (1) Refer to note 32 of the ING Group Consolidated Annual Accounts 2014. Includes: Computer costs, office expenses, travel and accommodation expenses, advertising and public relations, external advisory fees and postal charges.
 (2) Refer to note 31 of the ING Group Consolidated Annual Accounts 2014.
 (3) Refer to the P&L on page 90 of the ING Group Consolidated Annual Accounts 2014 in the Annual Report 2014.
 (4) Refer to note 32 and 42 of the ING Group Consolidated Annual Accounts 2014.

How we allocate the funds entrusted to us

Most of ING Bank's activities serve the financing and investment needs of households and companies, other financial institutions and governments. We allocate 40.7% of the balance sheet in the form of mortgages and other types of loans to private individuals; this exposure has minimal environmental risk implications. Some 30.0% of our assets is allocated to meet the financing needs of corporates.

Credit risk portfolio per client segment ⁽¹⁾

In percentage	2014	2013	2012
ING Bank			
Governments	11.6	10.3	9.4
Financial institutions	15.5	16.5	15.2
Corporates	30.0	29.4	30.6
Consumer lending	40.7	41.3	42.6
Other	2.2	2.5	2.2
Total	100	100	100

2014	
Governments	
Bonds – Germany	19.4
Bonds – Netherlands	10.5
Bonds – ROW ⁽²⁾	47.1
Other ⁽³⁾	23.0
Total	100

2014	
Financial institutions	
United Kingdom	18.2
Germany	9.6
Spain	6.5
China	8.1
Netherlands	5.5
United States	7.7
ROW ⁽²⁾	44.4
Total	100

2014	
Corporates	
Netherlands	24.8
Belgium	14.7
United States	7.6
Poland	4.4
United Kingdom	4.3
Turkey	4.2
ROW ⁽²⁾	40.0
Total	100

2014	
Consumer lending	
Residential mortgages – NL	44.8
Residential mortgages – ROW ⁽²⁾	48.1
Other consumer lending	7.1
Total	100

- (1) Based on total credit risk value and categorised by customer type.
 (2) Rest of the world.
 (3) Other financial instruments such as lending and pre-settlement.

Environmental and social risk management

This section is a supplement to the 'Risk and capital management' chapter in the Annual Report, and provides further details on how ING manages Environment and Social Risks (ESR).

Where we focus

- › Environmental and social risk management
- › Applying the Equator Principles.

Environmental and social risk management

The table below presents a sectoral breakdown of our corporate customers. The Exposure 2014 column sets out the percentage of our total lending and investment activities for each sector.

The table highlights the applicability of ING's ESR Framework to specific economic sectors. The table also shows that the specific ESR policy and underlying risk assessment applicable to a sector will vary depending on the nature and service provided to our clients.

📖 Please refer to the Risk and capital management chapter in the Annual Report on page 50 for more information on environmental and social risk management.

ING Bank credit risk portfolio per economic sector and application of ESR framework		ING Values	Human rights	Environmental compliance	Animal testing	Defence	Equator principles	Forestry and Agrocommodities	Mining and Metals	Fur	Gambling	Genetic engineering	Manufacturing	Chemicals	Energy (oil and gas, power generation)	Nuclear energy	Pornography	Ship breaking	Fisheries
	Exposure 2014 (%)																		
Consumer lending	40.7	•																	
Financial institutions	15.5	•																	
Governments	11.6	•																	
Other	2.2	•																	
Corporates	30.0	•	•	•															
› Natural resources	5.5	•	•	•			•		•						•				
› Real Estate	5.3	•	•	•			•												
› Transportation and logistics	3.2	•	•	•		•	•						•					•	
› Food, beverages and personal care	2.3	•	•	•	•		•	•		•		•							•
› General industries	2.3	•	•	•		•	•	•					•						
› Services	2.2	•	•	•		•	•				•		•						
› Builders and contractors	1.8	•	•	•			•						•						
› Utilities	1.6	•	•	•			•							•	•				
› Chemicals, health and pharmaceuticals	1.5	•	•	•	•		•					•		•					
› Media + telecom	1.0	•	•	•		•	•				•						•		
› Other	1.0	•	•	•			•												
› Retail	1.0	•	•	•			•												
› Automotive	0.9	•	•	•		•	•						•						
› Technology	0.4	•	•	•		•	•						•	•					

Applying the Equator Principles (EP)

As an Equator Principles Financial Institution (EPFI), we implement the EP in our internal environmental and social policies, procedures and standards. We do not provide project finance or project-related corporate loans to clients that are unable, or choose not, to comply with the principles.

ING takes a robust approach to assessing transactions falling under the scope of the EP. The assessment depends on the scale and on projects risks and impacts, which may vary widely from project to project. All EP transactions are reviewed at least annually, at which time covenant compliance is typically affirmed. The EP are embedded in ING's ESR Framework, and require involvement of the following three banking areas:

1. Front Office: departments originate transactions and have direct contact with the client or sponsors. These departments are critical to providing information and act as the anchor point between the project sponsor, lenders and consultants where necessary.
2. Risk Managers: departments which provide control over Front Office activities and generally sign off on the environmental and social impacts for 'Low Risk' EP deals, i.e. Category C projects or Category A and B in designated countries.
3. Environmental and Social Risk: department within risk management fully dedicated to assessing environmental and social impacts associated with 'High Risk' transactions, which in the context of EP generally refer to Category A and B projects in non-designated countries. Negative advice from the ESR Desk can only be waived by ING's highest Credit Committee or the Executive Board. In practice such waivers are exceptional.

Training and capacity building on EPIII

As our risk assessment processes are decentralised, each front-office team must be highly familiar with the ING's Environmental and Social framework and in particular Equator Principles III (EPIII). After EPIII was approved in June 2013, ING made significant investment in training programmes to help front-office and risk-management staff carry out EPIII assessments. By the end of 2013, more than 720 colleagues had been trained on EPIII. EP and ESR training efforts continued in 2014 with over 375 colleagues trained.

Overview of EP closed transactions

The table below is provided in accordance with the new EPIII reporting requirements, which refer to deals that have reached financial close or advisory roles that have been mandated to ING. Therefore the figures shown below will differ from previous years, which reported the total deals screened. ING screens all deals that fall under our EP/ESR framework.

EP Application Table 2014

In number of deals closed	EP risk category			Total
	A	B	C	
Transaction type				
PF Advisory	3	0	0	3
Project Finance	9	15	2	26
Project-related Corporate Loan	4	3	3	10
Total	16	18	5	39
Sector				
Infrastructure	2	5	0	7
Mining	6	0	0	6
Oil and Gas	4	3	1	8
Other	2	1	0	3
Power and Utilities	2	9	4	15
Total	16	18	5	39
Region				
Africa	2	0	0	2
Asia	3	4	0	7
Australia	0	2	0	2
Europe	3	3	3	9
Latin America	4	1	0	5
North America	4	8	2	14
Total	16	18	5	39
Designated Country				
No	12	4	2	18
Yes	4	14	3	21
Total	16	18	5	39
Independent Review				
No	5	6	4	15
Yes	11	12	1	24
Total	16	18	5	39
Reviews				
EP Annual Reviews	9	45	4	58
EP Reviews Escalated	0	2	0	2
Total	9	47	4	60

People

This section is a supplement to the 'People' chapter in the Annual Report.

Diversity and equal opportunity, career development and employability, and remuneration were key material topics identified in our materiality analysis. We extensively report on remuneration in the 'Remuneration Report' in the Annual Report and address the other material topics below.

Where we focus

- › Diversity and equal opportunity
- › Career development and employability
- › Collective bargaining and freedom of association.

Diversity and equal opportunity

To deliver on our strategy, we need to bring out the best in our people. And that means doing whatever it takes to ensure that every single ING employee feels safe, supported, and comfortable with being themselves when they come to work each day. We strive to create an inclusive corporate culture that welcomes, acknowledges, respects and benefits from each other's differences.

We want our commitment to diversity to be visible in every corner of our business. To this end, we have identified three key areas to focus on:

Recruiting: We strive to hire a workforce as diverse as the communities in which we operate. This also applies to internships, summer courses, academy courses and other employment experience opportunities we offer.

Career development: Every ING position is filled on merit alone. People are encouraged to apply for any position or training that fits their skill and experience profile.

Communication: The importance of diversity is advertised in our recruitment campaigns and communicated regularly to all ING people.

Career development and employability

We have a long-term perspective when it comes to developing the skills and competencies of our employees. We take the view that investing in human capital will generate increased revenues, more satisfied customers and enhanced economic performance.

99% of all ING employees underwent a performance management process in 2014. As part of this process we allocate a budget to each employee for training, professional development and personal development. Employees are encouraged to grow, develop themselves and seek new job opportunities in the organisation. We offer an open internal job market to stimulate this. Employees who may be impacted by restructuring are given support through a dedicated team and a programme that includes access to training and mentoring. The objective is to help them find a new role inside or outside the organisation.

Budget training and development employees

In EUR

2014		2013		2012	
In EUR million	Per FTE	In EUR million	Per FTE	Per FTE	In EUR million
57	1,033	60	947	63	969

Overview of training opportunities

	2014	
	Trainings completed x 1,000	Per FTE
Classroom	55.6	1.0
On-the-job training	11.6	0.2
Online	341.2	6.1
Programme	10.0	0.2
Other	5.6	0.1
Total	424.0	7.6

Collective bargaining and freedom of association

We consider certain human rights fundamental and universal for our workforce. These include the right to freedom of association, the right to collective bargaining, and freedom from discrimination based on race, colour, sex, religion, political opinion or national and social origin. We uphold the rights proclaimed in the Universal Declaration of Human Rights and aim to respect human rights in all our global operations.

We uphold freedom of association for all our employees and recognise the right to collective bargaining as laid down by International Labour Organisation convention Nos. 87 and 98. The way in which we consult employees depends on local legislation and culture. In some countries, employee consultation is a legal requirement. In many European countries, employee consultation is arranged via works councils. At Group level, we aim to encourage local employee participation in those European countries where it is not already established.

Total workforce gender breakdown

In number of employees		2014	2013	2012
Gender	Female	50.0	50.2	49.9
	Male	50.0	49.8	50.1

Total workforce breakdown

In number of employees		2014	2013	2012
Gender	Female	27,600	27,722	29,186
	Male	27,585	27,465	29,310
	Unknown	7	7	5
Total		55,192	55,194	58,501
Age group	16 – 25	3,394	3,319	3,388
	26 – 35	18,817	18,840	20,311
	36 – 45	17,619	17,848	18,455
	46 – 55	11,520	11,561	12,336
	56+	3,781	3,613	3,990
	Not recorded	61	13	21
Total		55,192	55,194	58,501
FT/PT Status	Full-time	48,207	47,850	50,231
	Part-time	6,981	7,315	8,164
	Not recorded	4	29	106
Total		55,192	55,194	58,501
Temp/Perm	Permanent	54,172	54,291	57,317
	Temporary	1,020	903	1,184
Total		55,192	55,194	58,501
Geographical region	Asia	7,217	6,726	6,261
	Australia	1,021	996	1,045
	Belgium	10,279	10,591	11,014
	Netherlands	15,643	16,058	18,327
	North America	484	491	492
	Rest of Europe	20,484	20,270	21,275
	South and Mid-America	64	62	87
Total		55,192	55,194	58,501

Sickness and absenteeism

In percentage of workdays		2014 %	2013 %
		3.3	3.5

Leavers and turnover rate

In number of employees		2014	2013	2012
	Voluntary	2,622	2,717	2,340
	Involuntary	2,340	4,380	3,436
	Not recorded	17	0	25
Total		4,979	7,097	5,801
Turnover rate %		9	12	9

Improving environmental performance

In line with our ambition to actively manage our environmental impact, we have been measuring and reporting on our emissions since the publication of our first Environmental Statement in 2005.

Where we focus

Our activities impact the environment directly, through our buildings, IT systems and business travel – and indirectly, through our customers' business and procurement. To minimise our impact we have set an emissions reductions target and concentrate our resources on the following areas:

- › Managing our direct carbon footprint
- › Driving eco-efficiency
- › Sustainable procurement.

Managing our direct carbon footprint

As a provider of financial services, the most material contributors to our CO₂ footprint are energy use and business travel.

Energy use

We are committed to purchasing electricity from renewable sources where available, feasible and reasonably affordable. In 2014, 77% of our global electricity consumption was from renewable sources. The procurement of green electricity remains challenging in certain countries, for example in Turkey.

Business Travel – reducing air and car travel

We are making more use of video and audio conferencing to reduce unnecessary business travel, costs and carbon emissions. We have invested in a range of solutions from personal video units to small and large video rooms and high-end teleconferencing facilities. We will continue to invest in audio-conferencing solutions for home and remote employees in the future. Reducing business travel is also very much about changing behaviour, so we actively promote these facilities through a variety of communication and awareness campaigns.

Notwithstanding recent improvements in electronic communication, it cannot always replace face-to-face contact with clients and colleagues. We remain committed to eliminating unnecessary travel and to making necessary business travel as energy-efficient as possible.

Following the introduction of electric cars to our lease fleet, several ING offices in Europe are now equipped with charging stations to encourage employees to opt for greener cars.

Carbon Offsetting

We offset 100% of our remaining carbon emissions through the purchase of Voluntary Carbon Units (VCUs) from wind power projects in China and a landfill gas capture project in Indonesia.

Breakdown of energy consumption						
In kilotonne CO ₂ e	2014		2013		2012	
Coverage (% of employees)	92		81		n/a ⁽¹⁾	
	MWH (x 1.000)	Kilotonne	MWH (x 1.000)	Kilotonne	MWH (x 1.000)	Kilotonne
Electricity	67	36	78	43	101	60
Renewable energy	227	0	228	0	235	0
Natural gas	93	21	102	24	103	21
Fuel oil	5	1	7	2	9	2
District heating	17	4	23	5	23	2
Total energy	409	62	438	74	471	85
Total energy per FTE ⁽²⁾	7.9	1.2	8.5	1.4	n/a⁽¹⁾	n/a⁽¹⁾

(1) For 2012 no standalone relative ING Bank data is available.

(2) Total energy per FTE in MWH and in tonne.

Energy consumption and carbon emissions through business travel by car and air

In kilotonne CO ₂ e	2014		2013		2012	
Coverage (% of employees)	89		97		n/a ⁽¹⁾	
	KM (x 1 Million)	Kilotonne	KM (x 1 Million)	Kilotonne	KM (x 1 Million)	Kilotonne
Car travel	71⁽²⁾	14	97	18	62	16
Air travel	122	17	122	17	130	16
Total travel	193	31	219	35	192	32
Total travel carbon per FTE in tonne	–	0.6	–	0.7	–	n/a ⁽¹⁾

- (1) For 2012 no standalone relative ING Bank data is available.
(2) We have done extensive research on business travel for car. With these new insights we know that not all of the kilometres made were for business travel in previous years, hence the large decrease.

Carbon emissions extrapolated

In kilotonne CO ₂ e	2014	2013	2012
Coverage (% of employees)	90	89	n/a ⁽¹⁾
Total carbon	93	109	n/a ⁽¹⁾
Total carbon per FTE in tonne	1.8	2.2	n/a ⁽¹⁾
Total extrapolated carbon	102	127	n/a ⁽¹⁾
Total carbon Scope 1 ⁽²⁾	23	25	n/a ⁽¹⁾
Total carbon Scope 2 ⁽²⁾	39	48	n/a ⁽¹⁾
Total carbon Scope 3 ⁽²⁾	31	36	n/a ⁽¹⁾

- (1) In 2012 no CO₂ data was gathered in CO₂ equivalent.
(2) Scope 1: comprises emissions from our use of natural gas and fuel oil; Scope 2: comprises emissions from our use of electricity, renewable electricity and district heating; Scope 3: comprises emissions from our business travel by air and car.

Driving eco-efficiency

Buildings

Our facilities management teams are continually working to improve the energy efficiency of our buildings in all our offices around the world. Equipment is replaced or upgraded regularly to support energy-efficient technologies, particularly those related to computers, motion sensors, lighting and printers.

Facilities Data Centre focuses on improving power consumption and energy efficiency in our data centres. Increasingly, new ING buildings incorporate specific energy-saving features that gain green certifications such as those provided by LEED, BREEAM and Green Star.

Waste – paper and e-waste

We encourage our employees to print less, both through installed software and awareness campaigns. In a growing number of offices, we are replacing standalone desktop printers with central printers on each floor.

ING has proactively sought sustainable disposal solutions for IT hardware at the end-of-use phase. We have conducted multiple pilot schemes to identify the most secure and sustainable options.

Paper consumption

In tonnes	2014	2013	2012
Eco-labelled paper	1,894	1,836	2,525
Non-eco-labelled paper	423	493	204
Total	2,317	2,329	2,729

Water

Although our water usage is relatively limited, we have started monitoring our water consumption and are exploring ways to reduce our H₂O footprint.

Water consumption

	2014
Total water consumption in 1,000 m ³	428
Water consumption per FTE m ³	8.2

Sustainable procurement

We have a real opportunity to drive our sustainability agenda through the supply chain. By encouraging our suppliers to share our standards and work towards continual improvement, we believe we can make a demonstrable impact on the environment and society while mitigating risks.

Our Procurement Charter

As a signatory to the UN Global Compact (UNGC), we require all our suppliers to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection and anti-corruption.

ING Bank's Procurement Charter defines sustainable procurement as taking into account the social and environmental aspects of the products we procure as well as the attitude of the supplier towards sustainability.

In order to improve our global supply chain management, we have a supplier qualification (SQ) process to support our supplier risk management (SRM) process in ING Bank. The SRM process helps us determine the levels of social, environmental or financial risks associated with a supplier. Once suppliers pass the supplier risk process, they are qualified to become ING suppliers and the ING Procurement Sustainability Standards (IPSS) apply. All procurement contracted suppliers are asked to agree to the IPSS, globally. The IPSS has been rolled out in all of the countries.

The Sustainable Procurement programme

In keeping with our commitment to consider the attitude of our suppliers towards sustainability, ING has partnered with EcoVadis Sustainability Monitoring to measure supplier sustainability performance. EcoVadis enables ING to systematically measure suppliers' performance and commitment to social, environmental and fair business practices and to benchmark supplier performance against sector peers. Via this platform, ING can set supplier KPIs and corrective action plans to better manage risks and collaboratively improve performance. By engaging with suppliers on the topic of sustainability we are able to work together towards our ambition of identifying and implementing sustainable business solutions.

Circular Purchasing

We regard circular purchasing as a key future model of procurement and have set ourselves a KPI for 2015 of 16 circular purchasing projects. This means that materials used in the production of the goods we procure will re-enter the production cycle.

Investing in communities

It is ING's purpose to support individuals, families and entrepreneurs by equipping them with the skills and insights to secure their financial future. We can make a positive difference to many people's lives by sharing this sense of purpose with our employees, business partners and customers. By aligning our business and community investment objectives we can help people find their way towards a financially secure future.

Where we focus

We leverage, connect and engage with our comprehensive financial and non-financial network – public, private and social – to deliver financial empowerment programmes. We invest globally and locally in the following programme areas:

- › Educating children and youth
- › Encouraging entrepreneurship
- › Supporting local causes.

ING UNICEF Partnership

UNICEF has been our long-term strategic partner since 2005. We are supporting educational projects in several countries. Our goal is to provide one million children with access to quality education by 2015. Together with our employees, customers and business partners, we are providing access to schools, better quality education and safer, healthier living conditions. We match all financial contributions from our employees, doubling their contribution.

Charitable donations to UNICEF

	2014		2013		2012	
	EUR (x 1,000)	Children reached	EUR (x 1,000)	Children reached	EUR (x 1,000)	Children reached
	2,784	92,790 ⁽¹⁾	3,154	105,121 ⁽¹⁾	2,774 ⁽²⁾	92,469 ⁽²⁾
Total since 2005	29,452	981,960⁽¹⁾	26,668	888,990 ⁽¹⁾	23,514	783,869

(1) Because of the progress we had in the programme of UNICEF, the organisation had to change the original calculation methodology. Due to the type of activities in 2013 and 2014 UNICEF reached more children. For historical comparison the number presented is in line with former calculation methods. The actual number of children reached in 2014 comes down to 433,363.

(2) This number consists of ING Bank and NN Group numbers.

Encouraging entrepreneurship

Entrepreneurs create employment, encourage growth and help energise the economy. We support programmes and projects that develop entrepreneurial skills and awareness. We contribute by donating funds, sharing our networks and offering mentoring services. We also support start-ups, social business ventures, women in business and the development of entrepreneurial skills of young people.

Supporting local causes

We balance our global community investment strategy with the closer-to-home interests of employees and customers. Through the ING local funds, employees are able to create positive change in their own communities, while also giving them a voice in how our corporate donations are put to use.

Volunteering and Fundraising at ING

We have initiated local partnerships with community-based organisations and employee-volunteering programmes in countries where we have a presence. Employees volunteer thousands of hours. Volunteering takes place during office and out-of-office hours in all community investment areas with a focus on children and education.

For local examples please visit www.ing.com.

Volunteering hours

In hours	2014	2013
Arts & Culture	313	351
Children and education (incl. UNICEF)	26,289	27,331
Emergency relief	956	218
Environment	3,974	8,494
Financial education and entrepreneurship	1,851	6,832
Health	2,537	3,730
Social welfare	11,289	6,723
Other	1,713	1,374
Total	48,922⁽¹⁾	55,053

(1) Restructuring and divestments may have caused a decline in volunteering hours.

Total donations

We facilitate customer and business partner donations in a variety of ways. These include specific campaigns during the festive season or around disasters.

Total donations

In € x 1,000		2014	2013
Direct business donations	Donations business	9,501	8,619
	Donations business in-kind	142	919
Facilitated by ING	Donations customers	952	1,383
	Donations employees	733	1,290
Total		11,328	12,211

Total donations

In € x 1,000		2014	2013
Arts & Culture		779	598
Children and education (incl. UNICEF)		5,538	6,513
Emergency relief		179	777
Environment		603	471
Financial education and entrepreneurship		785	559
Health		1,554	1,833
Social welfare		1,426	748
Other		464	712
Total		11,328	12,211

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