KPN integrated annual report 2024

Sustainably connected

Contents

Statement - This copy of the integrated annual report is the PDF/printed version of the KPN integrated annual report 2024. This version has been prepared for ease of use, and does not contain ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The official ESEF reporting package is available on our website at: https://annualreport2024.kpn/

*The Report by the Board of Management also includes the "Governance" section and the "Sustainability statement".

Message from the CEO

Connecting everyone in the Netherlands

Leading infrastructure

In an era when digital connectivity is paramount, the Netherlands stands out as a leader in embracing and advancing technological innovation that empowers and connects everyone, thanks to our digital infrastructure. We believe that strong personal connections support constructive dialogue and open up new opportunities for all. That is why we remain committed to our purpose: to connect everyone in the Netherlands to a sustainable future.

The Netherlands is a highly digital-savvy country, is densely populated, and its economy continues to be one of the strongest in Europe. All this makes it an attractive market to operate in. However, as in other countries, we are seeing pressure from geopolitical developments leading to potential supply chain issues, rising labor costs, and we are facing a tight labor market.

Addressing many of our biggest challenges will depend on excellent communications infrastructure and services. With people spending a lot of time of their day online, new solutions are being developed that use connected devices, real-time data processing and low-latency communication. Having access to a superior digital infrastructure and outstanding services is important – and we are playing a key role in facilitating this in the Netherlands.

Connect, Activate & Grow

As we stepped into 2024, we embarked on the first year of our ambitious Connect, Activate & Grow strategy. Over the previous years we have consistently delivered on our commitments to drive growth and technological advances. Built on these strong foundations, our strategy translates into ambitions we aim to achieve by 2027.

We aim to be the preferred partner for digital services and innovations in the Netherlands, becoming the number one internet and mobile service provider. We are transforming our company to a fully digital operating model through effective network management and modernization, ensuring the best digital experiences for our customers. Our people-centric culture will foster sustainable growth, and our commitment to high environmental, social and governance (ESG) standards will make us a force for good in Dutch society.

This is how we are shaping a future where KPN stands at the forefront of innovation, connectivity, and sustainability.

Digital experience

We aim to deliver the best digital customer experience, and in 2024 we made good progress. We are investing heavily in programs supporting our digital front end to deliver an omnichannel and app-centric experience, where customers can be fully in control and easily able to activate and manage products and services themselves. And we are further improving our customers' experience through personalization, enabled by unlocking relevant data sources across the company as well as leveraging the power of artificial intelligence.

Connecting the Netherlands

In 2024, we scaled up on connecting households, with a record number of homes connected, including our joint venture Glaspoort. We now entered the final phase of our fiber rollout. Together with Glaspoort, we now cover 63% of Dutch households with fiber and we are gradually progressing towards our target of roughly 80% by the end of 2026. Our focus has gradually shifted from laying the basic infrastructure to connecting and activating homes and offices.

We have also made significant strides with our mobile network. Already recognized as one of the best in the world, it is now strengthened by the acquisition of an attractive frequency package in the 3.5 GHz auction, at a fair price. This enables us to enter the next phase of 5G services and provides more capacity in busy areas, making our customers' mobile experience even better.

To further strengthen our mobile infrastructure in the Netherlands, we announced a partnership with Dutch pension fund, ABP. This partnership includes passive mobile infrastructure such as towers and rooftop locations that will be housed in a new company. By joining forces, we ensure control over strategic locations and the continuity of the mobile network, essential for the continued development of the 5G network in the Netherlands. The Authority for Consumers and Markets (ACM) approved the creation of Althio on 6 February 2025.

Quality

Quality and first-time right service are priorities that we always keep top of mind. We continue to aim for further improvements and innovations that reinforce our commitment to customer satisfaction and maintain our industry-leading Net Promoter Score (NPS). In a competitive market, quality assurance for all our customers, a top-notch experience and simplified digitized processes are vital to sustain our leading market position.

#BetterInternet

We are committed to fostering a better internet: a safer, greener and more social internet. An internet that is a part of society, where everyone can thrive and feel welcome and safe. In 2024 we launched a campaign to highlight the issue of online shaming, with the message *"Think before you forward".* This campaign translated into educational content and received national and international recognition.

We uphold fundamental human rights across our entire supply chain. We are committed to diversity and inclusion in every aspect, and we continue to be a frontrunner on the road towards achieving net-zero emissions and circularity. We have invested in sustainable energy sources and from 2025 onwards a large part of our electricity needs will be met by power from the new Kabeljauwbeek solar farm. Two years later, we will be adding wind energy from the Ecowende wind farm. So, in three years time we will be serving our customers via a sustainable network that is largely powered by Dutch solar and wind energy.

Navigating a changing world

In a society increasingly facing instability, social shifts and polarization, cybersecurity threats are on the rise. People and businesses rely on digital systems, making the impact of cyberattacks potentially immense. That is why our "Security First" strategy is at the heart of what we do. Every day, we are working with our partners towards a safer and more resilient online ecosystem.

We are committed to responsible AI, as underscored by our signing of the European AI Pact. We have developed a framework that outlines how to deploy AI responsibly, safely, and compliantly. This framework embodies our key values, such as transparency and inclusivity, and sets out the processes and governance needed to put these values into practice.

We need to anticipate potential deficiencies in power supply, as well as investing in sustainable energy solutions (wind and solar) and optimizing energy consumption, we are developing strategies to minimize the impact of grid congestion. We are working with grid operators and all relevant stakeholders to find future-proof solutions.

We are also aware of the impact of critical resources in our supply chain, and are taking measures to reduce our dependence on such resources and contribute to a more sustainable future. For example, we ask suppliers to develop products that are circular. And we are working with various organizations to reduce the impact of critical resources in the supply chain.

We are proud of our contribution to the Netherlands' digital infrastructure. We are navigating through economic fluctuations, geopolitical tensions and technological advances with flexible business strategies to ensure continuity and reliability for our customers.

Transparency and accountability

Integrating the Corporate Sustainability Reporting Directive (CSRD) into our annual report has been a challenge. We already reported in detail on our impact on people and the environment. However, the extensive scope of the CSRD helps us to make better choices and promotes greater transparency. While we are focusing on the CSRD, we are also keeping a close eye on new legislation such as the upcoming Corporate Sustainability Due Diligence Directive (CSDDD) and the European Accessibility Act (EAA).

Message from the CEO

Our people, our strength

We aim to position ourselves as one of the best places to work. Over the past year, we have focused extensively on initiatives that significantly improve our position in the labor market. Our consistently strong engagement score demonstrates our success in keeping our people motivated and we remain committed to strengthening KPN as a leading employer. A milestone in these efforts was the implementation of our innovative two-year collective labor agreement (CLA) in 2024. This is an essential step that helps us attract and develop talent, retain our employees and cater to the diverse needs of our multigenerational workforce. For example, as part of this initiative we have launched a program to assist young talents in repaying their student loans and we are encouraging our people to make the most sustainable commuting choices.

Successful together

I would like to thank our customers and shareholders for their continued trust and support, and the whole of "Team KPN" for their great contribution in 2024. We have achieved impressive results, and I look forward to making 2025 another successful year. Together, we are building a sustainable future full of new opportunities.

Joost Farwerck,
CEO and Chair of the Board of Management

Mission and purpose

Our purpose and mission

We go all out to connect everyone in the Netherlands to a sustainable future. We achieve this by providing safe, reliable, and future-proof networks and services, ensuring that people and devices can be connected anytime, anywhere.

KPN aims to be the reliable digital partner for consumers and businesses in the Netherlands. We maximize our networks by the rollout of fiber and the modernization of our mobile network. We aim to deliver the best digital experience to our customers over our world-leading, always-on networks and KPN has been recognized as having the best mobile network in the world and remains committed to maintaining its leading position.

Thanks to our sustainable approach, we contribute to a better world. This year, we updated our environmental, social, and governance (ESG) strategy. This strategy includes an integrated ESG agenda, showing the interconnection between business growth and social progress.

The Corporate Sustainability Reporting Directive (CSRD) will help us further refine our ESG performance by providing a structured framework and driving more transparency. The double materiality assessment and ESG-related impacts, risks, and opportunities are aligned with KPN's overall strategy. More details on the ESG performance can be found in our sustainability statement.

Strategy and key performances

Connect, Activate & Grow

Connect, Activate & Grow strategy

In November 2023, we introduced our Connect, Activate & Grow strategy for 2024 and through to 2027. This refreshed strategy builds on the successes of the 2021-23 Accelerate to Grow period, which focused on strengthening our customer base, expanding our superior networks and simplifying our operating model. Our mission to connect everyone in the Netherlands to a sustainable future is at the core of our Connect, Activate & Grow strategy. Since January 2024, KPN has fully embraced this strategy, structured around three key strategic missions:

- **Connect** with customers by delivering services and solutions that meet their needs and earn their loyalty through relevant, converged offerings
- **Activate** our best networks, platforms, and partnerships to deliver a superior digital experience across our always-on infrastructure
- **Grow** sustainably by modernizing and simplifying our business, leveraging AI-driven automation, and building a future-ready workforce

Through Connect, Activate & Grow, KPN aims to strengthen its market-leading position as the Netherlands' primary connectivity provider. We expect consistent growth from 2024 to 2027, targeting around 3% compound annual growth rate (CAGR) in both service revenue and EBITDA after leases. Free cash flow is projected to grow at a CAGR of around 7%.

Connect

In the consumer segment, strong service revenue growth is primarily driven by base development in mobile. In addition, this is supported by our extensive fiber rollout, high-quality propositions, focus on customer excellence and base management.

In the business market, KPN aims to be a preferred partner, continuously expanding its digital ecosystem. Our partner network and comprehensive portfolios in SME and LCE have increased our share of wallet and continue to drive growth. Tailored Solutions is well-positioned as a strategic IT and integration partner, delivering value-adding ICT services on top of our connectivity portfolio for large customers.

Wholesale remains a trusted partner, providing broadband and mobile services to both local and global companies, and is investing in new scalable products to monetize our infrastructure assets.

Activate

KPN continues to lead in secure reliable networks and digital infrastructure in the Netherlands. In fixed networks, we are optimizing how we roll out services, connect households and activate customers in the Netherlands. We have streamlined the entire fiber process to ensure a seamless, hassle-free experience, while also dynamically decommissioning copper networks in fiber-enabled areas. Our mobile network is recognized as one of the best in the world (umlaut mobile benchmark 2024), bolstered by our acquisition of an attractive spectrum package in the 3.5GHz auction, enabling the next phase of 5G services. Additionally, we are digitizing customer-facing processes, in both business and consumer market, to enhance the overall digital experience.

Through our Household 3.0 approach, customers will have access to an even broader range of digital services from partners – such as OTT packages, security, and gaming – on top of the highest-quality fiber and 5G connectivity. We are also leveraging our brand for social impact, launching initiatives such as “Better Internet”, issuing a €500 million green hybrid bond, and signing a power purchase agreement (PPA) with a Dutch solar farm that will deliver approximately 48 GWh annually from 2025 onwards.

Grow

The acquisition of Youfone as a flanker brand to our main brand enables us to play a more effective base management strategy in the consumer and SME markets. By positioning the KPN brand alongside flanker brands, such as Simyo, we are targeting diverse demographics. Beyond that, we see room to create interesting combinations and propositions that differentiate premium propositions from no-frills offers, which should help stabilize pricing dynamics.

Through KPN Ventures, we not only support global technology developments and innovations but also integrate them into our revenue streams, particularly in areas such as global roaming and Internet of Things (IoT). KPN is integrating advanced data-driven and AI-powered practices across the business — from network management to customer services.

Despite these successes, there is still significant potential to modernize and simplify KPN's operating model. Our modernization effort spans platforms, processes, people, and products. By driving continuous simplification, automation and efficiency, we aim to enhance quality and operational excellence.

Strategy and key performances

Financial key performances

Service revenues

€4,897m	€5,045m	**€5,215m**
2022	2023	**2024**

Free cash flow

€862m	€886m	**€900m**
2022	2023	**2024**

Adjusted EBITDA AL[1]

€2,404m	€2,420m	**€2,508m**
2022	2023	**2024**

Dividend (euro-cents)

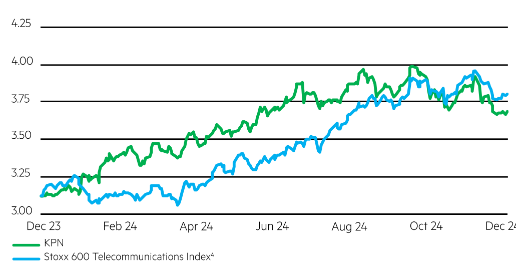
14.3	15.0	**17.0[2]**
2022	2023	**2024**

Capital expenditure

€1,206m	€1,248m	**€1,255m**
2022	2023	**2024**

Total shareholder return (TSR)

KPN 18% 2024 Telco index 22% 2024



Return on capital employed[3]

13.1%	14.1%	**14.4%**
2022	2023	**2024**

1 KPN defines EBITDA as operating result before depreciation (incl. impairments) of PP&E and amortization (incl. impairments) of intangible assets. Adjusted EBITDA after leases are derived from EBITDA and are adjusted for the impact of restructuring costs and incidentals ("adjusted") and for lease costs, incl. depreciation of right-of-use assets and interest on lease liabilities ("after leases" or "AL"). Reconciliations can be found in Appendix 2
2 To be proposed at the AGM 2025
3 Net operating profit less adjustments for taxes divided by capital employed
4 Rebased to KPN's closing price on the last trading day of 2023

Strategy and key performances

Sustainability-related key performances

Scope 1 emissions (gross) in metric tons CO_2e

2022	2023	**2024**
12k	9k	**6k**

Scope 2 emissions (location based) in metric tons CO_2e

2022	2023	**2024**
207k	132k[2]	**118k**

Scope 3 emissions in metric tons CO_2e

2023	**2024**
795k[1]	**813k**

Reuse and recycling

2022	2023	**2024**
87%	87%	**88%**

Fiber footprint

KPN | Glaspoort

	2022	2023	**2024**
Glaspoort	49%	57%	63%
KPN	KPN 46%	KPN 52%	**KPN 56%**

5G coverage in the Netherlands

2022	2023	**2024**
95%[2]	97%[2]	**98%**

Women at the sub-top (senior management)

2022	2023	**2024**
29%	28%	**33%**

Employee survey score for engagement

2022	2023	**2024**
81%	83%	**81%**

1 Scope extended and updated
2 Figures adjusted due to changes in calculation methodology

Strategy and key performances

Sustainability-related key performances

NPS consumer

+17[1]	+16[1]	**+16**
2022	2023	**2024**

NPS business

+3[1]	+5[1]	**+4**
2022	2023	**2024**

Realized improvements on corrective action plans

94%	98%	**97%**
2022	2023	**2024**

Completion of code of conduct e-learning

93%	93%	**89%**
2022	2023	**2024**

Privacy reputation[2]

69%	61%	**61%**
2022	2023	**2024**

Substantiated complaints regarding breaches of customer privacy

66	55	**37**
2022	2023	**2024**

Employees in target group who are SecurX certified[3]

915	**2,964**
2023	**2024**

1 Figures are based on a full year average instead of a Q4 average reported as in previous years

2 Dutch population think their data is safe with KPN

3 Extended scope in relation to 2023

Strategy and key performances

Business operations performances

Consumer

Growing customer base: households

3.5m	3.5m	**3.8m**
2022	2023	**2024**

Business

Net growth customer base (Mobile, BB, VoIP, Fixed-voice)

3.3m	3.4m	**3.5m**
2022	2023	**2024**

Network speed

Households with a possible 4 Gbps connection

13%	18%	**31%**
2022	2023	**2024**

Combined 4G/5G downlink throughput

146 Mbps	166 Mbps	**193 Mbps**
2022	2023	**2024**

B2C products and services

Fixed-mobile households as percentage of fixed households

56%	56%	**59%**
2022	2023	**2024**

Postpaid customers

3.759m	3.855m	**4.500m**
2022	2023	**2024**

Energy consumption in petajoules (Scope 1 and 2)

Energy consumption

1.893[1]	**1.771**
2023	**2024**

Estimated avoided energy consumption

5.349[1]	**6.984**
2023	**2024**

1 Scope adjusted and restated

Customer value - B2C

"We showed our appreciation for our customers"

Marieke Snoep – Chief Consumer Market

Strategy

We go all out to connect everyone in the Netherlands to a sustainable future – with the best internet experience and relevant personalized offers for the entire household. We enhance customer service with a digital-first approach through innovations in our MijnKPN app, complemented by human assistance. With our Household 3.0 strategy we meet diverse household needs and strengthen loyalty. Our go-to-market strategy is bolstered by flanker brands, personalized offerings, and a local approach to ensure broad appeal. We focus on connectivity, innovation, and loyalty. We deliver reliable, attentive, and state-of-the-art services via our NextGen Digital Operating model. This model offers a digital-first, human-assisted omni-channel customer experience through our app, and we use AI to enhance this experience.

Highlights

We acquired Youfone, strengthening our relevance and position in the mobile and broadband markets, especially in the faster-growing no-frills segments.

Our fiber footprint expansion increased the percentage of customers using fiber connectivity. We introduced several innovations to enhance broadband quality, including migrating customers to new KPN modem software for improved in-home internet service. Additionally, we launched SuperWifi rental, ensuring that all types of households can benefit from superior connectivity.

We showed our appreciation for our customers by delivering free speed upgrades and offering attractive retention deals. We continued to deliver double data benefits to our fixed-mobile converged customers and continued to advance our comprehensive entertainment offering through KPN TV+ whose quality we remain committed to.

Innovations in the MijnKPN app enabled better digital journeys with more consistent information, increased self-service options, and generative AI initiatives to enhance customer support.

Challenges

Our company is currently navigating the dual challenge of increasing value and price sensitivity among consumers, alongside a highly competitive market. This environment requires us to effectively balance our efforts between showing appreciation to our existing customers and acquiring new ones, a task that is both essential and demanding in such a competitive landscape. In 2024, we implemented an annual inflation adjustment for broadband, which had a negative impact on our NPS. And so, as in 2023, we focused on reinforcing the decision of our customers to choose and stay with KPN. We continued to offer double data for mobile customers, free (fiber) speed upgrades for residential customers and retention offers and we added content to our "Voor Jou" loyalty program.

Outside in

The telecommunications industry is highly competitive, with traditional telecoms providers and emerging tech companies competing for market share. To maintain our competitive edge, we focus on continuous innovation, strategic partnerships, and a customer-centric approach. Cybersecurity and data privacy are crucial in the telecommunications sector, as it is vital to protect customer information and ensure secure communications. By prioritizing these elements, we build trust and reliability, reinforcing our position as a trusted leader in the industry.

Outlook

We are confident that our Connect, Activate & Grow strategy will enable us to navigate through evolving market dynamics and continue our growth in service revenue market share by delivering reliable, easy, attentive, and state-of-the-art services.

We are committed to deliver high-quality products and services with a digital-first, human-assisted approach, expanding our fiber footprint, and increasing the percentage of customers using fiber. We aim to lead in household value through continuous innovation in our core telecoms products and strategic partnerships, reinforcing customer loyalty through personalization and expanding our loyalty program. And we are strengthening our personal relationship with customers. The MijnKPN app is central to this transformation, and we will continue to expand and innovate its capabilities while promoting its increasing adoption.

Customer value - B2B

"Growing demand for sustainable technology and ease of use"

Chantal Vergouw – Chief Business Market

Strategy
We focused on further increasing our value for customers and ensuring that our connectivity and IT portfolios stay relevant. By distinguishing ourselves through our services in security, cloud and workplace applications, alongside our connectivity portfolio, we aim to be the "one-stop-shop" for businesses in the Netherlands. Interaction with customers and partners is key to our success. We redefined our approach in the mid-market segment (customers with 150 to 650 employees) and we further invested in e-commerce, especially for the self-employed and SMEs. We developed innovations strengthening our IT services and continue to focus on phasing out our legacy portfolio. We have to digitize and simplify our processes to create a solid foundation for the further development of our customers' experience and to achieve further growth.

Highlights
We are satisfied with our positive performance in the SME segment, driven by higher demand for mobile and workplace solutions. The acquisition of Youfone further strengthened our position in the SME market. Our refocused Tailored Solutions segment performed well. While the LCE segment showed slightly decreased revenues, due to the divestments of CAM IT and KPN Interned Services, Internet of Things (IoT) services showed a marked performance.

We introduced our Communications Platform as a Service (CPaaS) and KPN Campus propositions within the LCE segment. We also saw growth in SuperVision, which give managed service providers tools to streamline their Microsoft 365 environments. According to the NPS benchmark (B2B total market) and market research conducted by Mindshare (LCE and SME segment) on behalf of KPN, we maintained our status as the most trusted brand in the Netherlands. InSpark, our Microsoft Cloud Incubator, won the Global Award in the Identity category and a Country Award for Data & AI at the Microsoft Partner of the Year Awards 2024. Cisco has also awarded us with its Gold Provider status for managed services, the highest achievable status.

Challenges
We are experiencing strong market pressure on connectivity services due to highly competitive pricing, making it crucial to offer affordable, high-quality services. We need to boost our Net Promoter Score (NPS) by improving network stability, refining operational processes and providing user-friendly solutions. With the popularity of eSIMs and easy operator switching, maintaining strong customer relationships is vital. Focusing on the positioning and branding of the business market segment and aligning our offerings with customer needs, will help meet these challenges.

In the LCE segment, customers' need for integrated services is increasing, while they still demand ease of use. This requires us to streamline our delivery and further digitalize our business, enabling us to speed up activities in several areas, such as our commercial processes and platform maintenance.

Outside in
To maintain our leading position in the Netherlands, it is crucial to stay attuned to societal and industry developments. Businesses in the Netherlands are now growing more slowly, which means we are focusing on increasing the relevance of our portfolio for our customers to ensure growth and stability. Customer needs are evolving, with growing demand for sustainable technology and ease of use. Offering a one-stop shop is essential to attract customers seeking comprehensive solutions, from IT and security to connectivity. We need to develop our omni-channel approach in a way that facilitates a multi-touch customer journey.

Outlook
Other priorities include reinforcing our digital platform for SME customers, as well as bolstering our tailored solutions market position with the recently introduced service integration and management (SIAM) proposition. SIAM supports our customers in having control of their IT chain, while we take care of the processes between different service providers for an optimized way of working. This gives customers all the benefits of dedicated experts for different aspects of their IT infrastructure, with us taking care of quality and integration.

Customer value - Wholesale

"Our open network policy gives consumers a wide choice"

Chris Figee – Chief Financial Officer

Strategy

Our Wholesale business mix and growth profile are evolving. Despite the competition in the broadband market, we see growth opportunities in mobile and sponsored roaming. We are confident that our commitment to delivering top-tier national wholesale propositions in broadband and mobile, along with advanced building blocks and global connectivity solutions, will ensure continued growth in 2025 and support our Connect, Activate & Grow strategy.

Highlights

Key developments included the migration of one of our major customers, Youfone, to the KPN Business and Consumer Market. In addition, we faced a competitive broadband market, resulting in slower growth compared with previous years. However, we also saw advances in our mobile business and early successes from our strategy of offering connectivity "building blocks" to our wholesale customers.

In our mobile segment, we renewed national mobile contracts with key customers and introduced short-term pricing incentives to support them to remain competitive and be more effective in the Dutch mobile market. We are pleased that these longstanding customers have extended their contracts, underscoring the appeal of our mobile offerings and the strength of our open network policy.

Our mobile base continued to expand, driven by these contract renewals and the ongoing success of our international mobile virtual network operator (MVNO) customers. The combination of base growth and a sustained year-on-year increase in data usage, particularly for our international business, despite a gradual decline in the average price per unit of data, resulted in a marked rise in mobile service revenues.

We gained new business through our sponsored roaming solutions. By leveraging global roaming partnerships in travel, eSIMs, Machine2Machine, and IoT solutions, these additions demonstrated immediate growth potential, propelling our organic mobile service revenue growth.

Our overall service revenue slightly decreased due to migration of Youfone customers and a reduction in regulated interconnect rates at the start of the year. New initiatives, such as sponsored roaming and innovations at NL-ix (our internet exchange), began to show promising results. NL-ix continued to grow its “Elastic Interconnect” product via our business market network and we saw increasing numbers of inquiries from international customers interested in NL-ix's unique services.

Challenges

Continued promotional activities and intense competition in the retail broadband market resulted in elevated churn within our copper base. This increase in churn led to an overall decline in the number of broadband customers and slower revenue growth at our wholesale broadband services. To address these challenges, we expanded our product offering, including the introduction of 2 Gbps for all Wholesale FttH services - VULA PON (virtual unbundled access), WBA and WMP - to all addresses within our point-to-multipoint footprint, and we initiated discussions with broadband business partners to better support their growth on our network.

Outside in

An attractive open network policy makes our networks attractive for wholesale customers and gives consumers in the Netherlands a wide choice of many different providers.

The intensity of competition in the broadband markets surged during 2024. This increased competition is here to stay. We saw reduced inflow compared with the previous year in areas with competing fiber networks, particularly via our copper access product.

Outlook

We anticipate that our investments in innovative solutions such as NL-ix will yield positive results. The mobile and sponsored roaming segments are expected to drive continued growth, having already enabled positive year-on-year service revenue growth in 2024.

Our performance - Network, Operations and IT

"Investing big in the digital infrastructure of the Netherlands"

Wouter Stammeijer – Chief Operating Officer

Strategy

Together with Glaspoort, our joint venture with Dutch pension fund ABP, we are on track to connect households and business parks throughout the Netherlands with fiber. Our focus has shifted from laying the basic infrastructure to connecting homes and offices.

Also together with ABP, we have signed an agreement to create a new tower company, Althio, which has been approved by the ACM on 6 February 2025. Althio will hold KPN's passive mobile infrastructure assets. This strategic partnership is in line with our Connect, Activate & Grow strategy to optimize the value of our passive infrastructure assets and retain strategic flexibility. It demonstrates our intent to optimize shareholder value and continue to operate the best digital infrastructure in the Netherlands.

Highlights

The contribution we make to the digital infrastructure of the Netherlands makes us proud and illustrates a key pillar of our culture: "Think big and act now". We even hit a record number of homes connected, including through our joint venture Glaspoort. In terms of sustainability and energy efficiency, we made great strides in 2024. In collaboration with our energy partner Eneco, we invested heavily in sustainable energy sources of Dutch origin. From 2025, a large portion of our electricity needs will come from the new solar farm Kabeljauwbeek. Two years later, we will add wind energy from the Ecowende windpark.

We have further improved mobile speed and 5G coverage, leading to greater capacity and less congestion. We deployed the 3.5 GHz spectrum for 5G in large cities, along busy roads, and in densely populated areas. To leverage our 5G network investments, we introduced speed-tiering in our Unlimited Series. Simplifying our core network architecture to a 5G standalone mobile core has made new capabilities available, such as ultra reliable low latency and slicing.

Further automating and digitalizing our processes supports us in improving efficiency, making fewer mistakes, performing predictive maintenance, and thereby further improving customer experience. We have taken actions to improve both efficiency and customer satisfaction.

Challenges

The rollout of fiber posed quite a few challenges, especially as we are now reaching urban areas and locations with lots of multi-dwelling units. In addition, we are upgrading customers from copper to fiber, in areas where other parties have already rolled out fiber. Increased competition and installation costs, as well as limited availability of contractors, also caused challenges.

Another challenge for the rollout of our networks is energy grid congestion, which causes delays and increased costs. The overloaded energy network in the Netherlands makes it challenging to manage and allocate resources efficiently for new infrastructure projects and for projects in our networks.

Collaboration is crucial for achieving our common goals. This demands cross-departmental cooperation and comprehensive collaboration throughout the entire chain, including with our strategic partners. Regardless of the effort put towards achieving individual team objectives, we must always consider the broader perspective to succeed.

Outside in

In the Netherlands, as elsewhere, we see society's attitudes hardening. Because we are all connected 24/7, this brings a responsibility for KPN. We must be aware of potential risks and dangers and adhere to rules to maintain our customers' privacy, comply with laws and regulations, and help people stay safe in the online world.

Outlook

By further automating our processes, we can plan, build, and operate our networks more efficiently. Strategic partnerships will help optimize our investments, whether in passive infrastructure or leveraging expertise for ongoing transformations. We will continue modernizing and digitizing our operations, utilizing available data and the power of AI. Our commitment to responsible AI is underscored by our signing of the European AI Pact. As we move forward, we stay focused on our Connect, Activate & Grow objectives, while emphasizing robust collaboration and adherence to our core values.

Employee value

"Enhancing our position as an employer of choice"

Hilde Garssen – Chief People Officer

Strategy

Our people are crucial in achieving our Connect, Activate & Grow strategy and ambitions. In 2024, we set a people agenda focused on delivering an employee experience through which talent can flourish. Our agenda emphasizes trust, courage, and growth, our core values, while also proactively addressing the challenges of automation, AI, reskilling, and employee well-being.

Highlights

An important moment in our efforts to enhance our position as employer of choice was the implementation of our market-leading two-year collective labor agreement (CLA). This approach is key to attracting talent in a competitive job market, retaining our existing employees and addressing the needs and expectations of a multi-generational workforce.

In recognition of the financial challenges people are facing, we have agreed to introduce an arrangement as from 2025 to assist employees with student debt repayment. This reflects our commitment to invest in our people's financial well-being from the outset of their careers. Moreover, in alignment with our ESG goals, we now offer employees the opportunity to invest in eco-friendly home improvements. This initiative benefits our staff personally and contributes to our broader environmental responsibilities.

We are changing approach to leave as from 2025 by offering greater flexibility and work-life balance to our workforce. By focusing on individual preferences and offering compelling benefits for multiple generations, we position ourselves at the forefront of progressive workplace practices.

In 2024, we established a comprehensive leadership journey for our top management, ensuring that our leaders are well-equipped with the skills needed to drive our company and culture forward. This journey included several cross-segment development days, a cross-segment collaboration scan, reversed mentoring of leaders by colleagues of the Gen-Z generation and continuous learning challenges throughout the year.

We also introduced the culture manifesto that encapsulates our core values and desired cultural behaviors. We have aligned these cultural elements with our code of conduct, launched culture toolkits for teams and included the three cultural themes in our leadership journey. We define the three themes as: full attention for our customers; think big and act now; and work together, win together. We aim to create an environment in which employees understand and align with our shared beliefs and behaviors. Our continued strong engagement rate (81%) demonstrates our success in keeping our people motivated, proud to work at KPN and feeling that they contribute to our company strategy.

Challenges

We must continue to simplify our office spaces, reduce overhead and further automate, digitize and robotize. But at the same time, it is vital to maintain an engaged, diverse and rejuvenated workforce equipped with the right digital and technical skills to ensure our organization remains fit for the future. Achieving this balance requires careful planning and execution to ensure that efficiency gains do not come at the expense of employee engagement and digital capability development.

Outside in

The world outside of KPN has undergone shifts that profoundly impact us all and are reshaping our approach to work. Technological advances are accelerating, blurring traditional boundaries between jobs, departments, and even human and machine capabilities. We are facing a labor market shortage of tech and other professionals, accelerated by an aging workforce at KPN. Investing in skill-building and creating insights in personal skills development is more and more important and is reflected in the rise of skills-based organizations.

Outlook

Our focus for 2025 will be on preparing our organization and our workforce to become fit for the future in terms of knowledge, capabilities and ways of working as part of the shift towards a more skill-based organization. As we move forward, we aim to develop a methodical, company-wide rollout of strategic workforce management based on the results of our first use-cases. We also share societal concerns regarding mental well-being and are committed to enhancing our role in this crucial area.

Sustainable value

Connecting to a sustainable future

Responsible
Reliability, security, human rights

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES

Approach
We are committed to responsible and safe services and we want to do business decently. Respect for human rights is paramount.

Where we want to go
Cybersecurity, data & information protection:
- 2025: 5,000 employees in target group who are SecurX certified

Customer value:
- 2025: NPS consumer +17
- 2025: NPS business +4

Consumers and end-users:
- 2025: Privacy reputation 65%[1]
- 2025: Substantiated complaints regarding breaches of customer privacy n/a[2]

Workers in the value chain:
- 2025: Realized improvement on corrective action plans >90%

Business conduct:
- 2025: Completion of code of conduct e-learning 95%

What we achieved in 2024
Cybersecurity, data & information protection:
- 2024: 2,964 employees in target group who are SecurX certified

Customer value:
- 2024: NPS consumer +16
- 2024: NPS business +4

Consumers and end-users:
- 2024: Privacy reputation 61%[1]
- 2024 Substantiated complaints regarding breaches of customer privacy 37

Workers in the value chain:
- 2024: Realized improvements on corrective action plans 97%

Business conduct:
- 2024: Completion of code of conduct e-learning 89%

Inclusive
Diversity, social and digital inclusion

5 GENDER EQUALITY
10 REDUCED INEQUALITIES

Approach
The digital society must be accessible to everyone. That is why we promote digital inclusion and social inclusion and strive for diversity in teams for better performance, different perspectives and recognition for all our customers.

Where we want to go
Own workforce:
- 2025: Women at the sub-top[3] 36%
- 2025: Employee survey score for engagement ≥80%

Digital inclusion through connectivity:
- 2025: Fiber footprint >65% (Homes Passed) (incl Glaspoort)
- 2025: 5G coverage in the Netherlands 98.2%

What we achieved in 2024
Own workforce:
- 2024: Women at the sub-top[3] 33%
- 2024: Employee survey score for engagement 81%

Digital inclusion through connectivity:
- 2024: Fiber footprint 63% (Homes Passed) (incl. Glaspoort)
- 2024: 5G coverage in the Netherlands 98%

Sustainable
Energy, circularity, biodiversity

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Approach
We deploy our infrastructure and networks to co-create solutions for a more sustainable use of the environment. We limit our footprint and actively work towards a greener future by focusing on energy efficiency, circularity and biodiversity.

Where we want to go
Climate change:
- 2025: Scope 1 emissions (gross) 6,100 metric tons CO_2e
- 2025: Scope 2 emissions (location based) 116,000 metric tons CO_2e
- 2040: Scope 3 emissions 101,750 metric tons CO_2e

Resource use and circular economy:
- 2025: Reuse and recycling ≥86%

What we achieved in 2024
Climate change:
- 2024: Scope 1 emissions (gross) 6,208 metric tons CO_2e
- 2024: Scope 2 emissions (location-based) 118,356 metric tons CO_2e
- 2024: Scope 3 emissions 813,481 metric tons CO_2e

Resource use and circular economy:
- 2024: Reuse and recycling 88%

1 Dutch population thinks their data is safe with KPN

2 There is no target for this metric because the aim is to get as few as possible

3 Senior management

Sustainable value

Reading guide ESG information
In our integrated annual report we disclose our environmental, social and governance (ESG) information in accordance with CSRD guidelines and ESRS reporting standards. Detailed information on our ESG performance can be found in the "Sustainability statement". The following section provides a broader overview of our ESG achievements, aligned with our ESG manifesto.

Our aim is to actively contribute to a better future. This commitment is outlined in our ESG manifesto, in which we distinguish three areas: responsibility, inclusivity and sustainability. By implementing the Corporate Sustainability Reporting Directive (CSRD), transparency and informed decision-making regarding ESG are improved. We are dedicated to providing a safer, more social, and greener internet for everyone in the Netherlands. This dedication is embodied in our multi-year plan, #BetterInternet, which directly reflects the three pillars of our ESG manifesto.

Responsible
We are committed to making the internet a trusted place through reliable and safe services, emphasizing decent business, human rights, and safety. Our #BetterInternet campaign, launched with Dutch singer Meau, promotes a safe online world. Collaborating with experts such as Rutgers and Fonds Slachtofferhulp, we created tools to spread the message "Think before you forward" and organized digital sessions to foster discussing internet safety with children. This campaign has received national and international recognition.

Building on this commitment, KPN is dedicated to responsible AI, as demonstrated by our signing of the European AI Pact. We have developed a framework on how to deploy AI responsibly, safely, and compliantly, emphasizing transparency and inclusivity. Our commitment is also reflected in the CISO Circle of Trust foundation, which we established in 2022 together with nine other Dutch companies. In 2024, we organized a public-private dialogue around the Netherlands' Cyber Security Strategy (NLCS).

In terms of security legislation, we began preparing for the implementation of the Network and Information Security Directive (NIS2) by adopting a risk-based approach to anticipate future legislation in the Netherlands. Initial impact assessments have been completed, and we are progressing steadily. Moreover, the Dutch Authority for Digital Infrastructure (RDI) found no indication that KPN processes, or has processed, any traffic data for mobility information purposes, contributing to customer privacy and trust.

Lastly, our dedication to responsible business operations is reflected in our updated and recently published human rights code, aligned with new guidelines and making it much more comprehensive.

Inclusive
In 2024, we deepened our understanding of diversity through voluntary employee surveys, gaining insights into well-being and cultural perception. We organized events such as Diversity Week, Neurodiversity Day, and Women's Day to promote diversity and establish related networks. Gender diversity remains a challenge; however, 29% of new hires were women, while the percentage of women in the outflow was slightly lower at 26%. Women comprise 50% of our Board of Management and 33% of our Supervisory Board, but overall workforce figures are below target, prompting further initiatives. Our KPN Pride platform supports LGBTQIA+ employees, aiming for greater inclusion. Participation in events such as Pride helps raise awareness. In 2025, we will continue tracking these efforts through employee surveys and focus more on cultural diversity.

We also offer jobs to refugee status holders within our engineering organization, providing training in the Dutch language to ensure a smooth start. Our commitment to social inclusion is also reflected by KPN Mooiste Contact Fonds, through which we have organized events to support and involve those struggling to participate in society. Key projects include KlasseContact, enabling long-term seriously ill children to participate in the classroom, and walking football for seniors, promoting sport and social contact in an accessible way.

Lastly, we strive for a better internet where everyone can participate and be themselves. The digital society must be accessible to all. That is why we promote digital and social inclusion, foster diversity in our teams to enhance performance, and ensure recognition and accessibility for all customers.

Sustainable
A better internet also means limiting our environmental footprint. We focus on reducing and greening our energy consumption, and advancing our circular ambitions. Our goal is net-zero emissions, including within our value chain by 2040. To support this, we launched a transformation program focused on environmental sustainability, where colleagues engaged with experts to gain critical external insights, and identify opportunities for KPN.

Sustainable value

Net-zero as main objective

We are proud of the renewed validation of our net-zero targets by the Science Based Targets initiative (SBTi). Decarbonization and dematerialization are essential for achieving net-zero. We monitor our progress by measuring direct (Scope 1), indirect (Scope 2), and value chain emissions (Scope 3), along with circular economy metrics. Our publicly available transition plan addresses our material impacts, dependencies, financing of climate-related activities, and the associated risks and opportunities.

Engagement with suppliers and customers is crucial to achieving our zero waste and zero emissions agenda. This includes our procurement processes, operations, and the life cycle impact of our products and services. Our services such as remote working solutions help customers become more sustainable. KPN can play a significant role in the national energy transition by providing real-time data solutions for energy-related assets. We have reduced our energy consumption, despite ever-increasing data demand.

Exploring our impact on biodiversity

While climate change, sustainable energy and the circular economy have been familiar areas for KPN, we increasingly recognize the urgency of biodiversity. This emerging theme is gaining importance in the business community and is related to our other sustainability themes. KPN has enhanced its knowledge through various projects and collaborations.

For instance, with Groene Netten partners and Naturalis Biodiversity Center, we mapped ecological areas around our assets, implemented sustainable maintenance measures, and developed guidelines for nature-inclusive buildings. These guidelines have been applied at several locations, making fiber optic hubs nature-inclusive. Although biodiversity was not deemed material in our double materiality assessment, we are committed to contributing to this topic.

Shareholder value

Providing attractive shareholder returns

2024 marked the first year of our Connect, Activate & Grow strategy. We delivered on our 2024 outlook and made good progress towards our mid-term strategic and financial ambitions. Throughout the year, we consistently grew our Group service revenues. We delivered adjusted EBITDA after leases and free cash flow growth slightly above guidance, supported by sustainable service revenue growth and effective measures to partly offset inflationary pressures. Our ROCE continues to improve, clearly indicating that our value creation model is working and demonstrating the success of our strategy. Our financial framework is aimed at long-term value creation for all stakeholders. In this respect, our successful execution, strong balance sheet and multi-year cash perspective enable us to continue our progressive dividend policy and structurally return additional capital to shareholders.

KPI	Result 2024	Result 2023
Service revenue	€5,215m	€5,045m
Adjusted EBITDA after leases[1]	€2,508m	€2,420m
Capex[1]	€1,255m	€1,248m
Free cash flow[1]	€900m	€886m
Dividend per share (euro-cents)	17.0	15.0
Share buyback	€200m	€300m

1 For definition see Appendices 2 and 6

Financial review

In 2024, we delivered on our outlook and continued to make good progress towards our mid-term strategic and financial ambitions. Throughout the year, we consistently grew our Group service revenues. In Consumer, we saw continued positive net adds in mobile postpaid and encouraging developments in our broadband base, driven by commercial improvements and increased focus on loyalty and base management. Our Business segment recorded another strong year, supported by continued strong growth in our SME and Tailored Solutions departments. Wholesale service revenues were impacted by the Youfone

Shareholder value

acquisition and lower Other revenues. The commitment to customer-centricity shown by all our colleagues continues to pay off, with industry-leading NPS scores in both Consumer and Business.

We continue to lead the Dutch fiber market and together with our joint venture Glaspoort we added 574 thousand households to our fiber footprint in 2024, and we now cover 63% of Dutch households with fiber. To sustain our network leadership position, we further optimized our rollout process and increased our focus on connecting households and activating customers. This approach is delivering tangible results, with 78% of our fiber footprint with an in-home fiber connection and ongoing new fiber broadband net adds. While making super-fast internet via fiber the norm, we are on track with the decommissioning of our copper network in fiber areas with about 3.5 million copper lines decommissioned by year-end 2024. For our Mobile network, we acquired 100 MHz of the 3.5 GHz frequency licenses in the Dutch spectrum auction, enabling us to take the next step in 5G and to cope with the growing demand for mobile data in the coming years.

In April 2024, we acquired the Dutch activities of Youfone to strengthen our position in the Mobile and Broadband markets, especially in the faster-growing, no-frills segments. In June, we signed an agreement with Dutch pension fund ABP to create a new joint venture Althio, which has been approved by the Authority for Consumers and Markets on 6 February 2025. This strategic partnership is in line with our strategy to optimize the value of our passive infrastructure assets and retain strategic flexibility.

Revenues and other income

Adjusted revenues[1] increased 3.4% y-on-y driven by higher Group service revenues and higher non-service revenues and other revenues. Group service revenues increased 3.4% y-on-y mainly driven by continued revenue growth in the Consumer and Business segments.

Adjusted Consumer service revenues increased 5.6% y-on-y as higher service revenues from fiber and mobile were partly offset by declining service revenues from KPN's copper and legacy portfolio. Mobile service revenues grew 12% y-on-y mainly driven by continued solid base development and the acquisition of Youfone. Fixed service revenues grew 3.0% y-on-y supported by continued fiber broadband service revenue growth (+13% y-on-y), offsetting the ongoing decline in copper (-9.2% y-on-y) and legacy services (-16% y-on-y). KPN's Fixed-mobile household base grew 130k to 1,678k and represents 59% of total Fixed households.

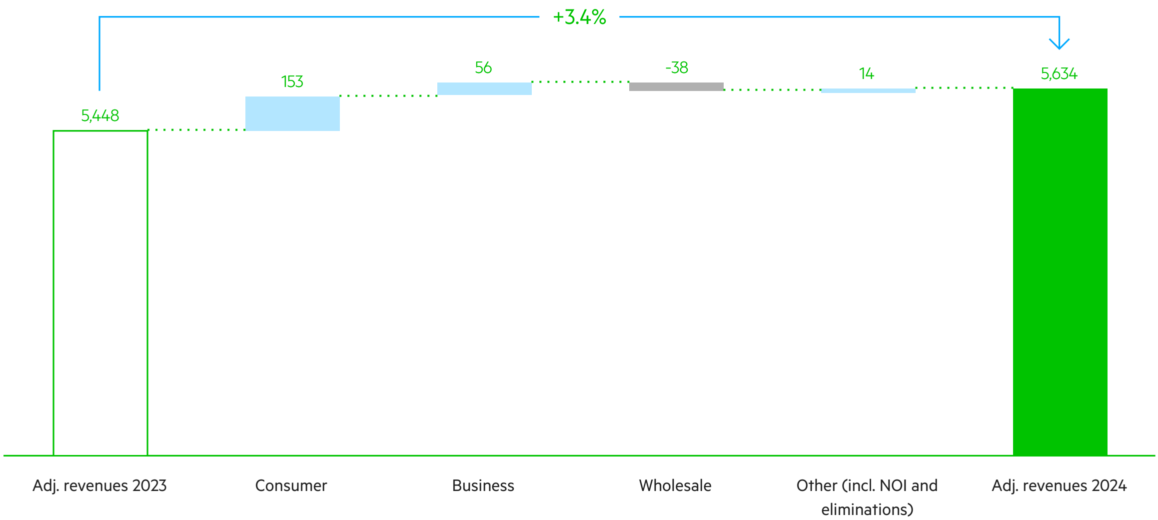
Adjusted Business service revenues grew 3.6% y-on-y, driven by continued growth in the SME and Tailored Solutions departments. SME continued its strong performance (+8.7% y-on-y), supported by continued solid commercial momentum in both Broadband and Mobile and growth in Cloud and Workspace. LCE declined 0.9% y-on-y, driven by the divestments of CAM IT and KPN Interned Services, partly offset by continued growth in IoT. Tailored Solutions grew with 4.4% y-on-y.

Adjusted Wholesale service revenues decreased 5.7% y-on-y, mainly impacted by the Youfone migration to Consumer and lower other service revenues, partly offset by growing fiber service revenues and an uptake in international sponsored roaming volumes. Broadband service revenues decreased 1.0% y-on-y, driven by Youfone and competition seen in the wider Broadband market, partly offset by fiber service revenues from Glaspoort. Mobile service revenues declined by 12%, driven by Youfone, partly offset by an increase in international sponsored roaming volumes and base. Other service revenues declined by 7.8%, mainly due to lower regulated termination tariffs and less traffic leading to a decrease in low-margin interconnect revenues.

[1] For definition see Appendices 2 and 6

Shareholder value

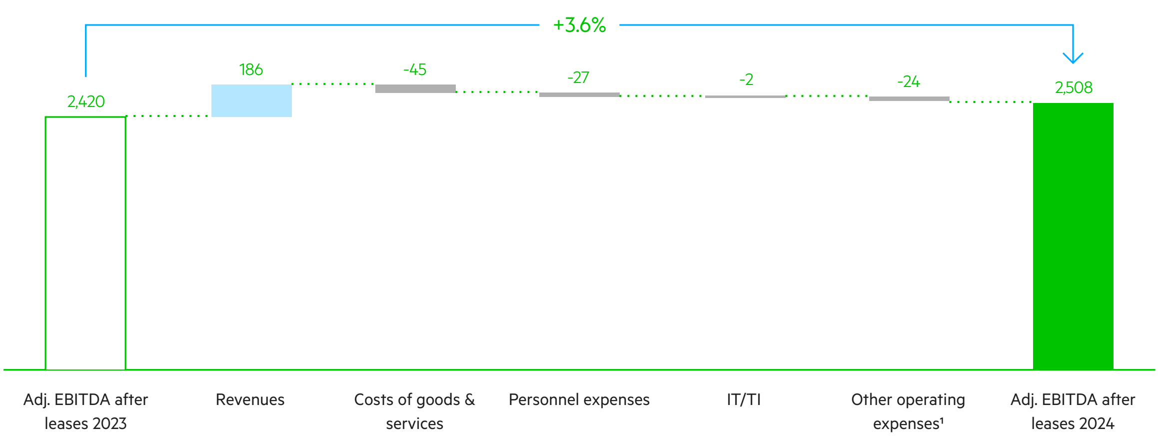
Adjusted revenues
In € million



Adjusted EBITDA AL
Adjusted EBITDA AL increased 3.6% y-on-y, driven by higher Group service revenues and higher non-service revenues, partly offset by higher costs. Adjusted EBITDA AL margin increased 10bps to 44.5%. Cost of goods and services increased 3.2% y-on-y, mainly driven by higher third-party access costs and service revenue mix effects in Business. Personnel expenses increased 3.3% y-on-y, as wage indexation was more than offset the FTE step-down (-227 FTEs y-on-y). IT/TI expenses were broadly flat, while other opex increased 4.3% y-on-y due to inflationary effects.

For information on financial and operational performance per segment, see Note 3 to the consolidated financial statements.

Adjusted EBITDA AL
In € million



1 Incl. lease-related expenses

Shareholder value

Operating profit
Operating profit (EBIT) of €1,392m increased €50m or 3.7% y-on-y, driven by higher EBITDA, partly offset by higher amortization.

Financial income and expenses
Net finance expenses increased in 2024 by €47m to €293m, mainly driven by one-off refinancing costs related to a bond tender in Q1 2024.

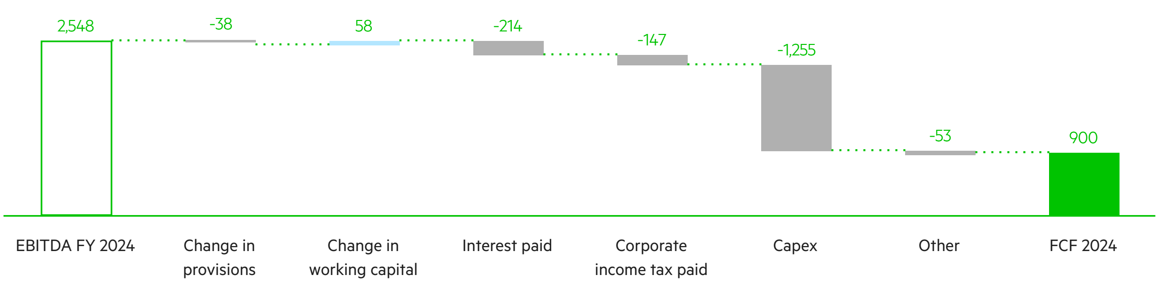
Income taxes
In 2024, KPN recognized a tax expense of €238m (2023: €245m). KPN's effective tax rate for 2024 is 21.7% (2023: 22.3%). The difference in effective tax rate is predominantly due to the Innovation Box facility, tax law changes, settlements with tax authorities, impairments, tax deductibility of perpetual hybrid bonds and results on disposals of subsidiaries and revaluations.

KPN continues to qualify as an innovative company and therefore benefits from the innovation box tax regime, a facility under Dutch corporate income tax law whereby profits attributable to innovation are taxed at an effective rate of 9%. See consolidated financial statements Note 8 and Tax section for further information on KPN's tax position.

Net profit
Net profit of €846m was broadly flat y-on-y, as operating profit growth was almost fully offset by one-off refinancing costs in Q1 2024.

Free cash flow

Free cash flow
In € million



Operational free cash flow of €1,253m was 6.9% higher y-on-y, driven by higher EBITDA. Free cash flow increased by €14m to €900m, or 1.6% y-on-y, as higher EBITDA was partly offset by higher cash taxes and change in working capital. Free cash flow margin decreased by 30bps to 16.0%.

ROCE
Return on Capital Employed increased to 14.4% at the end of 2024 (+40bps y-on-y), driven by operational efficiencies.

Solid financial position

KPN continues to maintain a strong balance sheet and liquidity position at the end of 2024. At 31 December 2024, net debt[1] amounted to €5,960m, €377m higher compared to end of 2023. The movement in net debt[1] is mainly related to the Youfone acquisition, the 3.5GHz spectrum payment and non-recurring financing costs. Free cash flow generation during the year covered the €646m dividend payments and the €200m share buyback program in 2024.

Nominal debt outstanding was €7,170m, €277m higher compared to the end of 2023, due to the issuance of a €1bn senior bond and a €500m hybrid bond, partly offset by bond tenders and redemption during 2024. KPN's committed liquidity consisted of €762m cash and short-term investments and a €1,075m undrawn revolving credit facilities, covering debt maturities until the end of 2027.

KPN remains committed to an investment grade credit profile and aims for a leverage ratio of <2.5x in the medium term. At the end of 2024, the net debt to EBITDA ratio was 2.4x (Q4 2023: 2.3x) and KPN's interest cover ratio was 10.5x. At 31 December 2024, the weighted average cost of senior debt was 3.78%, 33 basis points lower y-on-y.

[1] For definition see Appendices 2 and 6

Shareholder value

In December 2024, Moody's withdrew its rating on KPN, at KPN's request. At the moment of withdrawal, Moody's rating on KPN was Baa3 with a positive outlook. KPN continues to be rated by S&P (BBB/stable) and Fitch (BBB/stable).

Capital allocation and shareholder remuneration

KPN continuously invests in its network infrastructure, products, customers and employees, resulting in high-quality fixed and mobile networks. KPN focuses on improving the customer experience by further investing in the capacity, reliability and stability of its integrated network. These initiatives require significant investments in capital expenditure, working capital, spectrum licenses and acquisition opportunities that may arise from time to time. KPN aims to provide a progressive dividend per share, paid semi-annually and supported by its growing free cash flow.

KPN's financial framework is aimed at long-term value creation for all shareholders. Its successful execution of its strategy, strong balance sheet and multi-year cash generation perspective enable it to complement its progressive, regular dividend with additional capital returns in the form of share buybacks. In this way, KPN effectively distributes all of its generated free cash flow to its shareholders.

In 2024, KPN executed a share buyback of €200m through which it repurchased approximately 60m shares at an average price of €3.33 per share, and 58.5m of the repurchased shares have been canceled. At the end of 2024, total shares outstanding amounted to 3,889m, of which were 2.7m Treasury shares.

KPN intends to pay a regular dividend per share of 17.0 euro-cents over 2024. The final dividend of 10.2 euro-cents per share is subject to shareholder approval at the annual general meeting of shareholders on 16 April 2025. If approved, the provisional ex-dividend date is 22 April 2025 and the provisional payment date is 28 April 2025.

Achievements in 2024 and ambitions for 2025

	Outlook 2024	Achievements 2024	Outlook 2025
Service revenue growth	~3%	+3.4%	~3%
Adj. EBITDA AL	~€2,480m	€2,508m	~€2,580m
Capex	~€1.2bn	€1,255m	~€1.25bn
Free cash flow	~€880m	€900m	~€910m
Regular DPS (euro-cents)	17.0 +13% y-on-y	17.0 +13% y-on-y	18.2 +7.1% y-on-y
Share buyback	€200m	€200m	€250m

For 2025, KPN expects Group service revenue growth of approximately 3%, adjusted EBITDA AL of approximately €2,580m, capex of approximately €1.25bn and free cash flow of approximately €910m. KPN reiterates its 2027 ambitions presented at its Capital Markets Day in November 2023.

The expected dividend payout over 2025 is €18.2 cents per share, 7% higher than the €17.0 cents per share in 2024. In addition, we intend to execute a new share buyback program of €250m in 2025.

Corporate governance

Steering the company

KPN's corporate governance framework is aligned with the company's strategy and meets the requirements of the Dutch Civil Code, the Dutch Corporate Governance Code, and applicable laws and regulations, including securities laws. The company is governed by its Articles of Association and internal procedures, such as the by-laws of the Board of Management and Supervisory Board.

Legal structure of the company

Royal KPN N.V. is a public, limited liability company established under the laws of the Netherlands, with ordinary shares listed on Euronext Amsterdam. Its articles of association were last amended on 20 April 2018. KPN has a two-tier management structure with a Board of Management (solely composed of executive directors) and a Supervisory Board (solely composed of non-executive members). KPN qualifies as a "large company" (*structuurvennootschap*) within the meaning of the Dutch Civil Code and applies the relevant articles of Dutch corporate law. The Board of Management is entrusted with the management of the company. The Supervisory Board oversees strategic policy making by the Board of Management and the way in which the Board of Management manages and directs KPN's operations. In the performance of their duties, the members of the Board of Management and the Supervisory Board are guided by the interests of the company and the enterprise connected with it, and take the relevant stakeholders' interests into account. The Board of Management is accountable to the annual general meeting (AGM) and the Supervisory Board, in accordance with Dutch legislation. See Note 24 to the consolidated financial statements for details of KPN's legal structure.

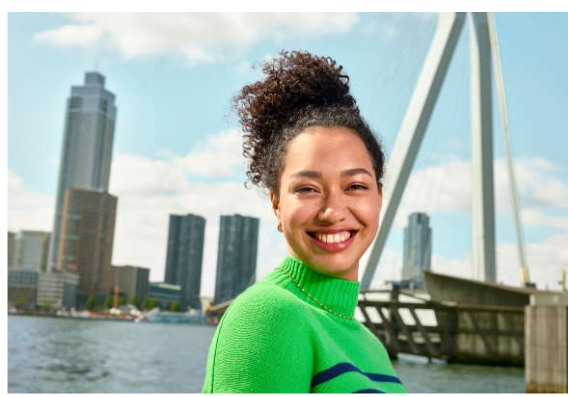
Shareholders

Share capital, listings and indices

KPN's authorized share capital totals €720 million, divided into nine billion ordinary shares of €0.04 each and nine billion preference shares B of €0.04 each. On 31 December 2024, a total of 3,888,930,422 ordinary shares were outstanding. Since 13 June 1994, KPN's ordinary shares have been listed on Euronext Amsterdam (ticker: KPN). KPN has a Level I American Depositary Receipt (ADR) program, which allows investors to trade KPN ADRs in the United States on the over-the-counter market (ticker: KKPNY). KPN shares are included in a number of leading indices, including the AEX, the STOXX telecommunications Index and the STOXX Europe 600 Index.

General meeting of shareholders

The general meeting of shareholders holds all powers that have not been granted to other company bodies. It is authorized to appoint members of the Supervisory Board upon binding nomination by the Supervisory Board and to dismiss the Supervisory Board. The general meeting of shareholders also adopts the financial statements, releases the members of the Board of Management and Supervisory Board from liability, determines the dividend, determines the remuneration for members of the Supervisory Board, and approves the remuneration policy and share option plans for the Board of Management. In addition, certain decisions are subject to the approval of the general meeting of shareholders, including decisions entailing a significant change in the identity or nature of the company or its business and corporate matters, such as amendments to the company's articles of association, a merger or demerger or the dissolution of the company, and the issuance of shares or reduction of the issued capital of the company.



Corporate governance

Within four months of the end of every financial year, the Board of Management prepares financial statements, within an annual integrated report. The financial statements are submitted to the Supervisory Board for approval, and subsequently (within six months of the end of the financial year) to the annual general meeting of shareholders (AGM) for adoption, as well as to the Central Works Council for information purposes. Adoption of the financial statements does not automatically discharge the Board of Management or the Supervisory Board from liability. This requires a separate resolution by the AGM. Further general meetings of shareholders are held as often as the Supervisory Board or Board of Management deem necessary. The Board of Management and the Supervisory Board set the agenda of the general meetings of shareholders. Shareholders who individually or collectively represent at least 1% of the issued capital or who, according to the official price list of Euronext Amsterdam, represent at least a value of €50 million, are entitled to propose items for the agenda, within the boundaries of the law. Every shareholder is entitled to attend a General Meeting of Shareholders, in person or through written proxy, to address the meeting and to exercise voting rights. In 2024, KPN's AGM could be attended either in person or virtually, both enabling full exercise of meeting rights.

Obligations to disclose holdings

Pursuant to the Dutch Financial Supervision Act (Wft, *Wet op het financieel toezicht*), legal entities as well as natural persons must immediately notify the Netherlands Authority for the Financial Markets (AFM) when a shareholding reaches, exceeds or falls below certain thresholds of the issued capital. The AFM incorporates these notifications in the public register, which is available on its website. KPN has taken note of the notification by the Dutch Authority for the Financial Markets, indicating that América Móvil, S.A.B. de C.V. (AMX) has reduced its stake in KPN to below 3% as of February 2024. The reduction is related to the conversion of AMX's exchangeable bond under which AMX had the opportunity to deliver shares in KPN to the holders of this bond upon receipt of exchange notices. This marks the end of a twelve-year period in which AMX was KPN's largest shareholder.

Shareholdings equaling or exceeding 3% of the issued capital:
- On 24 September 2024, Canada Pension Plan Investment Board notified the AFM that it held 3.00% of the shares and voting rights related to KPN's ordinary share capital.
- On 6 September 2024, JP Morgan Asset Management Holdings, Inc. notified the AFM that it held 3.59% of the shares and 3.08% of the voting rights related to KPN's ordinary share capital.
- On 7 August 2024, Amundi Asset Management notified the AFM that it held 3.15% of the shares and voting rights related to KPN's ordinary share capital.
- On 9 February 2024, BlackRock, Inc. notified the AFM that it held 6.44% of the shares and 7.70% of the voting rights related to KPN's ordinary share capital.
- On 2 August 2022, Capital Research and Management Company notified the AFM that it held 9.70% of the voting rights related to KPN's ordinary share capital.
- On 2 June 2022, The Income Fund of America notified the AFM that it held 4.97% of the shares and voting rights to KPN's ordinary share capital.

To KPN's knowledge, no other shareholder owned 3% or more of KPN's issued share capital as at 31 December 2024. See also Note 23 to the financial statements. See "Composition of the Boards" (p. 42) for information on insider transactions and share ownership by the members of the Board of Management and Supervisory Board.

Purchases of shares in the company's own capital and issuance of new shares

With the general aim of flexibility in financing the company, the AGM authorized the Board of Management to purchase shares in the company's own capital as well as to decide to reduce the issued capital through cancellation of own shares held by the company by a number determined by the Board of Management. The AGM also designated the Board of Management as the body authorized to issue ordinary shares, to grant rights to subscribe for ordinary shares, and to restrict or exclude statutory pre-emptive rights of existing shareholders upon such issuance or granting of rights. The authorities and decisions mentioned above are limited to a maximum of 10% of the issued capital as of 17 April 2024 and are applicable until 17 October 2025. Resolutions by the Board of Management implementing these decisions are subject to the approval of the Supervisory Board. In 2024, based on these authorizations, KPN completed a €200 million share buyback program, repurchasing 59,987,360 shares equal to 1.5% of outstanding shares. A total of 58,487,360 of the repurchased shares have been canceled to reduce the share capital. KPN retained the remaining 1,500,000 repurchased shares to cover employee share plans.

Corporate governance

Supervisory Board

The Supervisory Board supervises and advises the Board of Management, guided by the interests of the company and the enterprise connected with it, and taking into account the interests of the stakeholders. It is closely involved in setting the strategy for sustainable long-term value creation, and monitors the implementation of that strategy, including its operational and financial results. Major investments, acquisitions and various corporate matters are subject to Supervisory Board approval.

Members of the Supervisory Board are appointed by the general meeting of shareholders upon binding nomination by the Supervisory Board. The Central Works Council has an enhanced right to recommend people for nomination to the Supervisory Board for up to one-third of its members. The Supervisory Board must nominate the person who has been recommended in this way unless the Board believes that the person would be unsuitable to fulfill the duties of a Supervisory Board member, or that such appointment would cause the Supervisory Board to be improperly composed.

According to the Articles of Association, the Supervisory Board must comprise at least five members and not more than nine. Supervisory Board members are appointed for an initial term of four years, which ends at the first AGM after that term expires. They can be reappointed once for a four-year term and, provided specific reasons for such further reappointments are given, thereafter for a maximum of two terms of two years. The Supervisory Board has determined its profile, defining the basic principles for its composition. All nominees for election to the Supervisory Board must fit this profile: the Supervisory Board must be composed in such a way that its members are able to operate independently of each other and of the Board of Management, and that it has a diverse composition in terms of relevant criteria, including gender, background and expertise. The profile was most recently revised in 2022 and is available on KPN's website.

The by-laws of the Supervisory Board comprise rules regarding the members' duties, powers, working methods, decision-making, which decisions by the Board of Management it must approve, training and conflict management. These by-laws are available on KPN's website.

Committees of the Supervisory Board

The Supervisory Board has four committees: the Audit Committee, the Remuneration Committee, the Nominating & Corporate Governance Committee, and the Environmental, Social and Governance (ESG) Committee. These committees assist the Supervisory Board in its decision-making and report their findings to the Supervisory Board. Details of their tasks and terms of reference are available on KPN's website. Further information on the activities of the Supervisory Board and its committees in 2024 can be found in the Report by the Supervisory Board.

Board of Management

The Board of Management is responsible for setting KPN's strategy and for managing the company's strategic, commercial, financial, operational, ESG and organizational matters. The Board of Management is accountable for its performance to the Supervisory Board and to the company's shareholders. In performing its duties, the Board of Management focuses on long-term value creation for the company and the enterprise connected with it, taking into account stakeholder interests.

The members of the Board of Management are appointed and dismissed by the Supervisory Board. Members of the Board of Management are appointed for a four-year term, ending at the first AGM after that term expires. The by-laws of the Board of Management contain rules regarding members' duties, powers, working methods, decision-making and conflict management. The by-laws are available on KPN's website.

Compliance with the Dutch Corporate Governance Code

KPN complies with all best practice provisions of the Dutch Corporate Governance Code. An overview of all principles and best practice provisions of the Dutch Corporate Governance Code as well as KPN's application of these in accordance with the "comply or explain" principle is available on KPN's website.

Corporate governance

Conflicts of interest

The handling of transactions that may involve conflicts of interest between the company and members of the Board of Management or Supervisory Board is governed by Dutch law, the relevant provisions of the Dutch Corporate Governance Code and the by-laws of the respective boards. A board member is required to immediately report any (potential) transactions in which there may be a conflict of interest that is of material significance to the company and/or to the member concerned to the Chair of the Supervisory Board (or, in the case of the Chair, to the Vice-chair of the Supervisory Board). The board member must not take part in discussions or decision-making on a subject about which they have a conflict of interest. Decisions to enter into transactions that give rise to conflicts of interest with members of each of these company bodies which are of material significance to the company or such members require the approval of the Supervisory Board.

There were no conflicts of interest in 2024. For the Statement by the Board of Management and Responsibility Statement, see p. 41.

Employee participation

In accordance with the provisions of the Dutch Works Councils Act, constructive employee participation is an integral part of our corporate governance, enabling employees to be involved in organizational matters in various ways and to have a say in their work. Employee participation is an important value and part of our company culture. To align employee participation processes with KPN's practices, we have established several works councils specific to different business segments. These works councils are all represented in the Central Works Council, which is consulted on subjects of common interest or topics that concern a majority of the works councils. The Central Works Council interacts with the CEO, whereas individual works councils for a business segment interact with the director of that segment.

Dutch corporate law does not require any direct representation of employees and other workers in the management and supervisory bodies. However, as also set out under Supervisory Board above, the Central Works Council has an enhanced right to recommend candidates for nomination to the Supervisory Board for up to one-third of its members. Three of the nine current members of the Supervisory Board were appointed following the recommendation of the Central Works Council.

External auditor

The external auditor is responsible for the audit of the financial statements and the review of the sustainability statement. The AGM appoints the external auditor following a proposal by the Supervisory Board. The external auditor reports to the Board of Management, the Audit Committee and the Supervisory Board to discuss findings pertaining to their agreed procedures for the quarterly financial results and audit of the annual financial results. The external auditor attends the AGM to answer questions pertaining to the Independent Auditor's Report, as included in the integrated annual report. The Audit Committee approves every engagement of the external auditor, after pre-approval by the internal auditor, to ensure the external auditor's independence. All Audit Committee meetings are attended by the external auditor. At the annual general meeting of shareholders (AGM) on April 17, 2024, PricewaterhouseCoopers Accountants N.V. ("PwC") was appointed as the external auditor of KPN starting from financial year 2025 up to and including 2028. PwC will audit the financial statements and review the sustainability statement.

Foundation Preference Shares B KPN (Stichting Preferente Aandelen B KPN)

KPN has granted a call option, which is not limited in time, to the Foundation Preference Shares B KPN (the Foundation), to acquire a number of preference shares B in KPN, not exceeding the total issued number of ordinary shares, minus one share and minus any shares already issued to the Foundation. Upon exercise of the call option, 25% of the nominal value of €0.04 per Class B preference share needs to be paid by the Foundation. These shares have the same voting rights as ordinary shares. The statutory goal of the Foundation is to protect KPN's interests (which includes the interests of stakeholders, such as customers, shareholders and employees) by protecting KPN from influences that may threaten its continuity, independence and identity.
Consequently, in the event of any circumstances where the company is subject to influences as described above and taking public security considerations into account, the board of the Foundation may decide to exercise the call option, with a view to enabling the company to determine its position in relation to the circumstances as referred to above, and seek alternatives. The board of the Foundation is of the opinion that under normal circumstances it should not exercise its voting rights for longer than a limited period. The members of the board of the Foundation are A.P. Aris (Chair), F. van der Wel, P.N. Wakkie and C.F.H. Vogelzang. The Board of Management has concluded that the board of the Foundation is independent from KPN in accordance with parts c and d of the first sub-section of Article 5:71 of the Dutch Financial Supervision Act.
The views of the board of the Foundation, summarized above, are published on the Foundation's website.

Tax governance

Monitoring tax proactively

KPN is subject to taxation. We apply an open and proactive approach to our interactions with authorities and aim for fair and transparent taxation, enabling us to be in control of tax. We act in line with our published "Tax governance, strategy & principles".

Tax profile and current tax position

Tax profile

KPN's "Tax governance, strategy and principles"[1] are based on our code of conduct and the Tax Governance Code (published by VNO-NCW)[2]. We follow a tax approach in which principles of mutual trust, understanding and transparency are crucial.

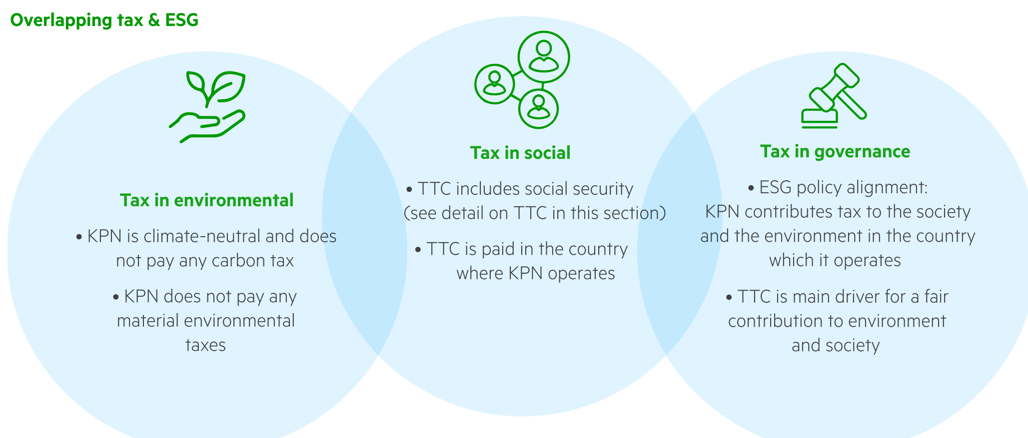
KPN's total tax contribution (TTC) is considered to be the result of our tax governance and the main driver for our fair tax contribution to the environment and society. As KPN operates mainly in the Netherlands, our TTC is almost exclusively paid to the Dutch tax authorities. Our list of legal entities[3] shows an overview of our existing Dutch investments as well as investments in countries outside the Netherlands (mainly legacy investments).

Tax is not considered to be a material item based on the double materiality assessment as explained in the "Sustainability statement". Within this statement, tax follows the business and does not have a focus on particular SDGs (see also "Sustainable value" section). Despite this, KPN considers tax to be a relevant item and we therefore report on tax in line with the GRI principles for tax (GRI 207: Tax 2019, see Appendix 4).

Tax is based on our business, and we do not have a particular focus on environmental and/or social taxes. Our impact on society and the environment is limited to our Dutch operations. The figure below provides an overview of KPN's impact from a tax perspective. As part of KPN's control environment (which is firmly rooted in our financial reporting, including compliance requirements, as described in the "Compliance and risk" section), a detailed tax risk appetite dashboard has been defined for our tax objective in line with the prudent risk appetite that we observe in general. KPN's tax objective is covered in its "Tax governance, strategy & principles" document.

Inspired by best practices of tax governance and compliance, our Corporate Tax department manages all relevant taxes and secures optimum use of subsidy opportunities, whereby we adhere to our tax governance, strategy and principles. It is important that we create sufficient tax awareness throughout the organization. To this end, we regularly organize meetings,

Overlapping tax & ESG



1 For more information, see https://ir.kpn.com/governance/tax-strategy-and-policy/default.aspx
2 For more information, see https://www.vno-ncw.nl/sites/default/files/25580_20220219_vno-ncw_tax_governance_code_eng_-_1_v4.pdf
3 For complete list, see Appendix 1: "About this report"

Tax governance

updates and training, to ensure employees act with integrity and adhere to our tax governance, strategy and principles. Our whistleblower policy[1] thus also applies to tax. Misconduct or suspicion of misconduct relating to tax must be reported.

An important pillar of our tax governance, strategy and principles is our tax control framework (TCF). The role of the framework is to determine, monitor and mitigate tax risks and to ensure complete, accurate and timely tax reporting, including compliance. The TCF is an integrated part of our control environment, and is subject to the three lines of defense[1]. KPN's Corporate Tax department is responsible for effectively identifying, assessing and managing the main tax risks of the company and an effective and operational TCF. Identified tax risks and TCF effectiveness are monitored and evaluated every quarter with the CFO, as the responsible representative of the Board of Management. KPN's tax governance, strategy and principles are confirmed by the Board of Management annually (see Statement by the Board of Management and responsibility statement). Major identified tax risks (including countermeasures) are explained in Appendix 3 List of top risks. The effectiveness of the TCF is audited by the Internal Audit department once a year to ensure a dynamic and up-to-date tax-control environment.

With regard to the involvement of third-party expertise, KPN applies the principles as set in its tax governance, strategy and principles and expects the relevant experts involved to take into account these guiding principles when providing the requested tax expertise.

Current tax position

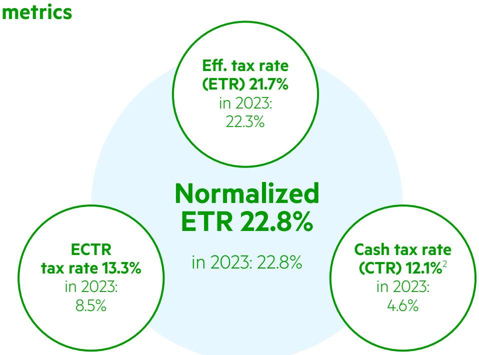
In 2024, the following developments and projects were particularly relevant to KPN from a tax perspective:

- Acquisition of Youfone
- Acquisition of several fiber networks
- Final dissolution of former E-Plus companies
- The Tax Control Framework as presented in Q2 by KPN to the Dutch tax authorities
- Continuation of the existing agreement with the Dutch tax authorities on the application of the innovation box (iBox) facility up to 2029
- Use of realized losses (tax loss carryforwards), which is the main reason for the difference between KPN's effective and cash tax rates
- Payment of significantly more tax in 2024 compared with 2023, as the arbitrary depreciation could only be applied in 2023
- Monitoring of the tax consequences of our investment in joint venture Glaspoort (see Note 12)
- Determination and implementation of the tax (reporting) consequences of several treasury events (share buyback program, tender of GBP denominated bonds and issuance of a eurobond, tender and issuance of perpetual hybrid bonds – see Note 13)
- Legal procedure on VAT calculation methodology regarding the introduction of new mobile consumer propositions in August 2016 (see Note 20 and Appendix 3)
- Tax credit on research and development on labor costs via the Research and Development Promotion Act (WBSO)
- Implementation of processes and controls regarding the newly introduced global minimum tax, Pillar II (see Note 8).

The tax figures reported in this section are subject to an external assurance review by the independent auditor.

Tax contribution report

Tax metrics



The different tax metrics can be expressed as follows:

- The normalized effective tax rate is less than the statutory tax rate as a result of the tax benefit realized on the innovation box facility. The normalized effective tax rate is excluding the tax benefit on the euro perpetual instrument (see Note 8: Taxation)
- The effective tax rate is less than the normalized tax rate due to certain one-off items and includes the tax benefit on the perpetual hybrid bond (see Note 8: Taxation)
- The effective tax rate and the cash tax rate differ due to the impact of available tax losses (carryforward), temporary differences (between the tax basis of assets and liabilities and their carrying values) and updates based on previous years' tax returns filed in 2024
- The difference between the cash tax rate and the effective *current* tax rate (ECTR) is mainly caused by cash tax paid on previous taxable years (mainly 2023) included in the cash tax rate.

1 For more information, see "Compliance and risk" section
2 Of which investing activities -/- 1.4% refund (2023: -/- 5.4% refund)

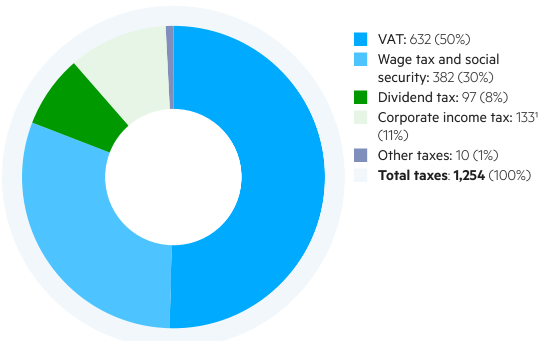
Tax governance

Total tax contribution

Taxes paid by KPN include:

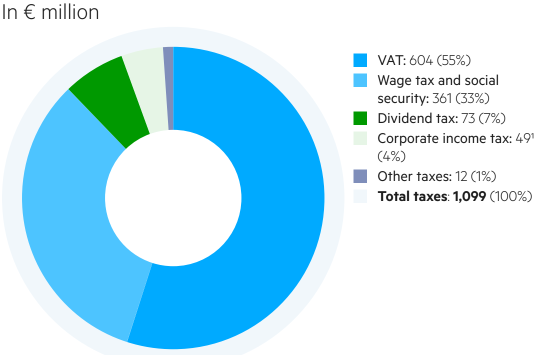
- Corporate income tax and other taxes (e.g. real estate tax)
- Taxes collected and paid as outcomes of our activities, such as VAT, wage tax and social security, dividend tax and other taxes (e.g. energy tax)

2024
In € million



1 Of which related to investing activities a refund of EUR 15m, see Consolidated Statement of Cash Flows

2023
In € million

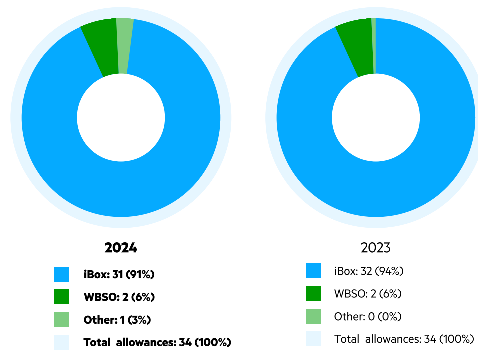


1 Of which related to investing activities a refund of EUR 60m, see Consolidated Statement of Cash Flows

Government allowances

Government allowances include:

- Tax deduction on current year innovation box facility (iBox)
- Tax credits on research and development (WBSO)
- European and national government grants (Other)



Allowances received from EU are registered by KPN in the EU Transparency Register.

Stakeholder engagement and looking ahead

Stakeholder engagement

Our relationship with the Dutch tax authorities is based on the principles of mutual trust, understanding and transparency. We conduct tax self-assessments, and we discuss current and potential future tax issues with the Dutch tax authorities proactively and transparently. In line with their policy that applies to the 100 largest and most complex organizations in the Netherlands, the Dutch tax authorities prepared an individual monitoring plan based on these principles with KPN.

Although we acknowledge today's high standard for multinationals regarding fair taxes, we are not always in a position to request the same standard from other parties with which we do business.

We actively participate in representative associations, that seek to develop best practices around tax-related disclosures, including public-policy advocacy on tax. We liaise with tax departments of other companies through formal and informal consultative bodies to exchange views. We also use NGOs and benchmark studies, such as the Dutch Association of Investors for Sustainable Development (VBDO), to receive feedback on tax and other matters that are important to doing business transparently and responsibly in the current and future operating environment. Our tax department actively participates in tax and other seminars

Tax governance

and courses to stay up-to-date with developments on taxation, including its effects on the society in which we operate.

Looking ahead

The carryforward of losses will reduce tax payments for 50% of certain profits made by KPN in the near future. Due to the fiscal unity loss compensation rules, certain profits made by KPN are not eligible to be offset against these current and future available losses. Based on current projections, we will utilize all losses in the foreseeable future for which a deferred tax asset is recognized.

In the fourth quarter of 2023, the Dutch Ministry of Finance implemented legislation, in accordance with the Organization for Economic Cooperation and Development (OECD) initiative to implement a global minimum tax, known as Pillar II. The legislation applies for the full year 2024 and onwards. The impact on KPN is limited to additional compliance and administrative activities. We expect, based on the safe harbor rules, to report an effective tax rate above the minimum of 15% (and to apply the de minimis test or immaterial payables for top-up taxes for the other countries in which we have a legal presence). See Note 8: Taxation for further guidance on the IFRS consequences of the global minimum tax.

We closely monitor developments, and have implemented the necessary processes and controls to assess the financial impact as accurately as possible. To date, the filing guidelines have not yet been published by the Dutch government. We expect to be able to fulfill our compliance obligations once these guidelines are published.

We monitor potential developments in the tax environment that may affect our tax position on an ongoing basis. These include:

- EU/OECD harmonization of corporate income taxes
- Potential changes to the Dutch Corporate Income Tax Act
- Environmental and energy taxes
- Jurisprudence.

We will continue to extend and optimize our tax control framework, as part of our total IT landscape, by simplifying, automating and integrating administrative processes, controls and systems now and in the near future. In 2024, we implemented a new tax reporting tool based on the Pillar II safe harbor rules.

Risk

The introduction of new mobile consumer propositions in August 2016 caused a change in the VAT calculation methodology, which resulted in a lower remittance of VAT from August 2016 until December 2018. Our view was not shared by the Dutch tax authorities. Based on the applicable regulations, we concluded that a positive outcome of this dispute is not highly probable and recorded a contract liability for the VAT amount. In addition, an amount for the corresponding interest fee has been accounted for. A potential negative outcome from the current court process will lead to cash outflow of an amount up to the non-current variable considerations, which include interest accrued. For further details, see Note 20: Contract liabilities, trade and other payables, and Appendix 3: List of top risks.

Regulatory influence

Regulation that affects our business

Compliance with regulators

KPN is subject to sector-specific regulation and its enforcement by regulatory authorities, such as the Dutch Authority for Consumers and Markets (ACM) and the Dutch Authority for Digital Infrastructure (RDI). As outlined in the "Compliance and risk"section, KPN's internal risk management and control systems are designed to minimize the risk of non-compliance with such regulations and to anticipate new rules and legislation.

European developments

Regulation of the electronic communications market is largely based on European legislation. The EU's roaming and open internet-access regulations are directly applicable in all member states. In addition to sector-specific rules, KPN is subject to general regulations, such as privacy law, content-related law and consumer protection law.

In 2024, the AI Act and the Gigabit Infrastructure Act (GIA) came into force. The AI Act still requires finetuning by authorities and stakeholders, while the GIA still needs to be transposed into Dutch law.

To strengthen cybersecurity in Europe, the Network and Information Security Directive (NIS2) and the Directive on the Resilience of Critical Entities (CER) came into force at the beginning of 2023. The implementation of these European laws into Dutch law is expected by mid 2025. Furthermore the Cyber Resilience Act came into force in December 2024.

We are required to adhere to the requirements of the EU Accessibility Act (EAA) for our products and services. The EAA will be applicable as of June 2025.

Two significant reports were recently presented to the new European Commission and member states, both advocating for increased competitiveness within the EU and a stronger European single market. Enrico Letta emphasized the need for an overhaul of competition supervision and measures to strengthen the EU single market. Similarly, Mario Draghi highlighted the importance of the bloc functioning as a true single market, which he argued could unlock some of the estimated €800bn in investment required to provide citizens and businesses with the digital infrastructure they need and expect.

On the issue of reasonable and efficient network utilization, we believe that all players in the digital value chain must engage in negotiations in good faith. KPN remains committed to providing the necessary input and fostering a continuous dialogue with all EU institutions and stakeholders on these matters.

Security concerns based on geopolitical developments

Stakeholders at European, national and local levels are paying increased attention to security concerns about control over telecoms operators through investments, and the potential security risks in networks. In the Netherlands, legislation has specified operators in their use of equipment from non-Western vendors in specifically designated (critical) parts of mobile networks. Moreover, specific security requirements for mobile networks have been implemented in those critical parts, to conform with a specific ministerial decree. The RDI monitored this closely in 2024. In addition, the Minister of Economic Affairs may prohibit or limit the acquisition or control over a range of significant telecommunications companies on grounds of national security or public order.

Spectrum licenses

The auction of the 3.5 GHz band in July 2024, has resulted in the allocation of 100 MHz to all mobile operators in the Netherlands for a fair price. The 26 GHz band is the last priority 5G band to be made available in the country. The Dutch government intends to proceed with this in the coming years.

Dutch access regulation

KPN has made binding commitments on access to its fiber networks which will be in effect until 2030. From 2023, ACM has published market assessments (on both the fixed and mobile broadband markets) each year. Publication of the 2024 market assessment will be in January 2025.

Compliance and risk

Maintaining effective internal risk management and control systems

Introduction

KPN places great importance on being in control of its operations and the achievement of its strategic goals. For this reason, we implement internal risk management and control systems to manage risks efficiently and effectively, and to safeguard the achievement of our strategy and objectives. These systems are embedded in our daily processes and activities as necessary.

This section describes our internal risk management and control systems. We also outline the evaluation procedures that are performed during the year and the main outcomes of these evaluations. For the design, implementation and evaluation of these systems we use guidance as contained in the COSO Internal Control – Integrated Framework (2013) and the Dutch Corporate Governance Code.

Although we devote much attention to the design, implementation and evaluation of these systems, there is no absolute assurance that these will avoid or mitigate every risk that KPN faces.

Governance

Three lines model

The Board of Management is ultimately responsible for identifying, assessing and managing the risks KPN faces in executing its strategy and activities. The Board is also responsible for setting the company's risk appetite and for the design, implementation and maintenance of our internal risk management and control systems, including monitoring their effectiveness.

KPN applies the so-called "three lines" model, comprising:

- First line: Business management, whose duty it is to effectively identify, assess and manage the main risks of the company within the risk appetite as set by Board of Management, in line with the steps discussed in this section. Business management also owns the risks, control frameworks and other risk responses.
- Second line: Departments such as Corporate Control Risk Management the Compliance Privacy & Ethics (CP&E) department and the Corporate Information Security Office (CISO) are responsible for the design of the risk management, compliance and security policies and testing of the controls for operational effectiveness. They are also responsible for supporting and challenging business management in their assessment and management of the main risks.
- Third line: KPN Audit performs, where necessary, independent reviews of the design and operating effectiveness of the internal risk management and control systems. The main results of both the risk assessments and the evaluation of the internal risk management and control systems are shared with the Supervisory Board and discussed with the external auditor.

The Supervisory Board, supported by its Audit Committee, oversees KPN's internal risk management and control systems, including the company's risk appetite and the design and operating effectiveness of these systems.

Description of KPN's internal risk management and control systems

Introduction

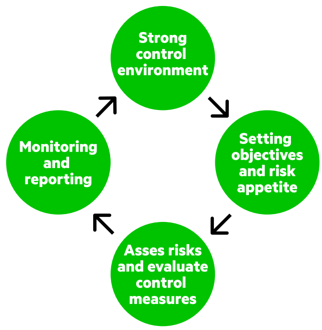
KPN has implemented internal risk management and control systems to manage – within the Board of Management's risk appetite – the main risks that could hinder the achievement of the company's objectives. KPN distinguishes the following risk categories:

- Risks to the reliability of financial reporting
- Risks to the reliability of sustainability reporting
- Operational risks, including security
- Compliance risks, including tax
- Financing risks
- Strategic risks

Below, we describe the internal risk management and control systems and the measures that have been taken to manage the risks in these respective categories. We also describe the evaluation procedures used to assess the effectiveness of these systems, including the main conclusions of these and any improvement actions.

Compliance and risk

High-level process



Maintaining effective internal risk management and control systems requires a continuous and iterative process involving several steps. A strong risk culture and control environment form an important foundation of our systems. After setting the strategy, the Board of Management defines its willingness to accept risks (risk appetite) in the pursuit of its objectives. Management assesses the main risks that could hinder the achievement of these objectives, and defines and implements countermeasures to mitigate such risks, taking KPN's risk appetite into account.

At least annually, KPN's top risks and evaluations of the internal risk management and control systems are reported to and discussed with the Board of Management, which identifies further remedial actions if necessary. The Board of Management shares its views and actions with the Supervisory Board.

The main process steps are detailed in the sub-sections below.

Control environment: implementing and fostering a strong risk culture

KPN aims for a business culture in which compliance and integrity are self-evident for all employees. We achieve this in several ways, including the KPN code of conduct, a communications and training program on compliance and integrity issues, a whistleblower procedure (grievance mechanism for e.g. KPN employees and workers in the value chain) and the implementation of the business control framework, which comprises all corporate policies and guidelines that are mandatory for KPN's segments and entities.

KPN's approach to achieving a strong culture is described in detail in the sustainability statement; see section Business conduct for further information.

Setting objectives and risk appetite

KPN's objectives and strategy are described on page 8. During the year, senior management takes into account the company's known risks and opportunities, and the risk appetite (see below). Objectives and strategy are discussed with the Supervisory Board.

Pursuing any business objective inevitably involves taking risks. Risks can jeopardize achieving those objectives in various ways. Each type of risk encountered is dealt with in a manner that matches the risk appetite of the Board of Management. The risk appetite is the total residual impact of risks that KPN is willing to accept in the pursuit of its strategic objectives. The risk appetite per objective or risk area is determined by the Board of Management every year. These risk areas include strategic, operational, financing, tax, compliance, sustainability, financial reporting and (information) security aspects.

Risk areas with a low-risk appetite, and hence a low acceptable residual risk, require strong risk management procedures and strong internal controls. Risk areas with a high-risk appetite require relatively less risk management and internal control effort.

KPN has a prudent risk appetite, which can be described as follows per risk category:

- Financial reporting risks: We aim to minimize the risk of material misstatements in our interim financial reporting and financial statements.
- Sustainability reporting risks and sustainability risks: We aim to minimize the risk of material misstatements in our sustainability statement. We are committed to keeping a frontrunner position with regard to sustainability and thus aim to minimize our sustainability risks and encourage our partners in the value chain to do the same.
- Operational risks (including security and business continuity): We are committed to a high quality of customer service, reflected in a high NPS. We aim to limit the number of interruptions to our networks, services, and systems as much as possible. We implement strict policies to keep our networks and customer data private, safe and secure.
- Compliance risks: We are committed to fully comply with relevant laws and regulations and observe a zero-tolerance approach to bribery and corruption, fraud and all other forms of misconduct. Our overall risk appetite for tax risk (including tax compliance) reflects our respect for the text and spirit of the law at all times. We have defined a separate tax risk appetite dashboard to keep the number of tax errors to a minimum and prevent any tax exposures. Where alternative routes exist to achieve the same commercial results, we will pursue the most tax-efficient and responsible approach in the interest of all stakeholders.
- Financing risks: We aim for the right balance between a prudent financing policy, sufficient investment in the business and fair shareholder remuneration. KPN is committed to an investment-grade credit profile. See Note 13 to the consolidated financial statements.

Compliance and risk

- Strategic risks: In the pursuit of our strategic objectives, we are willing to accept reasonable risks in a responsible way, taking into account our stakeholders' interests.

Assessing risks and evaluating control measures

KPN internal control systems (KICS)

We have implemented internal risk management and control systems to manage our key risks. The main part of these systems comprises seven KPN internal control systems (KICS), which cover the most relevant risk areas for KPN, as summarized in the table below:

KPN internal control system	KPN internal control system objective
1. Liquidity management & financial framework	To ensure financial continuity
2. Year plan & year outlook	To create shareholder value in the long-term
3. Network service levels	To maintain customer service delivery levels
4. Reliable financial reporting	To maintain investor trust in financial reporting
5. Compliance with laws and regulations	To maintain compliance with external requirements
6. Reliable sustainability reporting	To evaluate corporate responsibility and integrated sustainability reporting
7. IT security & continuity	To mitigate cybersecurity threats

For each category of objective – strategic, operational (including security and business continuity), financing, compliance (including tax), sustainability, reliable financial reporting and reliable sustainability reporting – KPN has defined different control systems. These are further described in the subsections below.

Risks to reliable financial reporting

Our internal controls for reliable financial reporting (also known as our RFR framework) ensure that material misstatements in KPN's financial statements are prevented or detected in a timely manner. Each quarter, Risk Management and KPN Audit assess the overall effectiveness of the controls before the release of our quarterly figures.

The Quarterly Reporting Review team (with members from External Reporting, General Counsel Office, Treasury, Corporate Communications, Tax, Internal Audit and Investor Relations) examines all reports and documents containing financial information intended for external publication.

Risks to reliable sustainability reporting

KPN has started to design and implement internal controls for reliable sustainability reporting (RSR framework). The objective of the RSR framework is to ensure that material misstatements in KPN's sustainability statement are prevented or detected in a timely manner. The implementation procedures for the RSR framework, which will be finalized in the coming years, are described in General information of the sustainability statement.

For more detail on the management of sustainability impacts, risks and opportunities, see General information of the sustainability statement in this report.

Operational risks (including security and business continuity)

KPN has implemented superior networks for both our fixed and mobile services. The high quality of these stable and reliable networks leads to a lower number of operational incidents and service interruptions, and they also use less energy. To ensure our service availability, we have designed our network to be robust, with back-ups and redundancies. We focus strongly on operational excellence by making ongoing improvements in terms of rationalization, simplification, and operational efficiency. We are further simplifying and streamlining our operating model to prepare for the next wave of digitalization, which will enhance the customer experience, improve KPN's time-to-market and contribute to further cost efficiencies.

In 2024, we continued to improve the quality of our internal operational and security processes as part of our Security First strategy and IT compliance improvement program to mitigate security risks for our customers. We have designed strong security measures in keeping with our KPN security policy (KSP), and these are aligned with acknowledged standards (NIST, ISO etc.). We have business continuity plans in place to safeguard the continuity of services to customers and our critical systems and processes. For more information on security, see the sections on privacy and security in the sustainability statement in this report.

Compliance risks (including tax)

Our compliance risk assessment (CRA) framework comprises an integrated framework that oversees risks mainly related to compliance with telecommunications, competition, consumer, financial services (e.g. credit) and privacy legislation. We also monitor compliance with Solvency II requirements (KPN Insurance). For compliance risks, we have implemented relevant processes and controls that are continuously monitored. All key compliance controls are tested by dedicated staff throughout the year.

Our tax objectives, including tax compliance, are covered in KPN's "Tax governance, strategy & principles". As a core part of corporate responsibility and governance, with respect to society and the environment, the Corporate Tax department recommends the most tax-efficient and responsible approach in the interest of all stakeholders, while adhering to KPN's tax principles and complying with all relevant tax laws and regulations. This determines our overall tax risk appetite. As KPN proactively engages with Dutch and other tax authorities, tax exposures, if any, are contained and under control. Besides potential tax

Compliance and risk

exposure, reputational risk is always a consideration in tax planning. See also the “Tax governance” section of this report.

Financing risks
Our Corporate Treasury department manages risks related to cash and debt positions, finance agreements, credit ratings, currency and interest exposures, counterparty risks, and non-life insurance (see Note 13 to the consolidated financial statements). Corporate Treasury has defined policies with clear boundaries for these risks. Compliance with these policies is monitored frequently.

Strategic risks
Every year, we assess the top risks at group level (top-down approach) and segment level (bottom-up approach), and, if necessary, implement countermeasures to mitigate these within the defined risk appetite. We conduct risk assessments with our Consumer, Business, Wholesale and Operations segments, as well as with selected staff functions in the Corporate Center. For each risk, countermeasures are defined and implemented to manage the risk appropriately (e.g. via control frameworks or other management activities).

Our business objectives are detailed in a strategic business plan. Every quarter, we perform a “most likely” forecast three to six quarters ahead on the main financials and key performance indicators for these objectives. Segments update the main risks and opportunities, resulting in a range of outcomes around expected performance. Each month, segment management discusses their actual performance with the Board of Management.

Scenario analyses and stress testing
We perform scenario analyses periodically to test the impact of several extreme events on KPN's financial health. For scenarios that provide insight into ESG-related risks and opportunities (such as energy scarcity, low greenhouse gas emissions and working conditions in the value chain), see the financial materiality assessment in the sustainability statement.

Monitoring and reporting

Segment management provides the Board of Management with a quarterly letter of representation regarding the reliability of their financial reporting, the effectiveness of their internal controls over financial reporting, risk management and compliance with telecommunications laws, internal policies and other laws and regulations. Twice a year, Corporate Control reports top risks and countermeasures to the Board of Management, including recommended improvement actions.

Critical concerns are communicated on a quarterly basis to both the Board of Management and the Supervisory Board. This communication includes a KICS Report (report of the second and third lines combined, showing the status of the internal controls systems at a given time), an internal audit report (status and progress of risk-based audit activities), a compliance report (status and progress of new regulations and/or incidents) and an external audit report.

Evaluation of KPN’s internal risk management and control systems

In 2024, we evaluated the KICS on design and operating effectiveness, taking into account KPN’s risk appetite for the respective risk categories. KPN Audit and second-line functions systematically assessed the effectiveness of these systems. During the evaluation, certain weaknesses, deficiencies and improvement actions were identified and implemented. Where deemed appropriate, alternative procedures were conducted to obtain the required assurance. None of these weaknesses or deficiencies were classified as a major failing, as referred to in best practice provision 1.4.2 sub iii of the Dutch Corporate Governance Code. Evaluation findings and conclusions were shared with business management, which is responsible for implementing improvement actions.

The internal risk management and control systems are continuously improved where necessary, to meet changing requirements of both internal and external stakeholders (for example new regulations such as the Corporate Sustainability Reporting Directive, or CSRD).

Based on the evaluation procedures performed, the Board of Management has issued the statement as included on page 41.

KPN list of top risks

The next table provides a summary of KPN’s main risks and countermeasures, including expected trends and impacts. It also lists a selection of KPIs that are used to monitor the development of the risks. Most KPIs are monitored in KPN’s planning and control cycle, and discussed in the Board of Management’s business reviews with segment management, including improvement actions where necessary. This is important as the risks might directly affect our external stakeholders and the value we create. For a more extensive list of our risks and countermeasures, see Appendix 3, which is also part of this report by the Board of Management.

Compliance and risk

Main risks

Risk	Impact on strategic objective	Risk category and risk appetite	Main countermeasures (summary)	Impact
Strong competition from current competitors or new market entrants (including big tech), or new emerging disruptive technologies Trend: ↗[1]	Connect, Activate, Grow	Strategic risk KPN is willing to accept reasonable risks in a responsible way.	• Offer converged services such as KPN ÉÉN MKB, KPN Smart Combinations and Household 3.0 portfolio, enabling multibrand strategy. • Implement a superior network by rolling out fiber at a fast pace, enabling the latest innovative mobile technologies and improving in-home Wifi coverage. • Improve customer experience by optimizing and digitalizing customer journeys. • Offer high-quality service to customers. • Develop new additional services for customers, such as SuperWifi or Security services.	High: the described risk could lead to lower profitability as well as lower market shares. In the longer run, it could impact our continuity. **Monitoring KPI:** Market shares Service revenues # Fiber homes passed and activated
Damage, service interruptions, operational issues in KPN's technical infrastructure and IT insufficient transformation progress due to complexity, and legacy in KPN's operations Trend: →[2]	Connect, Activate, Grow	Operational risk KPN is committed to high quality of customer services and to limiting disruptions as much as possible.	• Implement a superior network by rolling out fiber at a fast pace and enabling the latest innovative mobile technologies. • Business continuity management, back-up and recovery plans in case of emergencies. • Implement lean operating model, including digitalization, simplification and rationalization of networks, IT, processes and portfolio.	Medium-high: the incidents could negatively impact KPN's customer satisfaction, reputation and profitability. This risk could impact our continuity. **Monitoring KPI:** NPS Network availability # major incidents # Fiber homes passed
Cybersecurity attacks or terrorism: threats by malicious actors to the security of KPN's networks, IT and (customer) data Trend: ↗[1]	Activate	Operational risk KPN is committed to limiting incidents as much as possible and implements strict policies to keep our networks and customer data private, safe and secure.	• Implementation of baseline security measures according to the KPN security policy, continuous improvement of security processes and procedures". • Performance of central security processes such as penetration testing, vulnerability management, security monitoring and incident response. • Role-based security awareness of technical workforce and training of personnel to increase security knowledge and capabilities.	High: the incidents could lead to loss/theft of customer data, higher costs, penalties and reputational damage. This risk could impact our continuity. **Monitoring KPI:** Severity and # of security incidents Severity and # of vulnerabilities
Geopolitical developments for high-risk vendors, which could trigger security, business continuity and reputational risks; new regulations or bans could lead to concentration risks and higher investment costs in future. Trend: ↗[2]	Connect, Activate, Grow	Strategic/operational/compliance risks KPN is committed to high-quality customer services and to keep our networks and customer data private, safe and secure. KPN is committed to full compliance with relevant laws and regulations.	• Conduct frequent threat and risk analyses and closely monitor latest global and political developments. • Perform scenario analyses during network design to assess potential implications of geopolitical developments. • Prepare fallback scenarios and policies if KPN can no longer acquire or use hardware and software from specific suppliers and avoid dependence on single vendors or countries for critical or vital services. • Maintain and continuously update KPN security policy and monitor continuous compliance with security requirements.	High: the risk could lead to a higher number of business continuity or security incidents, reputation damage and higher investments and costs. **Monitoring KPI:** n/a

1 ↗ Risk is increasing

2 → Risk is stable

Compliance and risk

Risk	Impact on strategic objective	Risk category and risk appetite	Main countermeasures (summary)	Impact
KPN may not be able to attract or retain talents and skilled staff in e.g. IT, cloud, AI or security domains Trend: →[1]	Generic	Strategic/ Operational risks KPN is willing to accept reasonable risks in a responsible way. KPN is committed to a high quality of customer services and to limiting disruptions as much as possible.	• Innovative and inspiring talent-management programs to attract and maintain qualified staff (both from the Netherlands and abroad). • Maintain a strong employer identity and accompanying labor market strategy to attract external staff with the right capabilities. • Promote technical education initiatives at highschools and universities to attract new and diverse workforce. • Focus recruitment efforts and external campaigns on specific areas and skills.	Medium: lack of talents and skills could negatively impact our quality of services, innovation and improvement of our operations. **Monitoring KPI:** Employee engagement
New regulatory decisions in the EU and the Netherlands. Non-compliance with regulations Trend: →[1]	Generic	Compliance risk KPN is committed to full compliance with relevant laws and regulations.	• Proactive stakeholder and reputation management including dialogue with regulators. • Strengthening effectiveness of the compliance organization and internal controls. • Proactive internal compliance investigations.	Medium-High: the risk could affect KPN's license to operate and profitability and cause reputational damage **Monitoring KPI:** Fines # incidents reported to regulators

1 → Risk is stable

Compliance and risk

Statement by the Board of Management and responsibility statement

Statement by the Board of Management

The Board of Management is responsible for the effectiveness of the design and operation of KPN's internal risk management and control systems. These have been designed to manage any risks that may prevent KPN from achieving its objectives. However, these internal risk management and control systems cannot provide absolute assurance that material misstatements, fraud and/or violations of laws and regulations have been avoided.

The Board of Management has reviewed and analyzed:

- The strategic, operational, financing, tax, compliance, sustainability and financial reporting risks, as discussed in the sub-section "KPN list of top risks" on p. 38 to 40.
- The design and operational effectiveness of the internal risk management and control systems, as discussed on p. 35 to 38 of this integrated annual report.

The results of this review and analysis were shared with the Audit Committee and Supervisory Board and discussed with KPN's external auditors.

With reference to best practice provision 1.4.3 of the Dutch Corporate Governance Code and the "Compliance and risk" section, including Appendix 3, of this report by the Board of Management, the Board of Management states that, to the best of its knowledge:

i. This report by the Board of Management provides sufficient insight into any major failings in the effectiveness of the internal risk management and control systems with regard to the risks as referred to in best practice provision 1.2.1. There are no major failings to report (see the sub-section "Evaluation of the internal risk management and control systems" on p. 38).

ii. The aforementioned systems provide reasonable assurance that the financial reporting, as included in the financial statements on p. 182 to 259, does not contain any material inaccuracies.

iii. Based on the current state of affairs, it is justified that the financial reporting, as included in the financial statements on p. 182 to 259, is prepared on a going concern basis.

iv. This report by the Board of Management states the material risks, as referred to in best practice provision 1.2.1, and the uncertainties, to the extent that they are relevant to the expectation of the company's continuity for the period of 12 months after the preparation of this report.

Responsibility statement

With reference to section 5:25c paragraph 2c of the Financial Markets Supervision Act, the Board of Management states that, to the best of its knowledge:

- The 2024 financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of KPN and its consolidated companies; and
- This report by the Board of Management gives a true and fair review of KPN's position as at 31 December 2024, and of the development in 2024 of KPN and its group companies included in the financial statements, together with a description of the top risks KPN faces, and is prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission (despite the fact that this directive has not been timely transposed and implemented in Dutch law) and with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852.

Rotterdam, 21 February 2025

Joost Farwerck
Chair of the Board of Management and
Chief Executive Officer

Chris Figee
Member of the Board of Management and
Chief Financial Officer

Marieke Snoep
Member of the Board of Management and
Chief Consumer Market

Chantal Vergouw
Member of the Board of Management and
Chief Business Market

Wouter Stammeijer
Member of the Board of Management and
Chief Operating Officer

Hilde Garssen
Member of the Board of Management and
Chief People Officer

Composition of the Board of Management

The Board of Management manages KPN's strategic, commercial, financial, ESG and organizational matters. The Board of Management currently consists of six executive directors.

There were no changes in the composition of the Board of Management over the course of 2024. Mr. Farwerck, Mr. Figee, Ms. Garssen and Ms. Snoep were reappointed as members of the Board of Management as of 17 April 2024. The gender diversity ratio of the Board of Management is stable at 50% female and 50% male. Mr. Gilhooley, deputy to the company secretary, acted as secretary of the Board of Management until 1 October 2024, after which Mr. Zillig became secretary of the Board of Management.

All members of the Board of Management comply with clause 2:132a of the Dutch Civil Code, which limits the number of positions on a supervisory or management board that a director may hold.

Composition of the Board of Management

Name	Position	Year of birth	Gender	Nationality	Start of term	End of current term
J.F.E. Farwerck	Chair of the Board of Management and Chief Executive Officer	1965	male	Dutch	April 2013 April 2017 December 2019 April 2024	2028
H.C. Figee	Board member and Chief Financial Officer	1972	male	Dutch	February 2020 April 2024	2028
M.W.M. Snoep	Board member and Chief Consumer Market	1971	female	Dutch	December 2019 April 2024	2028
C. Vergouw	Board member and Chief Business Market	1976	female	Dutch	June 2023	2027
W. Stammeijer	Board member and Chief Operating Officer	1980	male	Dutch	June 2023	2027
H. Garssen	Board member and Chief People Officer	1973	female	Dutch	December 2019 April 2024	2028

Composition of the Board of Management

Joost Farwerck

Mr. Farwerck was appointed as Chair of the Board of Management and Chief Executive Officer on 1 October 2019. He has been a member of the Board of Management since 10 April 2013. Mr. Farwerck started working at KPN in 1994 and held senior management positions in various divisions, bringing him a wealth of knowledge of the company and the industry. Mr. Farwerck is also a member of the board of FME (the Dutch employers' organization for the technology industry), a member of the Cyber Security Council, Chair of the Supervisory Board of the Foundation De Nieuwe Kerk Amsterdam and a member of the Supervisory Board of Het Nationale Theater. He is also a member of the board of KPN Mooiste Contact Fonds.

Chantal Vergouw

Ms. Vergouw was appointed as a member of the Board of Management as Chief Business Market on 1 June 2023. She was a member of KPN's Supervisory Board from 13 April 2022, resigning from the position when she assumed the role on KPN's Board of Management. Before her appointment as Chief Business Market Officer at KPN, Ms. Vergouw was CEO of insurance company Interpolis from 2016, and member of the Supervisory Board of Eureko Sigorta in Turkey. Prior to that, she held various management positions at ING as well as numerous positions in civil society organizations.

Chris Figee

Mr. Figee has been a member of the Board of Management and Chief Financial Officer since 1 February 2020. Prior to his appointment at KPN, Mr. Figee was CFO of ASR Nederland. Before joining ASR, Mr. Figee worked at Achmea for five years, as a member of the Achmea Group Committee and Director of Group Finance. In 1999, he joined McKinsey, where he rose to the position of partner in 2006, a role he held until he joined Achmea in 2009. Mr. Figee started his career at Aegon, where he held various positions, including that of Senior Portfolio Manager. Mr. Figee is currently a member the Supervisory Board of Royal Schiphol Group, the Supervisory Board of UNICEF Netherlands, the board of VEUO (Dutch association of listed companies) and of the Economic Board Zuid-Holland. He is also a member of the Supervisory Board of Glaspoort.

Marieke Snoep

Ms. Snoep has been a member of the Board of Management since 1 December 2019, first as Chief Business Market and, since 1 June 2023, as Chief Consumer Market. She has more than 25 years of strategic and commercial experience in the Dutch telecommunications market. Prior to joining KPN, Ms. Snoep was a member of the board of T-Mobile Netherlands. In her earlier career, she held consultancy roles with Solvision (currently Ordina) and Atos Origin. Ms. Snoep is a member of the board of VNO-NCW, a member of topvrouwen.nl, a coach at Talent naar de Top and a mentor at NLgroeit – a platform that helps Dutch SME entrepreneurs grow.

Composition of the Board of Management

Wouter Stammeijer

Mr. Stammeijer was appointed as a member of the Board of Management and Chief Operating Officer on 1 June 2023. Over the past 15 years, he has gained extensive knowledge of the telecoms and technology sector, within KPN and more broadly in the telecoms industry. He started his career at ING Bank in structured acquisition finance, based in Amsterdam and New York. After joining KPN in 2010, he held several senior management positions, including as KPN's Chief Strategy & Development Officer and Chief Consumer Market (on an interim basis). Prior to that, he headed up KPN's Investor Relations department. He is also a member of the Supervisory Board of Glaspoort.

Hilde Garssen

Ms. Garssen has been a member of the Board of Management since 1 December 2019. She was appointed as Chief People Officer on 10 December 2018. Prior to joining KPN, Ms. Garssen served as Senior Managing Director Business Services at ABN AMRO Bank for over two years. Between 1998 and 2016, she held several HR and business roles, including that of Chief Human Resources Officer, at ABN AMRO Bank. Ms. Garssen is a member of the Supervisory Board of the KWF Dutch Cancer Society, a member of the Supervisory Board of TBI Holdings B.V. and a member of the board of KPN Mooiste Contact Fonds.

Composition of the Board of Management

Insider transactions

KPN employees who have access to inside information because of their role, profession or duties – including all members of the Board of Management and Supervisory Board – are subject to the KPN code on inside information. This code comprises rules for the possession of, and transactions in, KPN securities by such employees. Members of the Board of Management and Supervisory Board are also subject to reporting obligations to the AFM. The following table provides an overview of transactions in 2024 by members of KPN's Board of Management and Supervisory Board.

Date	Name	Transaction	Price per share (€)
31 January	J.F.E. Farwerck	Bought 32,000 ordinary KPN shares	3.15
31 January	H.C. Figee	Bought 16,000 ordinary KPN shares	3.15
31 January	H. Garssen	Bought 16,000 ordinary KPN shares	3.14
31 January	W. Stammeijer	Bought 16,000 ordinary KPN shares	3.15
31 January	C. Vergouw	Bought 16,000 ordinary KPN shares	3.15
15 April	J.F.E. Farwerck	Vesting of 150.00% of 416,740 conditional KPN shares awarded as long-term incentive (LTI) 2021 into 386,688 ordinary KPN shares (after sale of part of the shares to finance income tax)	-
15 April	H.C. Figee	Vesting of 150.00% of 214,324 conditional KPN shares awarded as LTI 2021 into 198,868 ordinary KPN shares (after sale of part of the shares to finance income tax)	-
15 April	M.W.M. Snoep	Vesting of 150.00% of 206,386 conditional KPN shares awarded as LTI 2021 into 191,503 ordinary KPN shares (after sale of part of the shares to finance income tax)	-
15 April	H. Garssen	Vesting of 150.00% of 158,758 conditional KPN shares awarded as LTI 2021 into 147,309 ordinary KPN shares (after sale of part of the shares to finance income tax)	-
18 April	J.F.E. Farwerck	Award of 367,676 conditional KPN shares as LTI 2024	-
18 April	H.C. Figee	Award of 189,091 conditional KPN shares as LTI 2024	-
18 April	H. Garssen	Award of 140,067 conditional KPN shares as LTI 2024	-
18 April	M.W.M. Snoep	Award of 182,087 conditional KPN shares as LTI 2024	-
18 April	W. Stammeijer	Award of 182,087 conditional KPN shares as LTI 2024	-
18 April	C. Vergouw	Award of 182,087 conditional KPN shares as LTI 2024	-
23 April	W. Stammeijer	Acquisition of 16,136 ordinary KPN shares as partial STI 2023 settlement	-
23 April	C. Vergouw	Acquisition of 16,136 ordinary KPN shares as partial STI 2023 settlement	-

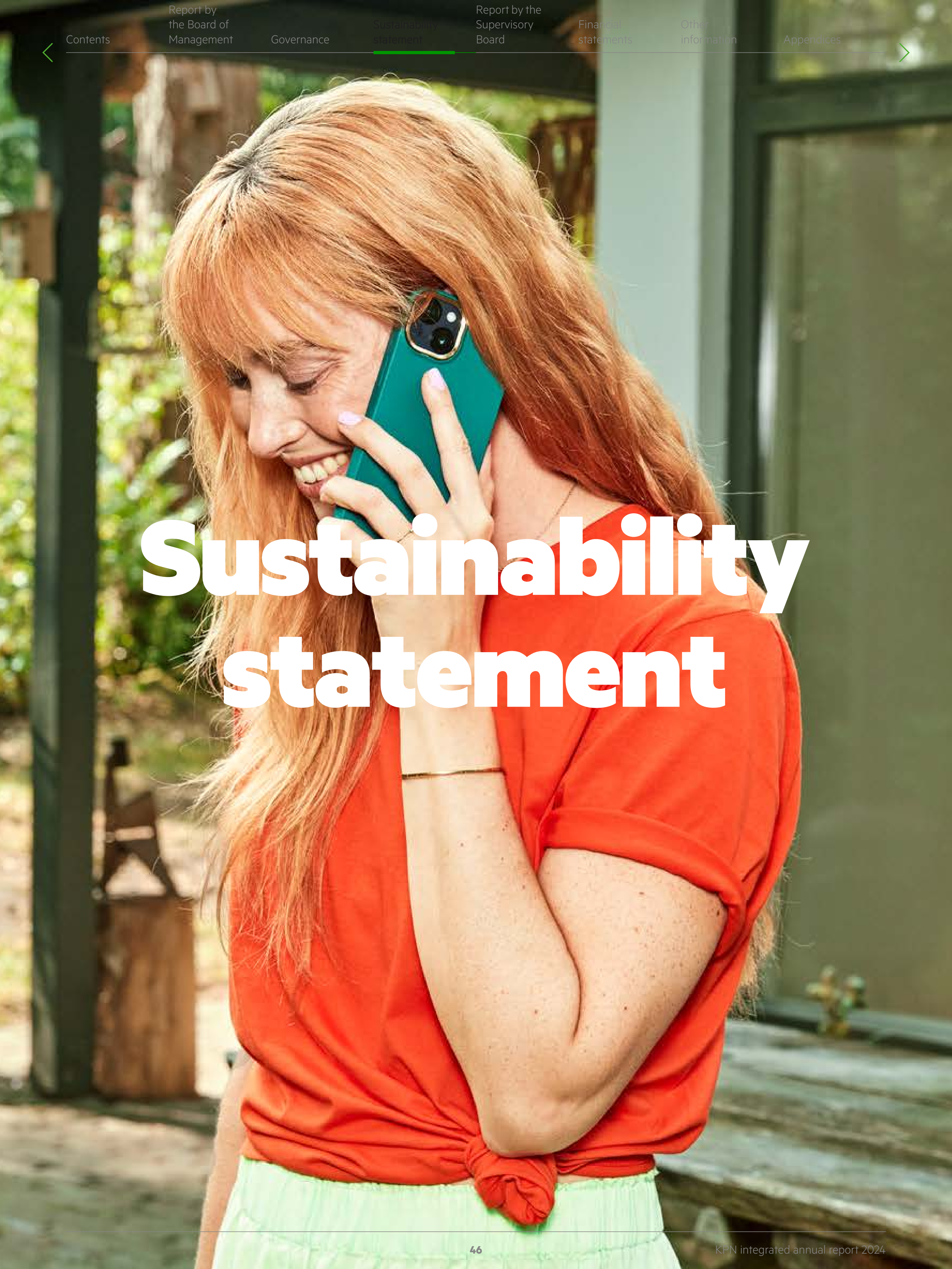
Share ownership by Board of Management[1]

Number of ordinary shares	31 December 2024	31 December 2023
J.F.E. Farwerck	1,913,953	1,495,265
H.C. Figee	569,338	354,470
M.W.M. Snoep	588,590	397,087
C. Vergouw	32,136	
W. Stammeijer	82,724	50,588
H. Garssen	476,310	313,001

1 Shares held by current members of the Board of Management (including vested shares in lock-up period). Share ownership relates to ordinary shares. A share ownership guideline applies, under which the members of the Board of Management are encouraged to acquire company shares equal to 150% of the annual fixed compensation for members of the Board of Management (excluding CEO) and 250% of the annual fixed compensation for the CEO

Share ownership by Supervisory Board

Mr. B.J. Noteboom owns 40,000 KPN shares. None of the other current members of the Supervisory Board hold KPN shares.



Sustainability statement

General

General information

GENERAL DISCLOSURES – Basis for preparation

General basis for preparation of the sustainability statement

KPN's sustainability statement has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council. Although the CSRD has not been transposed and implemented in Dutch law in a timely fashion, KPN has chosen to anticipate on this implementation and, in line with the intentions of the CSRD, to report as if CSRD had been implemented in Dutch law in full.

The sustainability statement has been prepared on a consolidated basis and the scope of this consolidated sustainability statement is the same as the scope of consolidation in our financial statements. Unless stated otherwise, environmental, social and governance (ESG) information covers KPN Group including its subsidiaries; see Appendix 1 for KPN's subsidiaries. This datapoint ESRS 2 DR DP-1 5.b.ii has been incorporated for reference purposes. Another datapoint incorporated by reference is ESRS 2 DR IRO-2 56 - ESRS 2 Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation, see Appendix 7.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

KPN's value chain

This sustainability statement includes value chain information relating to KPN's direct and indirect business relationships. Its scope covers KPN's downstream and upstream value chain through which KPN has very significant impact and where its risks and opportunities are potentially material. KPN's value chain goes beyond the first tier, e.g. indirect business relationships, and includes shareholding positions in joint ventures and investments.

Disclosures in relation to specific circumstances

Time horizon

When preparing our sustainability statement, the short-term time horizon is defined as the same period as the short-term reporting period in our consolidated financial statements (current positions: less than one year). The medium-term time horizon is defined as between the end of the short-term reporting period (as above) and five years, and the long-term time horizon as more than five years. These time horizons are used in all the information presented here, unless stated otherwise.

Estimations and uncertainty in metrics

The metrics set out below include value chain data estimated using indirect sources and/or a high level of measurement uncertainty.

Metric	Details of measurement uncertainty and estimations
Scope 3 emissions	For Category 1 (Purchased goods and services), 2 (Capital goods) and 9 (Downstream transportation and distribution) we use spend data, and for Category 15 (Investments) revenue data, which we convert into emissions by multiplying a relevant emission factor (DEFRA table 13 supply chain) and correct for inflation. There is a degree of uncertainty, as the emission factors have not been updated since 2014. For Category 3 (Fuel and energy related activities) we use fuel data, for Category 5 (Waste generated in operations) we use waste data and emission factors of CE Delft, the Dutch Emissions Autority (NEA) and Envirometer (Milieubarometer), for Category 6 (Business travel) declared kilometers of employees, for Category 7 (Employee commuting) employees' estimated commuting kilometers from CBS Statistics Netherlands, and for Category 11 (Use of sold products) and 13 (Downstream leased assets) estimates of product energy consumption and expected lifetime, which we convert into emissions by multiplying by a relevant emission factor (CO2emissiefactoren.nl). The emission factors used are specific to the Netherlands and have a high level of certainty. The level of accuracy is assessed as medium. We use actual and estimates of product weight data for Category 12 (End-of-life treatment of sold products), which we convert into emissions by multiplying by a relevant emission factor (CE Delft). The emission factors used for B2C are specific to the Netherlands and have a medium level of certainty (based on 2021). The emission factors used for B2B are reported by suppliers (based on global and/or Dutch level) and have a medium level of certainty. We will investigate other standards for emission factors to replace DEFRA and CE Delft in 2025.

General

Metric	Details of measurement uncertainty and estimations
Estimated avoided energy consumption, CO_2e emissions and particulate matter emissions	The impact of working from home is estimated based on the following main assumptions: • Market share of broadband subscribers • Percentage home workers • Average working hours from home per week per home worker • Percentage travel by car These assumptions are based on Dutch market estimates and have a medium level of accuracy.
Circular inflow	Static (reference) data with product characteristics primarily originate from supplier data, product passports, expert opinions and proxies based on public information. The level of accuracy is relatively low due to low availability of data at bill-of-material level. We focus on getting direct and actual data from suppliers to limit use of estimations (e.g. validated digital product passports). High level of uncertainty is due to the availability and quality of data from our upstream and downstream value chain. When making assumptions, approximations and judgments we have the following order of preference: 1. product passports, 2. supplier information, 3. develop expert opinions, 4. use proxy based on public information, 5. report on incomplete data coverage, 6. assume a linear scenario.
Reuse and recycling	Amounts of waste are allocated to different types of disposal method based on processing rates (%). The processing rates come from general public information and/or average data (e.g. country level). The level of accuracy is deemed fairly high. Processing rates are compared per waste flow to comparable waste flows to determine reliability, where possible. We focus on getting direct and actual data from waste processors to limit use of estimations.

Forward-looking information in this report involves risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements.
The measurement of the metrics in this sustainability statement are not validated by an external body other than our external auditor.

Changes in preparation or presentation of sustainability information

KPN has changed the preparation of the sustainability statement to be in accordance with ESRS compared with the prior year's preparation of sustainability information when the GRI Sustainability Reporting Standards supplemented by KPNs' own criteria were applied. In case of material changes in the preparation and presentation of individual metrics and disclosures, we disclose the nature of these changes, the new information provided, including the difference between the previously reported metric and the revised metric and revised comparative figures (if possible). When it is not possible to report revised comparative information, this will be disclosed.

Changes in preparation or presentation versus prior periods

In 2024, there have been changes in the preparation and presentation of some sustainability metrics. The metrics with revised comparative figures are:

- Scope 2 and Scope 3 emissions - metric tons CO_2e (see "Climate change" section for details);
- Collected mobile phones - 2023 figure is updated due to a changed calculation method in line with the GSMA definition (see "Resource use and circular economy" section for details);
- NPS consumer - 2022 and 2023 figures are updated and now based on a full year average instead of a Q4 average reported as in previous years (see "Customer value" section for details);
- NPS business - 2022 and 2023 figures are updated and now based on a full year average instead of a Q4 average reported as in previous years (see "Customer value" section for details);
- Service availability mobile - this metric is replaced by the metric radio network availability (see "Network quality" section for details);
- 5G coverage - 2023 figure is updated due to changes in calculation method (see "Network quality" section for details);
- Number of KPN employees in target group who are SecurX certified - the metric is disclosed in absolute value instead of a percentage (see "Security" section for details).

No material prior period errors

KPN did not identify material misstatements related to sustainability information in prior reporting period.

Subsequent events

Competition authority approval to create a new tower company was received on 6 February 2025. On 13 February 2025, KPN completed the transaction ultimately resulting in a 51% ownership of the shares of Althio. Sustainability information related to the acquisition of Althio will be included in the sustainability statement as of 13 February 2025. For more information, see Note 26 to the consolidated financial statements.

Reporting on current and future capex investments

KPN continuously invests in its network infrastructure, products, customers and employees, resulting in high-quality fixed and mobile networks. KPN focuses on improving the customer experience by further investing in the capacity, reliability and stability of its integrated network. These initiatives require significant investments in capital expenditure. KPN invested €1.25 billion in 2024 related to fiber rollout, customer driven initiatives and other.

General

We plan to invest €1.25 billion in 2025 in our network infrastructure, network quality (rollout 3.5 GHz and densification and replacement sites), consumer and business market initiatives, products and services, which are investments that impact several of our material topics and IROs. Our action plans, including our transition plan, are embedded in and aligned with our business strategy. Our financial forecast relating to action plans is in progress, including future resources, capex and opex, and will be updated annually. Currently, we are not able to report on our future investment plans at the level of individual action plans, since our data structure does not accommodate this. Some investments impact the capex of multiple action plans, making it not possible to split resources by individual plans.

Governance

The role of the administrative, management and supervisory bodies

Composition and diversity of the members of the Board of Management and the Supervisory Board

KPN has a two-tier management structure with a Board of Management (solely composed of executive directors) and a Supervisory Board (solely composed of non-executive directors).

The Board of Management consists of six members. Three members of the Board of Management are male and three are female - 50/50 gender diversity ratio. The Supervisory Board consists of nine independent members. Six members of the Supervisory Board are male and three are female. The Supervisory Board maintains a gender diversity ratio of 66.7% male and 33.3% female. Dutch corporate law does not require any direct representation of employees or other workers on the management and supervisory bodies. However, according to Dutch corporate law requirements and the Company's articles of association, the Central Works Council has an enhanced right to recommend people for nomination to the Supervisory Board for up to one-third of its members. The Supervisory Board must nominate the person so recommended unless it is of the opinion that this person would be unsuitable to fulfill the duties of a Supervisory Board member or that this appointment would cause the Supervisory Board to be improperly composed. Three of the nine members of the Supervisory Board were appointed following the recommendation of the Central Works Council.

Prior to or since their appointment as members of the Board of Management, all members have gained experience in telecommunications and IT and in digitalization and cybersecurity in the Netherlands. An overview of the current experience of the members of the Supervisory Board relevant to KPN's sectors, products and geographical areas is provided in the matrix hereafter:

Supervisory Board	Experience in telecommunications and IT	Experience in digitalization and cybersecurity	Geographical area relevant for KPN
G.J.A. van de Aast	X	X	NL
H.H.J. Dijkhuizen		X	NL
F. Heemskerk	X		NL
M. de Jager			NL
K. Koelemeijer		X	NL
B.J. Noteboom			NL
E.J.C. Overbeek	X	X	NL
J.C.M. Sap			NL
R. Shuter	X	X	NL

Roles and responsibilities of the Board of Management and the Supervisory Board for sustainability matters

Sustainability matters are embedded in KPN's strategy and organizational structure. The sustainability strategy and goals related to this are part of our overall strategy for sustainable long-term value creation. Since KPN is focused on sustainability, overall ownership of sustainability matters is with the Board of Management. The Board of Management as a whole is responsible for oversight of sustainability related impacts, risks and opportunities. The Supervisory Board, supported by its ESG Committee, oversees the development and implementation of the sustainability strategy and related goals related thereto, as part of KPN's overall strategy for sustainable long-term value creation. The ESG Committee is a preparatory committee for the Supervisory Board. It acts, on behalf of the Supervisory Board, as a sounding board for the Board of Management on sustainability-related topics and target-setting, and provides guidance to the Supervisory Board in this respect. The Board of Management informs the Supervisory Board of any sustainability issues at an early stage. Separately, the Audit Committee within the Supervisory Board is kept up to date with sustainability reporting developments. To ensure proper control over external reporting, any (approval of) target-setting on ESG topics by the Supervisory Board (if and when required) is aligned between the ESG Committee and the Audit Committee.

The purpose of the ESG Committee is described in its terms of reference: to support and advise the Supervisory Board in overseeing the development and implementation of the company's sustainability strategy and the goals related to this, as part of KPN's overall strategy for sustainable long-term value creation. The ESG Committee periodically reviews progress made in implementation of the sustainability strategy and the goals and targets set as part of this. It oversees compliance with sustainability-related laws and regulations, as well as alignment with the Paris climate goals and the EU's "Fit for 55" ambition, in as far as this has not been specifically assigned

General

to another committee. The ESG Committee provides input to the Remuneration Committee for determining sustainability targets as part of the company's remuneration policy and input to the Audit Committee in relation to sustainability reporting. One of the purposes and responsibilities of the Audit Committee, as described in its terms of reference, is to supervise the integrity and quality of the sustainability reporting.

The Board of Management's responsibilities for sustainability-related impacts, risks and opportunities are reflected in the by-laws of the Board of Management. The general duties of the Board of Management include ensuring sustainable long-term value creation while taking into account the impact that the activities of KPN and its affiliated enterprise have on people and the environment and weighing the relevant stakeholder interests. When developing the strategy, the Board of Management pays attention to the impacts, opportunities and risks of KPN and its affiliated enterprises in the field of sustainability, including the effects on people and the environment. In accordance with its by-laws, the Board of Management engages the Supervisory Board at an early stage in drawing up the strategy for realizing sustainable long-term value creation and is accountable to the Supervisory Board for the strategy and its execution. In turn, the by-laws of the Supervisory Board emphasize early engagement of the Supervisory Board with the Board of Management in drawing up the strategy for realizing sustainable long-term value creation. The supervision of the Board of Management by the Supervisory Board furthermore includes the Board of Management's activities regarding the creation of a culture aimed at sustainable long-term value creation and weighing of any impacts of KPN and its activities on people and the environment.

The Board of Management as a whole is responsible for target-setting, oversight, monitoring and managing of the sustainability agenda and related impacts, risks and opportunities. Each ESG theme is assigned to a specific member of the Board of Management as theme owner to provide support and guidance to senior management in the fulfillment of ESG ambitions and objectives. The senior management of the company is responsible for developing and executing relevant programs, plans and actions to ensure that sustainability ambitions and goals are met. Progress and results are reviewed periodically by members of the Board of Management as part of regular management oversight and/or in separate dedicated committees. Senior managers have seats on the ESG Board, which oversees and links strategy implementation on the various ESG themes. The members of this coordinating body report to their line manager and inform the CSR Manager, who chairs the ESG Board.

The CSR Manager reports to the EVP Brand, Communications & CSR, who in turn reports to the CEO. The ESG Board supports the Board of Management in validating the sustainability related impacts, risks and opportunities, defining actions and setting targets for relevant ESG topics and monitoring performance against those targets. The ESG Board supports management with execution of the ESG agenda and ensures oversight and alignment. With the support of the ESG Board, the Board of Management is enabled to oversee, monitor and manage the sustainability-related impacts, risks and opportunities and make well-informed decisions.

On a quarterly basis, an ESG update is provided to the Board of Management by the CSR Manager. The Board of Management discusses the overall performance on sustainability, trends and external developments that have a material impact or potential impact on KPN. Sustainability related topics are on the Supervisory Board's agenda on a regular basis, and its ESG Committee meets four times a year on average. The system as described above is currently applied to sustainability themes, in addition to regular management oversight. Going forward, we foresee that reporting and oversight on sustainability-related impacts, risks and opportunities will become more and more integrated into regular management reporting and oversight structures, controls and procedures. The same applies to controls and procedures related to reporting on sustainability-related matters as further set out in the section "Risk management and internal controls over sustainability reporting".

KPN's ESG governance structure is shown in the following diagram:

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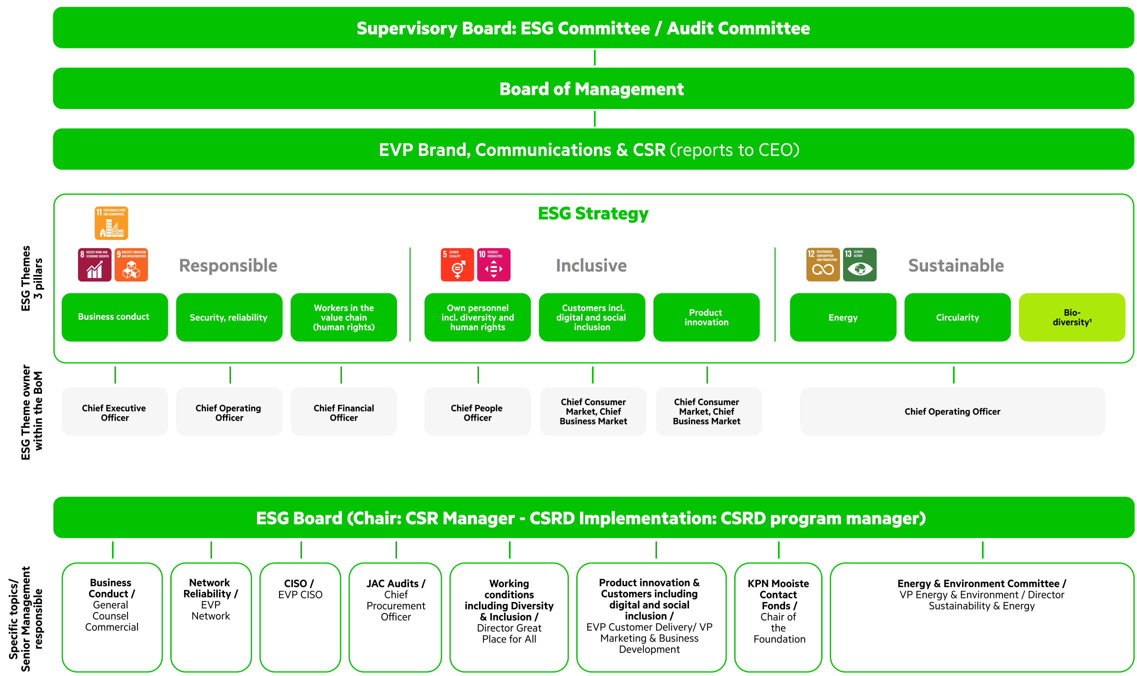
ESG Governance



[1]Biodiversity is an emerging topic and is integrated in KPN's ESG strategy (design phase, learning by doing) although it is not a material topic in terms of the double materiality assessment

Annually ESG objectives related to material impacts, risks and opportunities for the year ahead are discussed with the Board of Management by the CSR Manager on behalf of the ESG Board, which also prepares KPN's ESG objectives. Once the targets are approved by the Board of Management, the ESG data included in the sustainability KPIs used to monitor the realization of KPN's ESG objectives is periodically reported to and discussed with the Board of Management by the Chair of the ESG Board. In addition to periodic ESG reviews, sustainability-related topics are addressed in meetings of the Board of Management and meetings of the Supervisory Board on an ad hoc basis. The ESG Board meets once every four weeks to define and monitor actions necessary to implement ESG objectives and their respective KPIs. To obtain sufficient outside-in reflection, stakeholder dialogues are held with external experts to advise KPN on its approach to ESG in general and give more in-depth input on the ESG themes. For more information on the stakeholder dialogues, see page 59 of this sustainability statement.

The Board of Management and the Supervisory Board aim to continuously develop appropriate skills and expertise to be able to oversee sustainability matters, including the specific knowledge and experience needed by each member for their specific area of ESG expertise.

The Supervisory Board has set a profile for its composition that is used periodically, and in particular when a vacancy arises, to assess the available and required expertise. This profile explicitly specifies that the Supervisory Board as a whole should possess knowledge of and/or experience in environmental, social and governance (ESG) matters. If the Supervisory Board concludes that it does not have sufficient knowledge or experience in such matters, it may either nominate a candidate with such knowledge or experience, improve the knowledge or experience of its existing members through (joint or individual) education (whether in-company or by external experts), or it may engage specific external advisers. At present, the Supervisory Board includes several members with expertise in either environmental, social or governance matters, or a combination of these, as

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indicated in the skills matrix that is included in the Report by the Supervisory Board.

The Board of Management is composed of business leaders who provide leadership in all aspects of their business, and of KPN as a whole. Their leadership covers KPN's strategy, including any ESG aspects of this. In addition, each member of the Board of Management holds responsibility for a specific ESG theme. Members of the Board of Management build their knowledge and expertise in these domains, drawing on their business experience, input from company specialists and where relevant, from training and/or external advisers.

In determining the composition of both Boards, the Supervisory Board takes constant account of the company's strategy, which includes its sustainability strategy and its material impacts, risks and opportunities.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Management is informed about, and has acknowledged the material impacts, risks and opportunities within the framework of the double materiality analysis process as described on page 63. Specific targets can be adopted by the Board of Management normally based on the proposal of the ESG Board. During the ESG update meetings with the Chair of the ESG Board and the Board of Management the results and effectiveness of policies and actions are reported. Sustainability related topics are addressed in the meetings of the Board of Management on ad hoc basis.

The Board of Management takes the identified material impacts, risks and opportunities into consideration when defining and updating KPN's overall strategy. Specific attention is paid to ESG issues during the decision-making process on major transactions and, in some cases, this can lead to defining specific follow-up measures and monitoring. To support decision-making on major transactions, information submitted to the Board of Management and the Supervisory Board contains a description of ESG impacts and risks if relevant and material. During the reporting year no material trade-offs associated with sustainability-related impacts had to be considered.

Detailed descriptions of the material impacts, risks and opportunities (IROs) identified and addressed by the Board of Management in 2024 are given elsewhere in this sustainability statement: for environmental IROs (climate change and resource use and circular economy) see the environmental section starting on page 70; for social IROs (own workforce, workers in the value chain and consumers and end-users) see the social section starting on page 107; and for governance IROs see the governance section starting on page 156.

Integration of sustainability-related performance in incentive schemes

Sustainability-related performance is integrated in the incentive schemes for members of the Board of Management as laid down in KPN's remuneration policy. Its main principles are based on a balance between market-competitive standards, the ratio between fixed and variable pay, and the linkage of KPN's economic and ESG performance with the non-financial parameters of variable pay.

KPN's general meeting of shareholders sets the remuneration policy for members of the Board of Management and the Supervisory Board, based on a proposal by the Supervisory Board. Within the Supervisory Board, the Remuneration Committee prepares decisions for the full Supervisory Board on both the remuneration policy and the application of this in individual situations. Every year, the Remuneration Committee drafts a report on the application of the remuneration policy and the individual remuneration of members of the Board of Management and the Supervisory Board in the previous year. This report is submitted to the annual general meeting of shareholders(AGM) for an advisory vote. The Remuneration Committee regularly discusses and reviews the remuneration policy in light of relevant developments in the company's strategy and organization, legislation, and stakeholder considerations. If deemed necessary, the Remuneration Committee will propose changes to the Supervisory Board for final submission to the general meeting of shareholders. The remuneration policy is submitted for shareholders' approval at least once every four years. Prior to submitting the remuneration policy or an amendment to the policy to the AGM, the Remuneration Committee collects the input of various stakeholders and requests the advice of the Central Works Council.

The sustainability-related performance and goals related to ESG aspects are included in the short-term incentive (STI) plan and the long-term incentive (LTI) plan. In 2024, the performance of the Board of Management members was assessed against the following specific sustainability-related targets: NPS (STI-plan), broadband lines (STI-plan), diversity (LTI-plan) and Scope 3 CO_2e emissions (LTI-plan). 15% of the STI-plan and 30% of the LTI-plan were dependent on these sustainability-related targets. A detailed description of KPN's remuneration policy for the Board of Management, a breakdown of the specific sustainability-related targets included in the STI and LT plans, including the 2024 performance, and the proportion of variable remuneration dependent on the ESG-related targets, are included in the remuneration report on page 172.

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Statement on due diligence

In this sustainability statement we provide information about the due diligence process with regard to sustainability matters which helps us to assess KPN's impacts, risks and opportunities related to material sustainability matters. The main aspects and steps of the due diligence process we apply are described in the following sections of this sustainability statement:

Core elements of due diligence	Sections in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	i. Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ii. Integration of sustainability-related performance in incentive schemes; iii. Material impacts, risks and opportunities and their interaction with strategy and business model.
b) Engaging with affected stakeholders in all key steps of the due diligence	i. Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies; ii. Interests and views of stakeholders; iii. Description of the process to identify and assess material impacts, risks and opportunities; iv. Environmental, social and governance sections of this sustainability statement: policy tables answering minimum disclosure requirements; v. Environmental, social and governance sections of this sustainability statement: reflecting the different stages and purposes of stakeholder engagement throughout the due diligence process.
c) Identifying and assessing adverse impacts	i. Material impacts, risks and opportunities and their interaction with strategy and business model. ii. Description of the processes to identify and assess material impacts, risks and opportunities.
d) Taking actions to address those adverse impacts	i. Environmental, social and governance sections of this sustainability statement: key action tables answering minimum disclosure requirements; ii. Environmental, social and governance sections of this sustainability statement: reflecting the range of actions, including transition plans, through which impacts are addressed.
e) Tracking the effectiveness of these efforts and communicating	Environmental, social and governance sections of this sustainability statement: metrics and targets paragraphs.

Risk management and internal controls over sustainability reporting

Following the requirements of the CSRD and related ESRS, KPN started developing and implementing a control framework for reliable sustainability reporting (RSR), which will be further enhanced and expanded in the years ahead. The objective of the RSR framework is to safeguard the reliability of the sustainability information as disclosed in the sustainability statement and to ensure that the risk of material misstatements is reduced to an acceptable level. For this year, the RSR framework development focuses primarily on the reliability of a limited number of sustainability KPIs that are used to monitor the realization of KPN's ESG objectives. For subsequent years, the scope will be broadened to other sustainability KPIs.

In addition to the RSR framework, several other procedures are implemented to reduce the risk of material misstatements in our sustainability statement, such as review procedures performed by subject matter experts within KPN and KPN Audit.

The RSR framework is part of KPN's internal control systems (KICS) and will follow in the coming years the same risk management methodologies, tooling and reporting principles as for the reliable financial reporting (RFR) and compliance frameworks, and in accordance with KPN's three lines model. For more information, see the section on "Compliance & Risk" starting on page 35.

The framework will comprise risks and controls in KPN's own operations, and will be supplemented - where necessary and possible - with the risks and controls of suppliers in the upstream or downstream value chain.

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Strategy

Strategy, business model and value chain

Key elements of KPN's general strategy that relate to or affect sustainability matters

ESG is at the heart of what we do and is part of our strategy. We are a frontrunner in ESG, endorsed with the highest rankings from e.g. MSCI and Ecovadis. Likewise we are ESG leaders in the perception of consumers according to research conducted by the Sustainability Brand Index. This imposes a duty on us but is also a key area of differentiation. We believe that a sustainable business is a better business, and we are truly committed to creating long-term sustainable value for all our stakeholders.

In our strategy we focus our efforts in three areas, clearly linked to seven of the UN's Sustainable Development Goals (SDGs):

• We are a responsible corporate entity; we prioritize reliability and security and uphold fundamental human rights across our entire supply chain.

• We will strengthen our commitment to diversity and inclusion in all respects, both as an employer and as a service provider. Our people-centric culture will foster sustainable growth, and our commitment to ESG will make us a force for good in Dutch society.

• We will continue to be a front-runner in achieving net-zero emissions and circularity. We will continue to reduce our energy consumption, even in the face of upward pressure from data volume growth.

We will create "Better Internet", enabling everyone in the Netherlands to enjoy seamless access to an always-on, high-quality and secure internet, powered by fiber and 5G.

Our sustainable growth journey: Responsible, Inclusive, Sustainable

We believe a "Better Internet" is about much more than speed tiering, unlimited bandwidth and private networks. It's about making the internet a trusted space where we can all thrive, a part of society where we all feel welcome and connected, and where we minimize the negative and maximize positive impact. KPN is experiencing more and more demands in the area of sustainability.

• Sustainability is viewed much more broadly these days. People now talk more about environmental, social and governance (ESG) and this covers a wide range of areas.

• Business customers, NGOs and governments have higher demands or simply expect us to do business in a sustainable way, and that a company should be a good citizen.

• Regulations force us to take more action and be transparent about our sustainability. But, more importantly, we are intrinsically motivated to do good for society, with which we are inextricably linked. That is why we do everything we can to connect everyone in the Netherlands to a sustainable future.

A sustainable future also means that KPN must remain financially healthy so that we as a company can continue to achieve these objectives.

As of 2024, we decided to broaden our scope because our strategy makes an impact on a broader range of areas. In our ESG strategy for 2024-27 we are focusing on three key pillars: responsible, inclusive and sustainable. We are committed to seven of the UN SDGs: SDG 5: Gender equality; SDG 8: Decent work and economic growth; SDG 9: Industry, innovation and infrastructure; SDG 10: Reduced inequalities; SDG 11: Sustainable cities and communities; SDG 12: Responsible consumption and production; and SDG 13: Climate action.

Responsible

We are committed to responsible business. Our services are designed to be responsible and secure, ensuring that society can always count on us. For example, we aim to achieve around 100% radio network availability by 2025, to enhance our technical employees' awareness of problems such as phishing, and to raise Dutch people's confidence in the safety of their data with KPN. We aim to conduct business with respect for people, emphasizing ethical practices, sustainable procurement and good working conditions, while placing human rights at the forefront.

Inclusive

Connectivity is our strength, inclusion is our foundation. We are dedicated to building a digital society accessible to all, where individuals can be their authentic selves. We actively promote digital and social inclusion, ensuring that no one is left behind and everyone can seize the opportunities offered by the digital world. As an organization, we are committed to fostering diverse teams to enhance performance, provide a wider range of perspectives and ensure that our customers feel seen and valued. We assess our impact through various means, including the effectiveness of programs such as Entrepreneurship against Loneliness, the level of participation by KPN employees in projects related to our foundation (KPN Mooiste Contact Fonds) and our success in connecting vulnerable individuals with others. These are just a few examples of our efforts. As we move forward, these pillars will be reinforced with more tangible programs and measurable ambitions. We are working towards a future where sustainability is not just a license to operate but a license to grow.

Sustainability

Sustainability is not just a goal; it is embedded in everything we do. We recognize that resources are finite and are committed to

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efficient energy consumption and circularity. Our aim is not merely to minimize harm but to actively contribute to a greener future, supporting our customers on their own sustainability journeys. We prioritize sustainability by using 100% renewable electricity, enhancing energy efficiency, and optimizing energy consumption. And we empower our customers to embrace sustainability and environmental friendliness through innovative solutions, such as hybrid working models and smart solutions across diverse sectors. What is more, we are dedicated to advancing in our journey towards circularity, aligning with our goal of achieving net-zero emissions within our supply chain by 2040 (maximum 10% residual emissions to neutralize).

KPN's significant products and services, and markets and customer groups

As a telecommunications and IT provider in the Netherlands, KPN serves various customer groups. These can be divided into consumers, business and wholesale customers. Our business customers range from small and medium-sized entities (SMEs) to large corporate entities (LCEs).

Our consumer market segment offers fixed and mobile telephony, fixed and mobile broadband internet and TV to retail consumers.

Our business market segment offers fixed and mobile telephony, fixed and mobile broadband, TV and network-related ICT solutions, such as security, IoT (Internet of Things), cloud, connectivity and smart combinations to business customers. We also provide wholesale network services to third parties, such as mobile SIMs and broadband lines.

Headcount of employees by geographical areas

KPN is based in the Netherlands and this is our only country of operation. All of our 10,333 employees work in the Netherlands (2023: 10,410). See also the "Own workforce" section.

Sustainability-related goals

The table below provides an overview of KPN's sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders, with references to the strategic pillars and impact on the SDGs. More detailed qualitative explanations can be found in the specific sections of this sustainability statement.

Strategic pillar	Sustainability-related goal	Significant products/services	Customer categories	Geographical area	Stakeholder relationship	Goals
Inclusive	SDG 5: Gender Equality	n/a	n/a	Netherlands	Employees, suppliers, society	Overall % women at KPN: 23% in 2025
Responsible	SDG 8: Decent work and economic growth	Our products and services serve economic growth in the Netherlands through our own workforce and by facilitating telecommunications services to the Netherlands	CM, BM, WS	Netherlands	Employees, suppliers, society	EcoVadis spend coverage of our suppliers: >85% in 2025
Responsible	SDG 9: Industry, innovation and infrastructure	All significant products and services contribute to innovation and infrastructure	CM, BM, WS	Netherlands	Customers, suppliers, society	Radio network availability: 99.7% in 2025
Inclusive	SDG 10: Reduced inequalities	We strive to design our products and services in an inclusive way	CM, BM, WS	Netherlands	Employees, suppliers, society	Fiber footprint: >65% for 2025
Responsible	SDG 11: Sustainable cities and communities	All significant products and services and through our KPN Mooiste Contact Fonds and sponsoring activities.	CM, BM, WS	Netherlands	Society, customers	2025: 65% of Dutch population think their data is safe with KPN
Sustainable	SDG 12: Responsible consumption and production	We aim to minimize the environmental impact of our products, services and infrastructure	CM, BM, WS	Netherlands	Customers, suppliers, society	>=86% reuse and recycling in 2025
Sustainable	SDG 13: Climate action	We aim to minimize the environmental impact of our products, services and infrastructure	CM, BM, WS	Global	Society, suppliers, nature	Scope 1 and 2 emissions: 6,100 and 141,000 metric tons CO_2e resp. in 2025. Scope 3: 599,00 metric tons CO_2e in 2030

Our Connect, Activate & Grow strategy aims to achieve sustainable Group service revenue growth by adhering to our purpose. The initiatives to be a responsible, inclusive and sustainable telco are fully integrated into our strategy and operating model. We have expanded the scope of our ESG approach, which is articulated in our ESG manifesto and provides

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KPIs for all three pillars of the KPN strategy. The sustainability statement and the sustainable value chapter in this integrated annual report discloses our performance on these KPIs. The main challenges lie in realizing the goals set for the future.

KPN's business model and value chain

Our core activities
Our core activities relate to providing fixed and mobile networks and IT infrastructure to render services to KPN's consumer, business and wholesale customers in the Netherlands.

Building and maintaining infrastructure
KPN builds and maintains its infrastructure in a continuous process with the aid of our suppliers, addressing coverage, capacity, speed, quality, continuity, and regulatory requirements on safety and privacy. Consequently, our main investments and expenses are made to build and maintain this high-quality infrastructure.

Delivering connectivity
We deliver connectivity services to customers and end-users. We do this by making sure that we route calls, data and video streams to and between the users of our networks reliably and securely and safeguarding high quality.

Serving customers
We serve our customers throughout their customer journey, taking care of all interaction between customers and KPN. We believe that our customers are looking for a one-stop-shop experience for integrated solutions and want us to simplify their life. We aim to serve our customers with the right products and the right customer experience.

Our services
Consumer
We are committed to offering retail customers a broad range of services in the areas of communication, information, entertainment and commercial services through single- and multi-play offerings. The services we offer across our different brands include fixed and mobile internet, TV and telephony.

Business
We offer business customers a complete portfolio of services, from fixed and mobile telephony and internet to a range of end-to-end solutions in core connectivity and IT services such as cloud, security and workspace services.

Wholesale
We provide connectivity solutions to wholesale partners via our fixed and mobile networks.

KPN's business model creates value through six categories of capital. These inputs are defined by KPN as
1. Financial: solid financial basis;
2. Manufactured: future-proof infrastructure and mobile spectrum;
3. Intellectual: skilled and motivated workforce;
4. Human: loyal customers;
5. Social relationships: strong partnerships and supplier base; and
6. Natural inputs: climate-neutral operations.

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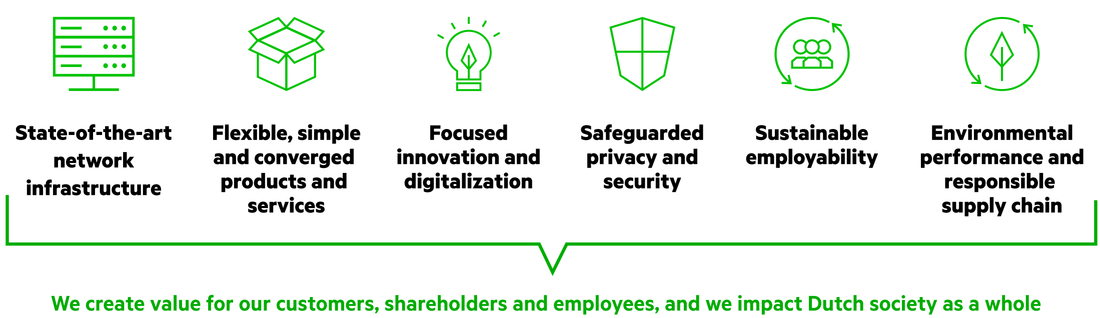
These definitions are fleshed out further as:

1. Solid financial basis. Capital providers provide us with the necessary capital for our capital-intensive business. We aim to realize a return on investment for our capital providers that outperforms the cost of capital while solidifying our financial position.
2. Future-proof infrastructure and mobile spectrum. We connect the Netherlands through high quality networks and by strengthening the capacity of our networks and IT infrastructure.
3. Skilled and motivated workforce. We create a more simple effective and inclusive organization by acquiring, developing and retaining the right people and skills to become a stronger, more agile and profitable business and a great place to work.
4. Loyal customers. We aim to build a satisfied customer base, offering customer journeys designed to accommodate the digital needs of our customers, ranging from consumers to large corporate enterprises.
5. Strong partnerships and supplier base. We join forces with ambitious companies to work on the applications of tomorrow, providing better and more innovative products to our customers while reducing adverse impacts across the supply chain.
6. Climate-neutral operations. Our belief is that a sustainable business is a better business, and this is expressed through our climate-neutral operations and our ambition to achieve net-zero carbon emissions in our supply chain by 2040.

The assets highlighted above are key to our business model and provide the necessary input for carrying out our core activities. We do this by following our strategy and ensuring responsible operations.

Gathering, developing and securing these inputs are part of KPN's daily operations. We safeguard our value creation through governance, compliance and risk management. We engage with our stakeholders to secure these key inputs. Through the interaction with our employees we try to secure a skilled and motivated workforce. And it is the same for our other stakeholders: the investor community, customers, suppliers and NGOs that represent "silent stakeholders" such as nature. See the "Interests and views of stakeholders" section for more on stakeholder dialogues.

The outputs of our business model are state-of-the-art network infrastructure; flexible, simple and converged products and services; focused innovation and digitalization; safeguarded privacy and security; sustainable employability and environmental performance and a responsible supply chain:



The value we create for our stakeholders is the direct result of our business model. Our business outcomes ensure that we can create long-term value for our customers, shareholders, employees and Dutch society. And this also helps us contribute to the realization of the UN's SDG's.

KPN's value chain

Our downstream and upstream value chain is visualized in the next graphic. Downstream actors are distributors, customers and end-users who receive products and services from KPN; upstream actors provide products and services to KPN.

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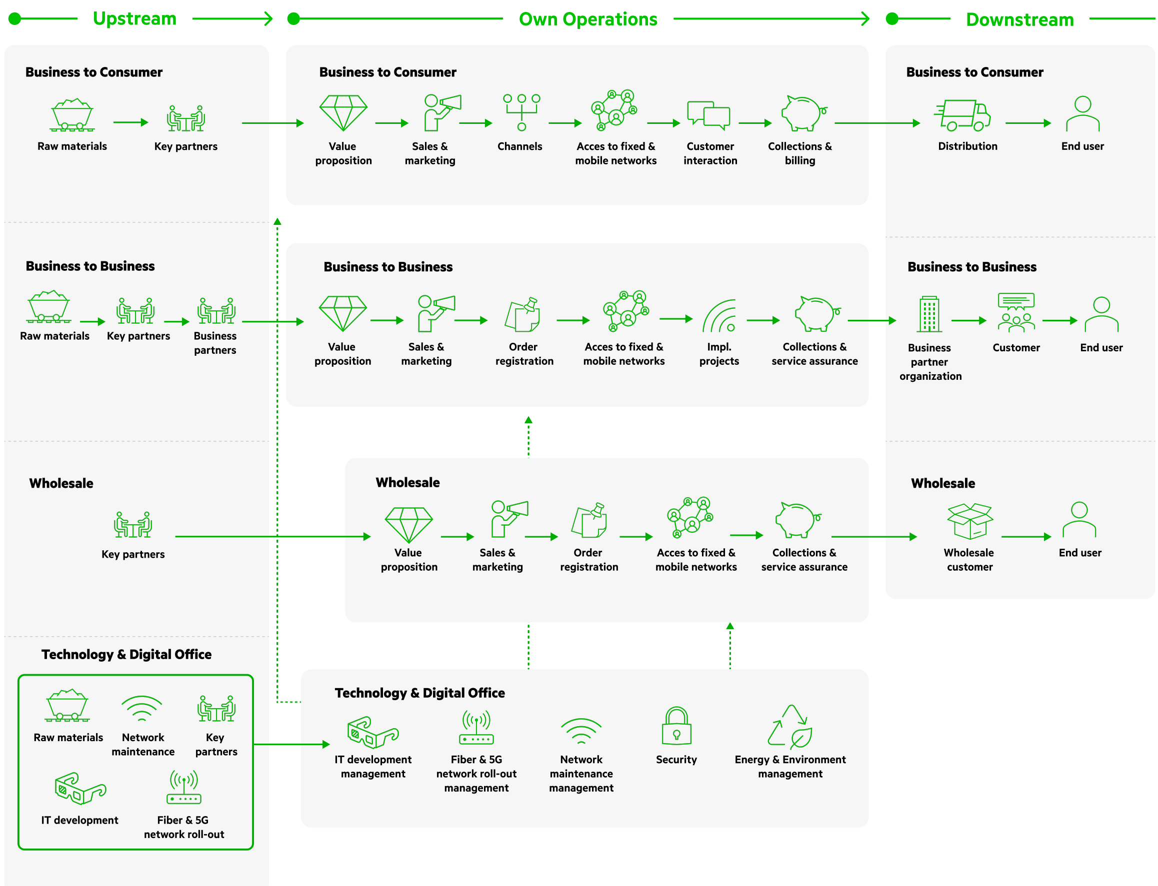

Upstream

Climate change
- Energy consumption
- CO_2e emissions (scope 3)
- Grid congestion

Resource use and circular economy
- Use and disposal of raw materials
- Scarcity of (critical) raw materials

Workers in the value chain
- Fair wages, safe working conditions and protection of workers rights

Privacy
- Regulatory implications

Network quality
- Network interruptions

Security
- Secure online environment
- Implications on our license to operate

Business conduct
- Promoting a strong and integer business culture and governance
- Being considered as a trusted provider

Own Operations

Climate change
- Energy consumption
- CO_2e emissions (scope 1 & 2)
- Grid congestion
- Climate-related major incidents

Resource use and circular economy
- Use and disposal of raw materials

Own workforce
- Working conditions
- Equal treatment - diversity
- Tight labor market
- Diversity – aging employees

Privacy
- Regulatory implications

Network quality
- Network quality
- Unavailability of 112 service
- Increase market share
- Network interruptions

Security
- Secure online environment
- Implications on our license to operate

Business conduct
- Promoting a strong and integer business culture and governance
- Being considered as a trusted provider

Downstream

Climate change
- Energy consumption
- CO_2e emissions (scope 3)

Resource use and circular economy
- Use and disposal of raw materials

Privacy of consumers and end users
- Regulatory implications

Customer value
- Connected society
- Business digitalization

Network quality
- Network quality
- Unavailability of 112 service
- Increase market share
- Network interruptions

Security
- Secure online environment
- Implications on our license to operate
- Security and data protection

Business conduct
- Promoting a strong and integer business culture and governance
- Being considered as a trusted provider

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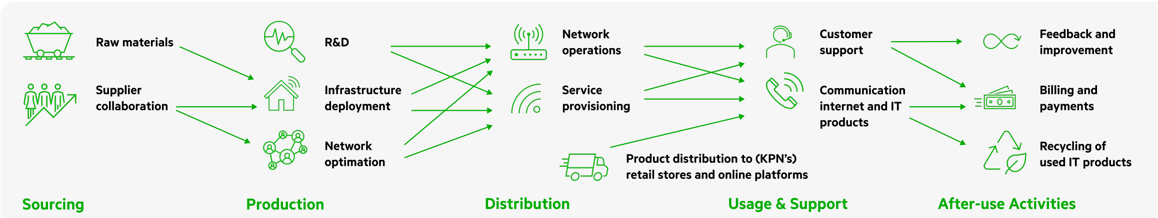
KPN's upstream, own and downstream operations



For the IROs related to material sustainability matters, see the sections "Environmental information", "Social information" and "Governance information".

Description of KPN's value chain shown in above figures
Upstream activities consist of sourcing and production: sourcing raw materials and acquiring essential materials such as fiber optic cables for network infrastructure, but also collaboration with suppliers and partners for technology and reliable components, and gathering technology feedback for continuous improvement.

Production, the next stage in upstream activities, starts with R&D. This includes improving existing products and services at KPN, e.g. by conducting experiments together with technology partners through KPN's field labs. It also includes infrastructure deployment - laying cables and installing equipment for network development. In addition, we optimize our network by carrying out regular maintenance and updates to ensure efficient network operations.

Our own operations can be divided into our network operations, providing services, and distributing products through KPN stores and online platforms.
Network operations include:
- Deployment of the network;
- Performance monitoring: 24/7 surveillance to ensure network efficiency;
- Maintenance: regular upkeep to prevent and address network issues;
- Cybersecurity measures: implementing measures to safeguard against cyberthreats.

Service provisioning:
- Internet services: providing broadband and mobile internet services;
- Telecommunications services: offering various telecommunications plans and connections.

Product distribution to KPN's retail stores, online platforms comprises and direct sales:
- Distributing communication, internet, and IT products to retail outlets;
- Retail partnerships: partnering with retail outlets to make products available;
- Online platforms: offering services through official third party websites and mobile apps;
- KPN's own retail stores and other channels such as the website and app.

Downstream activities consist of usage and support and after usage activities:
- Usage of KPN's products and services by customers and customer support can be divided into 1. communication, internet and IT products, and 2. customer support;
- After-use activities can be divided into 1. billing and payments, 2. feedback and improvement, and 3. recycling of used IT products.

Interests and views of stakeholders

Our stakeholders
KPN's key stakeholders represent various internal and external stakeholder groups, including employees, government and regulators, investors, suppliers, business customers, retail customers, wholesale customers, society including affected communities and silent stakeholders such as nature.

Stakeholder dialogue
KPN is in continuous dialogue with a diverse set of stakeholders, with very diverse interests and motivations. This includes stakeholders who are both positively and negatively impacted. Dialogues with these groups take place at different levels within our organization and are often part of our daily business. Members of the Board of Management attend the most important stakeholder dialogues, at which a variety of stakeholders are present. Hereafter we provide insight into all the interactions we had with different stakeholders including our response and actions. With our stakeholders we discuss the positive and negative impacts of our material (sustainability) matters and devise next steps.

KPN engaged with all key stakeholder groups. Neither the strategy nor the business model was amended in 2024 after engaging with these stakeholders. Our Connect, Activate & Grow strategy and our purpose (connect everyone to a sustainable future) remained the same. The Board of Management is mainly informed on the engagement by stakeholders through

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the monthly management letter including NPS metrics. Major changes as a result of stakeholder engagement are first discussed in the Board of Management. Below, we describe the engagements per stakeholder.

Employees

Employees consists of own workforce and agency worker employees. We engage with our employees at least twice a year through an extensive survey and smaller surveys throughout the year. We frequently organize dialogues between members of our Board of Management and employees to facilitate discussions on several themes. With the input from this employee engagement (also through the Central Works Council and trade unions) we aim to foster employee well-being and job satisfaction, e.g. by providing a healthy, diverse and inclusive work environment and ways for employees to stay well and engaged.

Through our sustainable employability strategy, we are shaping an inclusive and diverse organization and culture, in which our people can make impact. Based on the outcome of the employee engagements, HR policy is evaluated. We launched our culture manifesto that describes how we work and behave with each other. We also updated our human rights statement and our collective labor agreement. We continued to invest in and develop our employees' (future) skills with an enlarged digital learning and development offer. KPN actively promotes elimination of discrimination, including harassment, and promote equal opportunities and other ways to advance diversity and inclusion.

KPN's HR strategy focuses on skill development because technology and AI are impacting the nature of work. We like to ensure the effectiveness of our future workforce.

We inform our Supervisory Board on relevant people-related topics during our quarterly Supervisory Board meeting. Also, our people agenda and vision are always part of the onboarding of new Supervisory Board members. And lastly, every month, a Supervisory Board member joins the KPN Worker's Council meeting, where we frequently discuss people-related topics as well.

Government and regulators

These stakeholders consist of the local, national and international governments and various regulatory bodies such as ACM, AP or RDI. We proactively engage by maintaining a regular dialogue to explain our efforts and results. We also work together with local and regional governments on the rollout of our networks, innovation projects (e.g. IoT), cybersecurity, sustainability, energy generation, and cost savings. The purpose of engaging with the government and regulators is to explain our efforts and results. We aim to avoid non-compliance through integrity and transparency.

Drawing on the outcome of stakeholder engagement, we continued to address concerns around e.g. national cybersecurity. Other relevant topics of this stakeholder group include network rollout (both fiber and mobile) in cooperation with local governments, and compliance with various regulations.

The Board of Management is regularly informed about relevant developments in politics and government, including the implementation of new regulations. KPN's agenda for stakeholder engagement is also discussed with the Board.

Investor community

KPN's investor community are KPN's shareholders, bondholders as well as analysts covering KPN. KPN maintains a close dialogue with the investor community. We organize key corporate events such as the annual general meeting of shareholders and Capital Markets Day, and we meet with (potential) investors, analysts and credit rating agencies during (virtual) roadshows and conferences. We also provide relevant company information through timely press releases and regular publications such as our quarterly results and integrated annual report.

Investor Relations (IR) activities, including roadshows, earnings calls, investor presentations, help to ensure that investors are informed about KPN's financial performance, strategy and risks and ultimately helps secure financial resources, maintain positive relationships, manage investor expectations, and foster long-term growth.

The outcome of KPN's engagement with the investor community may influence the execution of its strategy and business model by ensuring that the company remains aligned with investor expectations, both financially and strategically. KPN integrates this feedback into decisions on capital allocation, sustainability initiatives, technological innovation, and customer experience improvements. By doing so, KPN strengthens its market position while maintaining a strong relationship with its investors, balancing their demands for short-term returns with long-term growth opportunities.

Following the publication of the quarterly results, management is informed of the views of the investor community on these results. This outside-in view is also shared with the Supervisory Board.

The Investor Relations department regularly monitors (multiple times a day) external news flow on KPN and the sector, gathering relevant information and sharing outside-in views with the Board of Management and/or senior management as soon as relevant.

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Suppliers

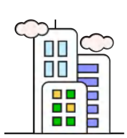
Our key suppliers stakeholder group mainly comprises Tier 1 suppliers and - indirectly, through the Joint Alliance for CSR (JAC) - suppliers in and beyond Tier 2. KPN has a central procurement department that is responsible for sourcing and contracting suppliers. All contracted suppliers must commit to KPN's supplier code of conduct or a similar directive or code. For each supplier a governance mechanism is in place based on criticality (low-, medium- and high-risk suppliers) and ESG impact. Suppliers are also scored on ESG by EcoVadis. Low-scoring suppliers are required to improve. KPN promotes (including via its tenders) sustainable solutions and carbon reduction. KPN is a member of the JAC (Joint Alliance for CSR), an association of 29 telecoms operators that aims to verify, assess and develop CSR implementation among shared international suppliers.

KPN engages with its strategic suppliers on a structural basis, setting out specific terms and conditions for products and services to improve their sustainable performance, including respect for the human rights of their workers. KPN advocates and actively steers for the principles of our suppliers' CSR policies to be in line with those of KPN.

Consumer customers

We communicate 24/7 with our customers, through customer service, our engineers, in our stores and on social media, both reactively and proactively. We collect and monitor solicited and unsolicited customer feedback on a daily basis and share these customer voices across the company. We also use external panels for our Brand, NPS and RepTrak to objectively monitor our reputation. We engage in one-on-one conversations with customers; online, but also physically in stores and in our dedicated Experience Lab, and on the street.

Customer engagement gives KPN the opportunity to improve customer journeys, to meet their expectations, to retain customer loyalty and to gain market share. The insights from this engagement are discussed in the relevant management team and, if relevant, converted into improvements in the customer journey.



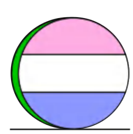
Business customers

We talk to our business customers every day via account managers, service managers, in our XL stores, our contact centers and via our business partners. We also engage with them through customer panels, surveys, quarterly market research and workshops connecting customers' strategies with KPN, as well as via social media through our B2B platform, The Digital Dutch. We engage through our Customer Experience Center which evaluates our customers' needs and experience. This engagement helps us to know our customers and their needs better so we can offer them excellent services that meet these needs. We closely monitor our business customers' satisfaction and loyalty through NPS. We aim for growth in market share and service revenues. Insights from this engagement are discussed in the relevant management team and, if relevant, converted into improvements in of the customer journey or services.

Wholesale

We engage with our wholesale partners daily through account managers, service level managers and the Customer Contact Center, as well as through project managers who help to implement changes or onboard new customers. In addition, KPN Wholesale engages with customers through a newly formed customer panel, expert sessions with product specialists and networking events with important stakeholders and decision makers from our wholesale partners. We also have an annual NPS survey to collect feedback from key decision-makers and operational and service experts at our customers. The purpose of customer engagement is to improve our overall customer experience, our service operations and to inform our stakeholders of product developments and improvements. Additionally, it keeps our product and account managers informed of market developments and strategic developments at our key customers. All with the aim to grow our market share in mobile, fiber and business connectivity and grow our overall service revenues.

Insights from this engagement are discussed in the relevant management team and, if appropriate, converted into improvements in the customer journey.



Society

KPN actively engages with Dutch society, including via its memberships of various organizations, such as trade organizations VNO/NWC, FME, NL Connect, representative telecoms NGOs such as the European Telecommunications Network Operators' Association (Connect Europe), the Platform for the European Telecom Industry (ETIS), the International Telecommunication Union (ITU), the Joint Alliance for Corporate Social Responsibility (JAC), GSMA (the international mobile telecoms association), interest groups such as the Consumentenbond, the Dutch Association of Investors for Sustainable Development (VBDO) and other international organizations such the UN Global Compact. We are active in working groups initiated by these NGOs and participate in or liaise with these organizations. We organize multiple meetings and dialogues on ESG topics each year with stakeholders. In these we discuss our contribution to society and the desired next steps. Topics discussed with our societal partners are initiatives to support human rights in the value chain, accelerate diversity and

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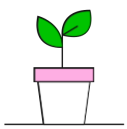
digital and social inclusion, professionalization of circularity and the path to net-zero, and advocacy and lobbying.

Our #BetterInternet initiative for a safer, more inclusive and greener internet has been found relevant as an objective for all the telcos beloning to GSMA. We have also developed an improved human rights statement and are collaborating on international standards for circularity. We deploy our thought leadership on security to help make the Netherlands safer. #BetterInternet reinforces transformative strategy and underlines the ongoing need for online safety both nationwide and worldwide, and the strategic positioning of telcos. #BetterInternet will remain a key part of our strategy to establish long-term impact.



Nature - a silent stakeholder
Naturalis, WWF and climate experts are stakeholder representatives for nature. We are in discussion with nature NGOs to explore potential collaboration, inviting nature NGO's or experts to stakeholder dialogues about topics such as climate change, energy, critical raw materials. These dialogues are held several times a year and insights from these engagements are discussed in the relevant management team, the ESG Board and, if appropriate, included or converted into improvements.

Impact of stakeholder engagements on KPN
The interests and views of our stakeholders, including discussion about the positive and negative impacts of our material topics, are analyzed during KPN's due diligence and materiality assessment process.

The outcomes of our stakeholder engagement have been considered in KPN's strategy and business model, and an update of the ESG strategy is being implemented. Our ESG strategy is focused on responsible, inclusive and sustainable pillars, and extends our SDG scope. Our stakeholder dialogues are used as input to and inspiration for strategic updates.

The results of this stakeholder engagement are reflected in the double materiality assessment which is discussed and validated by the Board of Management. The Board of Management as a whole is responsible for oversight of sustainability-related impacts, risks and opportunities, and every ESG theme is assigned to a specific member of the Board of Management as theme owner. Senior management is responsible for stakeholder dialogue, targets, progress and results. Individual members of senior management head committees, comprising management of the key departments involved in these themes. To obtain sufficient outside reflection, stakeholder dialogues are held with external experts to advise KPN on our approach to ESG in general and give more in-depth advice on the ESG themes. The Supervisory Board is informed about the outcomes.

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Impacts, risks and opportunities

Description of the process to identify and assess material impacts, risks and opportunities

Double materiality assessment – process description

The double materiality assessment (DMA) is the first step in defining a company's material impacts, risks and opportunities, which must be reported on from FY2024. In 2023, KPN performed a DMA in which the impact materiality assessment was in accordance with the Global Reporting Initiative (GRI) and the financial materiality assessment was inspired by ESRS principles. In 2024, the DMA was reassessed and updated for the main developments of that year and aligned with the requirements of the ESRS.

We assessed all potential material sustainability matters from both an impact perspective (inside-out; the impact KPN has on the environment and society) and a financial perspective (outside-in; developments in the environment and society that impact the value of KPN). The DMA focuses on our core activities in the Netherlands (including, where possible, value chain operations), and considers the impacts, risks and opportunities of our own operations and where possible of our national and international business relationships.

Main steps for the impact materiality assessment	Main steps for the financial materiality assessment
1. Preparing long-list of possible material sustainability matters based on the list of sustainability matters from ESRS 1 and additional entity specific topics	1. Leveraging the output and methodology of the risk assessment on the strategic plan
2. Determining medium-list of possible material sustainability matters for KPN and scoring methodology	2. Brainstorming with CFO team on ESG risks that negatively impact KPN's value and ESG opportunities that positively impact KPN's value
3. Determining stakeholder representatives within KPN	3. Calculating the impact of all scenarios on KPN's equity value using an internally developed model
4. Scoring all possible material sustainability matters by assessment of the materiality of actual and potential impacts and determination of the material matters	4. Plotting all scenarios on a heat map based on likelihood and impact
5. Carrying out desk research on outcomes by project team and CSRD Steering Committee	5. Validating the heat map and determining threshold financial materiality with CFO team
6. Determining thresholds for impact materiality by CSRD Steering Committee	6. Validating financial materiality outcomes by ESG Board
7. Validating impact materiality outcomes by ESG Board	7. Validating financial materiality outcomes by CSRD Steering Committee
8. Validating impact materiality outcomes by CSRD Steering Committee	8. Approving DMA by Board of Management
9. Approving DMA by Board of Management	9. Sharing and discussion of outcomes with the Audit Committee and Supervisory Board
10. Sharing and discussion of outcomes with the Audit Committee and Supervisory Board	

To ensure the completeness of the sustainability matters and the impacts, risks and opportunities considered in the DMA, KPN started with the list of matters that should be considered to conform with ESRS 1 (AR 16) and complemented this with potential material matters included in our materiality assessment of the previous year. The scope of the DMA extends beyond our own operations and also includes - where possible - the upstream and downstream value chain.

From both an impact and a financial perspective, the list of potential sustainability matters and the associated impacts, risks and opportunities have been assessed by internal stakeholders, who were selected based on their expertise and knowledge of KPN's value chain. These stakeholders represent the various internal and external stakeholder groups, including employees, government and regulators, investors, suppliers, business, consumer and wholesale customers, nature and society, including affected communities. These internal stakeholders periodically engage with KPN's external stakeholders (see section "Interests and views of stakeholders").

Impact materiality is defined and prioritized by scoring positive and negative impacts on scale, scope and (for negative impacts only) irremediable character on a five-grade scale. For potential impacts, stakeholders also had to assess the likelihood that the impact would be of relevance to KPN. In general, impacts relate to KPN's own operations (the main activities of B2C, B2B, Wholesale and NOI in the Netherlands), its main assets (e.g. fixed and mobile networks) and its main business relationships (e.g. suppliers, customers, distribution channels and joint ventures). Negative impacts are prioritized based on their relative scale, scope, irremediability and likelihood (in the case of potential impacts) and positive impacts on their relative scale, scope and likelihood (likewise). In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood. Impacts are material if they exceed thresholds for the absolute size of the severity and thresholds for relevancy to stakeholders. In general, thresholds are determined per impact. Material sustainability matters comprise topics where we want to play a leading role, given our (potential or actual) influence and impact and the expectations expressed by our stakeholders.

We matched the outcomes of the assessment with a variety of external resources from several stakeholders by linking all resources related to the applicable item in the list of material sustainability matters. This desk research confirmed the outcomes of the impact assessment.

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Financial materiality has been assessed by the members of the CFO team. The CFO team consists of financial experts who represent all segments of KPN. The CFO team identified and discussed several risks and opportunities (scenarios). The starting point for the definition of scenarios was the list of sustainability matters in ESRS 1 (application requirement 16) and the positive and negative impacts that were taken into account during the impact materiality assessment. For each scenario, the main drivers and assumptions were defined. Subsequently, we calculated the potential financial effect of each scenario on KPN's revenues, EBITDA, cash flows and financial position, for the short-, medium- and long-term, based on KPN's formal strategic plan figures. The CFO team reviewed the potential effects and also assessed the likelihood of the identified risks and opportunities.

Finally, the outcome - presented in a heatmap - was discussed, including all scenarios. Risks and opportunities were prioritized based on their impact on KPN's development, financial position, financial performance, cash flows, access to finance or cost of capital and the time frame within they could occur: short-, medium- or long-term. Risks or opportunities that exceed thresholds within a specific time frame, are reported as material.

Thresholds

KPN uses thresholds in the DMA to determine which sustainability matters are material and which not. The threshold, which have a qualitative and quantitative nature, are defined by the joint team that performs the DMA (for the financial materiality assessment also the CFO team) and reviewed and approved by the CSRD Steering Committee. For the impact materiality assessment, impacts are material for reporting purposes if they exceed certain thresholds for impact (positive and/or negative). For the financial materiality assessment, scenarios that could hinder the realization of KPN's outlook (the 3-3-7 ambition for service revenues, EBITDA after leases (EBITDA AL) and free cash flow (FCF), see the "Shareholder value" section in the Board of Management report); the related risks and opportunities are regarded as material for reporting purposes. The threshold is depicted in the financial materiality diagram on the next page.

Definition of short-, medium- and long-term for reporting purposes

For impact materiality, KPN has adopted the short-, medium- and long-term time intervals as described in ESRS 1 paragraph 77.

For financial materiality, we apply different time horizons:
- Short-term: 0-5 years
- Medium-term: 5-10 years
- Long-term: 10-20 years (and beyond)

The main reason for this is that the financial effects of the risks and opportunities (scenarios) are calculated in strategic plan models that apply long time horizons of more than five years. A large part of KPN's investments have a long lifetime; for example, our fiber network infrastructure has a depreciation period of 30 years.

Outcomes of the double materiality assessment

A sustainability matter is marked as material when the severity of an impact and/or the magnitude/likelihood of a risk or opportunity exceeds the defined threshold.

Looking at the outcomes of both the impact and the financial materiality assessment, we decided to publish two figures: one for the impact materiality assessment and one for the financial materiality assessment, as this does more justice to the content and wording of the topics discussed in the assessments. The Board of Management has discussed and approved the material sustainability matters identified.

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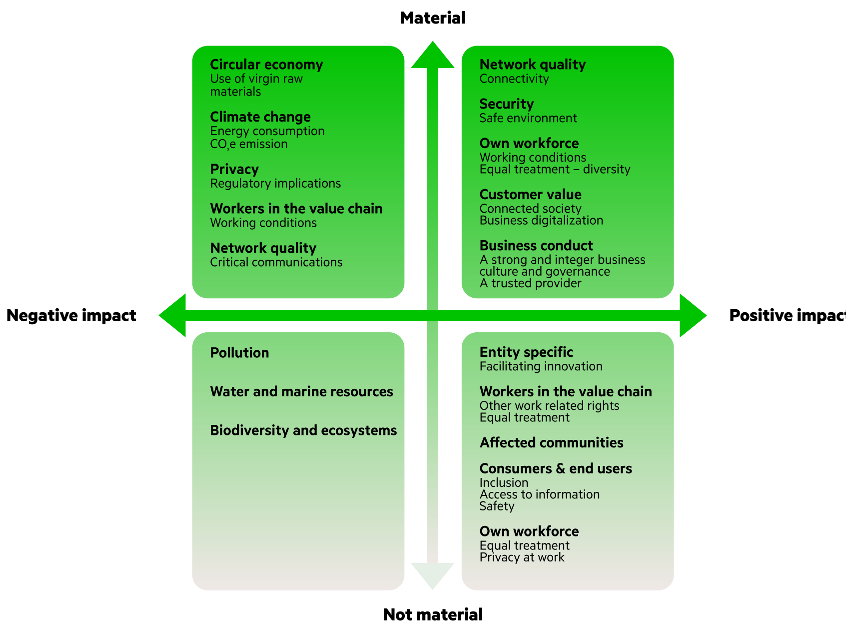
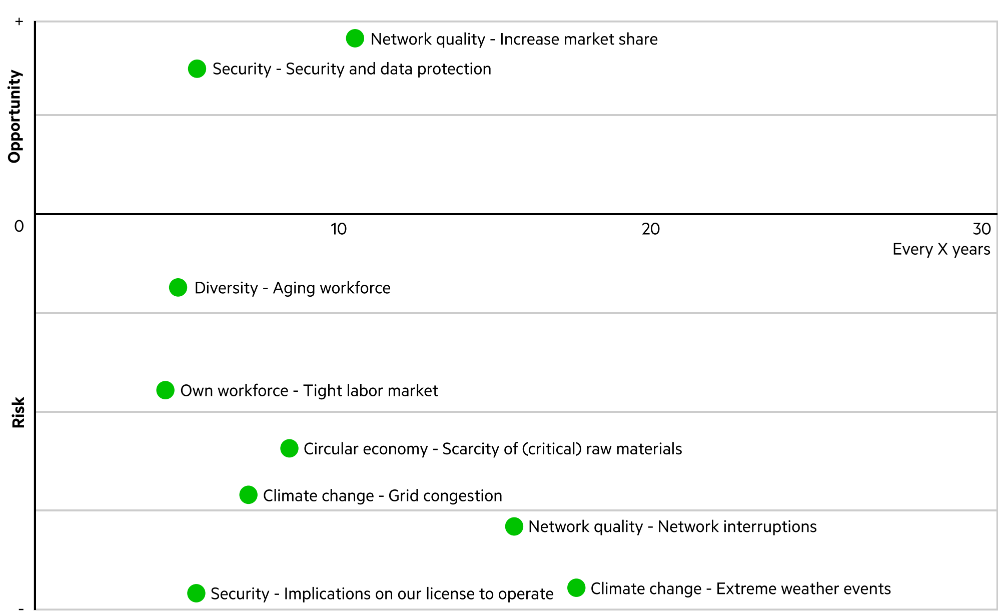
Outcome of impact materiality assessment



Outcome of financial materiality assessment



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The figure only shows the material risks and opportunities. Besides these, other scenarios such as artificial intelligence risks, the risk of reputation damage due to tax planning strategies or the risk as a result of affected communities complaining about our fiber rollout were assessed and determined to be not material.

The IRO's that emerge from the DMA are described in the green highlighted IRO boxes in the environment, social and governance sections of this report.

Connection between impacts, risks and opportunities
The negative and positive impacts, as described in the IRO table on page 68, are based on the outcomes of the impact materiality assessment. The risks and opportunities are derived from the scenarios that are used in the financial materiality assessment. After finalization of the materiality assessments, we considered the connections – if any – between the negative and positive impacts on the one hand and the risks and opportunities on the other. For example, negative impacts could lead to new financial risks in the longer run, and positive impacts to financial opportunities. The list of risks and opportunities is only complemented if there is a reasonable expectation that the negative or positive impact will lead to a material financial effect in the future and, for positive impacts, if KPN has sufficient means to realize the opportunities within the chosen strategy and business model. For this reason, the IRO table can contain more risks and opportunities than if it were solely based on financial materiality.

Resilience of strategy and business model
Resilience is part of KPN's strategy, business model and strategic plans. The resilience for all impacts, risks and opportunities is adequate. For the IROs regarding climate change, workers in the value chain, customer value and network interruptions we elaborate in more detail on the resilience of our strategy and business model in the corresponding sections of this sustainability statement.

Main changes compared with previous year
Impact materiality did not materially change compared with the previous year; the list of material sustainability matters remained unchanged.

For financial materiality, we added several new scenarios to the analyses, such as circular economy (waste, material reuse), the use of AI, reduction of emissions by customers via our telecoms products and services, and business conduct scenarios. For several risks and opportunities, we updated the drivers and calculated the financial effects of new insights or updated scenario descriptions. We classified the scenarios in accordance with the topics that are addressed in the ESRS standards.

Internal control procedures
The main internal control procedures of the DMA consist off a review of the main outcomes by the CSRD Steering Committee and Board of Management, and a consistency check against the main findings from stakeholder dialogues.

Other DMA information
As described above, several data sources are used to perform the DMA. These include opinions of subject matter experts who have specific knowledge of external stakeholders, the knowledge and experience of senior managers at KPN, information and findings derived from stakeholder dialogues (see page 59 for further information), strategic plans, ESG information of suppliers (for example, in EcoVadis databases) and external research documents. The data sources cover KPN's own operations and also the upstream and downstream value chain, as far as such information is available, relevant and reliable.

During the year, the outcomes of the DMA are monitored and evaluated to identify material changes where necessary. Such monitoring takes account of e.g. new subjects, trends and developments from stakeholder dialogues, new mergers and acquisitions, significant changes in the supplier landscape, and new trends or developments in society. The materiality assessments are updated on an annual basis, or sooner when new developments warrant more frequent revision.

The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder may consider important in its own particular assessment. Due diligence is an on-going practice and future improvements (e.g. to the IROs) may respond to and/or trigger changes in the company's strategy, business model, activities and business relationships in the future. The double materiality assessment process requires KPN to make key judgments and use thresholds and may also be impacted over time by sector-specific standards yet to be adopted.

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Interconnection with enterprise risk management (ERM) and overall management process
The DMA is performed by a joint team of the CSR department, the External Reporting department, subject matter experts, the CFO team and the Risk Management department.

The risks and opportunities resulting from the DMA are generally in line with our list of principal risks, which is discussed with the Board of Management on a semi-annual basis. Within our enterprise risk management procedures, sustainability-related risks are prioritized relative to other types of risk, such as commercial, technological and geopolitical risks; for example, all risk categories are ranked based on impact (financial, reputational), likelihood of occurrence and the trend trajectory of the risks.

For more information on our ERM procedures, see the Compliance and Risk paragraph on page 35 and the list of principal risks in Appendix 3 (sustainability risks: environmental and social topics).

The opportunities that emerge from the financial materiality assessment are identified and assessed by the members of the CFO team. These senior officers are in a position to include these opportunities – where feasible and in line with our strategy – in the business plans of the respective KPN segments.

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Material impacts, risks and opportunities resulting from KPN's DMA 2024

Ch. Ref	IRO	IRO description
Climate change	Negative impact	**Energy consumption:** KPN's initiatives to enhance energy efficiency in its network reduce energy consumption and thereby support climate change mitigation. Additionally, by providing digital services as alternatives to physical products, KPN helps customers avoid CO_2e emissions, further contributing to environmental sustainability.
Climate change	Negative impact	**Carbon emissions**: KPN's services and products generate CO_2e emissions from energy and material use across our operations, our suppliers' operations, and our customers' usage, impacting climate change.
Climate change	Risk	**Grid congestion:** Renewable energy demand exceeds supply, and energy storage technology is still developing. Limited power capacity and connections can lead to grid congestion, with the risk of disrupting KPN's networks and services through power outages.
Climate change	Risk	**Climate-related major incidents:** Climate change can lead to extreme weather events, such as flooding and heat stress, which could damage KPN's infrastructure and risks temporary or long-term network disruptions.
Circular economy	Negative impact	**Use of virgin raw materials:** Virgin raw materials from mining and extraction have a negative impact on the environment. Incineration and landfill of waste from operations lead to lower availability of secondary raw materials and more direct negative impact on the environment, mainly relating to climate.
Circular economy	Risk	**Scarcity of (critical) raw materials:** Higher costs and lower availability of (critical) raw materials can make our services more expensive and less available on the market. Our key risks relate to network and customer equipment and critical materials essential for future technologies. The risk can be amplified by geopolitics due to concentration of primary supply from raw materials producing countries.
Own workforce	Positive impact	**Working conditions:** KPN distinguishes itself towards its employees through factors including a good work-life balance and high collective bargaining coverage and social dialogue to safeguard adequate wages.
Own workforce	Positive impact	**Equal treatment-diversity**: KPN aims to reflect the diversity of Dutch society. We provide equal opportunities for everyone regardless of their characteristics. The diversity within our employees leads to a fair and equitable workplace where all talents can be themselves and unlock their full potential.
Own workforce	Risk	**Tight labor market:** This could result in KPN not being able to create an engaged, diverse employee base and hire the talents it needs, which could lead to lower quality of services and lower business results.
Own workforce	Risk	**Diversity-aging employees:** In the coming years, a substantial number of employees will retire. KPN may not be able to sufficiently fill the gaps in capacity, skills and knowledge with newly recruited and younger employees. This might lead to lower quality of services and lower business results.
Workers in the value chain	Negative impact	**Workers in the value chain:** KPN's demand for products and services delivered by suppliers that are located in CSR high-risk countries can have a negative impact on supplier working conditions, such as forced labor and child and juvenile labor, unlawful working hours, lack of attention to health and safety, wages below living standards, and freedom of association.
Privacy	Negative impact	**Regulatory implications:** KPN faces potential damage to customers and harm to its reputation due to inadequate protection or non-compliant use of customer data in its network. Such lack of protection or non-compliance could impact customer privacy and KPN's reputation.
Customer value	Positive impact	**Connected society**: KPN's products and services enable people (B2C) and organizations (B2B) to connect, participate, work, and operate safely in a connected and digital society (e.g. fixed and mobile communication and internet services).
Customer value	Positive impact	**Business digitalization:** KPN's products and services enable organizations to digitalize their business processes. This includes ICT solutions such as workplace management, IoT, infrastructure, cloud, data management, identity management, and cybersecurity.
Network	Positive impact	**Network quality:** KPN offers high speed internet connectivity to consumers and end-users in the Netherlands, so they have access to key products, services and markets that increase participation in cultural, political and social life.
Network	Negative impact	**Unavailability of 112 service:** To avoid the potential negative impact of the 112 service on mobile networks, KPN ensures continuous network availability.
Network	Opportunity	**Increased market share:** KPN aims to increase its market share in broadband by deploying high-quality and competitive fiber networks.
Network	Risk	**Network interruptions:** Simultaneous failures of two data centers across four different locations could lead to network interruptions, potentially impacting KPN's reputation and market share.
Security	Positive impact	**Safe online environment:** KPN aims to ensure a secure online environment, by putting security first and complying with laws and regulations, resulting in higher trust in telecoms and digital services on the part of customers, employees and society as a whole.
Security	Risk	**Implications for our license to operate:** A cyberattack on KPN's operations could lead to losing our license to operate and high remediation costs for a data breach, resulting in reputational damage, loss of revenue, and decreased customer loyalty.
Security	Opportunity	**Security and data protection:** We have a strong focus on security and data protection for B2B and large corporate enterprise (LCE) customers, through implementation of our 4A security strategy, resulting in an enhanced reputation, higher customer loyalty, and improved business results.
Business conduct	Positive impact	**Promoting a strong business culture of integrity and governance:** KPN fosters a culture of integrity and robust governance, actively preventing corruption, bribery, and fraud. KPN enhances its reputation as a trusted business partner, positively impacting the stakeholders' (customers, suppliers and employees) perception of KPN.
Business conduct	Positive impact	**Being considered as trusted provider:** KPN positively influences the perception of our stakeholders (customers, suppliers, and employees) by actively lobbying in support of cybersecurity policies and promoting initiatives for climate neutrality and sustainable ICT solutions.

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Disclosure requirements in ESRS covered by KPN's sustainability statement

ESRS/ Entity specific (ES)	Requirement	Summary of requirement	Starting on page
ESRS 2	DR BP1 – BP2	Basis for preparation	P. 47
ESRS 2	DR GOV-1 – GOV-5	Governance	P. 49
ESRS 2	DR SBM-1 – SBM-3	Strategy, business model and value chain, interests and views of stakeholders, IROs and their interaction with strategy and business model	P. 54
ESRS 2	DR IRO-1 – IRO-2	Impact, risk and opportunity management	P. 63
ESRS 2	MDR-P, A, M, T	Minimum disclosure requirements – policies, actions, metrics and targets	All sections
E1	DR related to ESRS 2 GOV-3	Sustainability-related performance in incentive schemes	P. 77
E1	DR E1-1 & DR related to ESRS 2 SBM-3	Transition plan for climate change mitigation Material IROs and their interaction with strategy and business model	P. 77
E1	DR related to ESRS 2 IRO-1, DR E1-2 – E1-3	Climate-related impacts, risks and opportunities processes policies, actions and resources	P. 81
E1	DR E1-4 – E1-9	Climate change metrics and targets	P. 87
E5	DR related to ESRS 2 IRO-1 E5-1 – E5-2	Resource use and circular economy-related impacts, risks and opportunities processes policies, actions and resources	P. 97
E5	E5-3 – E5-6	Resource use and circular economy metrics and targets	P. 101
S1	DR related to ESRS 2 SBM-2 – SBM-3	Interests and views of stakeholders, IROs	P. 107
S1	DR S1-1 – S1-4	Impact, risk and opportunity management, Own workforce policies, processes and actions	P. 108
S1	DR S1-5 – S1-17	Own workforce metrics and targets	P. 114
S2	DR related to ESRS 2 SBM-2 – SBM-3	Interest and views of stakeholders, IROs	P. 122
S2	DR S2-1 – S2-4	Impact, risk and opportunity management Workers in the value chain policies, processes and actions	P. 123
S2	DR S2-5	Workers in the value chain metrics and targets	P. 127
S4	DR related to ESRS 2 SBM-2 – SBM-3	Interest and views of stakeholders, IROs	P. 129
S4	DR S4-1 – S4-4	Impact, risk and opportunity management Consumers and end-users policies, processes and actions related to privacy	P. 130
S4	DR S4-5	Consumers and end-users metrics and targets related to privacy	P. 134
ES	DR S4-1 – S4-4	Impact, risk and opportunity management Consumers and end-users policies, processesand actions related to customer value	P. 135
ES	DR S4-5	Consumers and end-users metrics and targets related to customer value	P. 139
ES	DR S4-1 – S4-4	Impact, risk and opportunity management Consumers and end-users policies, processes and actions related to network quality	P. 141
ES	DR S4-5	Consumers and end-users metrics and targets related to network quality	P. 148
ES	DR S4-1 – S4-4	Impact, risk and opportunity management Consumers and end-users policies, processes and actions related to security	P. 151
ES	DR S4-5	Consumers and end-users metrics and targets related to security	P. 154
G1	DR related to ESRS 2 GOV-1	Governance	P. 156
G1	DR related to ESRS 2 IRO-1 DR G1-1, G1-3	Impact, risk and opportunity management Corporate culture and business conduct policies	P. 157
G1	DR G1-4, G1-5	Business conduct metrics and targets	P. 160

Based on the nature of KPN as a telecom operator, the following ESRS standards are not applied in the sustainability statement, as there are no material impacts, risks or opportunities related to these topical standards according to the double materiality assessment:

- ESRS E2 – Pollution
- ESRS E3 – Water and marine resources
- ESRS E4 – Biodiversity
- ESRS S3 – Affected communities

Environmental - EU taxonomy

Environmental information

EU TAXONOMY

General

In 2019, the European Commission presented the European Union's Green Deal, setting the course for more sustainable investments to reach a climate-neutral economy by 2050 – an economy with net-zero greenhouse gas (GHG) emissions, with a reduction of 55% to be implemented by 2030. An important purpose of the EU Action Plan on Sustainable Finance is to steer cash flows towards sustainable investments. In this context, the EU Taxonomy Regulation became effective in mid-2020 as Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, which has since been supplemented and amended by Commission Delegated Regulations (EU) 2021/2139, 2021/2178, 2023/2485 and 2023/2486. This EU Taxonomy Regulation is intended to serve as a standardized and mandatory classification system to determine which economic activities are considered "environmentally sustainable".

As part of this taxonomy, the EU has published a list of sustainable activities (the "EU Catalog") comprising six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

The delegated regulations determine which economic activities can be generally considered in scope.

We are required to report whether eligible activities can be considered "environmentally sustainable", i.e. taxonomy-aligned. This depends on certain criteria that must be fulfilled. These technical screening criteria determine the conditions under which an economic activity qualifies as contributing substantially to one of the six environmental objectives and whether that economic activity causes no significant harm to any of the other environmental objectives and complies with minimum safeguards. We have concluded that the impact of the current framework's environmental objectives is very limited for KPN, given our business model.

We have carried out an analysis based on the activities and criteria as described in the relevant delegated act for each theme to determine any substantial contribution and substantiate the "do no significant harm" criterion. For the third criterion, compliance with minimum social safeguards, we performed an analysis on three relevant levels: product level, KPN organizational level and responsible supply chain level.

Judgments and assumptions made by management on the EU taxonomy

Based on our assessment of compliance with the current EU Taxonomy Regulation, we conclude that various aspects are open to multiple interpretations. In assessing our disclosure obligations, management has made a number of judgments and assumptions. We have concluded that we have eligible activities that are relevant to two out of the taxonomy's six environmental objectives, and that the following economic activities described in the EU taxonomy apply to KPN:

Climate change mitigation eligible activities:

- 6.5 - Transport by motorbikes, passenger cars and light commercial vehicles;
- 7.3 - Installation, maintenance and repair of energy efficiency equipment;
- 8.2 - Data driven solutions for GHG emissions reductions.

Transition to a circular economy eligible activities:

- 5.1 - Repair, refurbishment and remanufacturing.

Climate change mitigation analysis of eligibility and alignment

Climate change mitigation means the process of holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, as laid down in the Paris Agreement. Below, we describe the nature of our taxonomy-eligible and taxonomy-aligned economic activities.

Transport by motorbikes, passenger cars and light commercial vehicles (6.5)

Our analysis showed that our capex on fully electric lease cars increased to €47 million (2023: €23 million). The continued transformation of our leased car fleet to fossil fuel free cars meets the first criterion - a substantial contribution to climate change mitigation - as electric vehicles (inflow) have lower emissions than the limit allowed in the technical screening criteria. KPN's car lease contracts include maintenance and repair. After the lease

Environmental - EU taxonomy

contract ends, cars are returned and sold by the lease company on the second-hand market, which proves the activity does no significant harm to the "transition to a circular economy" objective. With regard to pollution prevention, electric vehicles have lower exhaust emissions. However, our assessment is that their tires do not comply with EU Regulation 2020/740 and cannot qualify as an aligned economic activity.

Installation, maintenance and repair of energy efficiency equipment (7.3)
The capex related to the installation of energy efficiency equipment are qualified as eligible activities. The activities concerns €3 million capex in (re)placing airconditioning in technical buildings and LED lighting in office buildings. The first criterion for substantial contribution is met, as the airconditioners and LED lighting are in the highest two populated energy efficiency classes (A and B respectively, where relevant). However, the do no significant harm criteria for the "pollution prevention and control" objective were not met.

Data driven solutions for GHG emissions reductions (8.2)
Last year we reported capex on specific customer premises equipment as eligible and aligned. This economic activity is considered an enabling activity and it complies with all the technical screening criteria of economic activity 8.2. It ensures lower lifecycle GHG emissions through lower energy consumption compared with the best performing alternative solutions or technology. One of our modems has been assessed as being more energy-efficient versus previous models. The related capex in 2024 amounted to €13 million (2023: €15 million).

Investments in customer premises equipment met the first criterion (a substantial contribution to climate change mitigation) as shown by the nature of the product passports for this equipment (verified by an independent third party) and by supplier self-declaration. This equipment does not do significant harm to the other environmental objectives, as evidenced by performing a climate risk and vulnerability assessment and Declarations of Conformity.

Circular economy analysis of eligibility and alignment

Repair, refurbishment and remanufacturing (5.1)
KPN has material eligible activities related to repair and refurbishment of customer premises equipment. The activities provide a substantial contribution to the transition to a circular economy in line with the criteria on lifetime extension, contractual safeguards and a proper waste management plan.

The opex of eligible activities in 2024 is less than €1 million (2023: less than €1 million). The related capex in 2024 is €9 million (2023: €8 million). We have concluded that these activities can be considered as aligned as they do no significant harm to 'climate change mitigation/adaptation', 'sustainable use and protection of water and marine resources' and 'pollution prevention and control'.

Minimum social safeguards assessment

Compliance with minimum safeguards is enforced through suppliers accepting the KPN supplier code of conduct, verifying suppliers' operations through audits by a third party (JAC), and in the event of short comings by corrective actions (see also "Workers in the value chain"). Moreover, KPN complies with the UN Guiding Principles on Business and Human Rights, by integrating these principles in our code of conduct and what we require from our suppliers (see also chapter "Compliance and risk"). Finally, we refer to the 'Governance' section for safeguards in place.

Accounting policy related to the EU taxonomy

See the green highlighted box hereafter for details of the accounting policy we use to calculate turnover, capex and opex in relation to the EU taxonomy. This accounting policy includes references to the related line items in the consolidated financial statements. We have made sure to avoid double counting between the various reporting categories and between the objectives relevant for KPN. We did this by conducting a systematic analysis of all activities listed per objective and crosschecking the eligible activities across the reporting categories and objectives. All eligible and aligned investments in customer premises equipment are included in Note 10 of our consolidated financial statements as investments in property, plant and equipment. Additions related to acquisitions through business combinations and expenses incurred as part of a capex plan are not applicable.

We did not include our joint venture Glaspoort in our disclosure, as KPN does not have control over this entity. We did not report Glaspoort's impact separately as its main activities relate to fiber rollout which is currently not eligible.

With the proceeds of the issuance of KPN's €500 million perpetual green hybrid bond, we will finance or refinance projects with positive environmental impact. However, the purpose of this financing is not specific to identified taxonomy-aligned activities, so does not have an impact on the EU taxonomy capex KPI.

Environmental - EU taxonomy

Conclusion

EU taxonomy capex KPI

The total value of KPN's EU taxonomy capex amounts to €1,508 million (2023: €1,426 million). For the reporting year 2024, ~5% of our EU taxonomy capex activities qualify as eligible. This relates to electric lease cars, certain customer premises equipment, investments in heating and cooling and spend related to repair and refurbishment. Only ~1.5% of our EU taxonomy capex activities qualify as aligned, comprising certain customer premises equipment (new products) and repair/refurbishment activities.

EU taxonomy opex KPI

KPN has identified eligible activities related to repair and refurbishment of customer premises equipment. The related opex in 2024 is less than €1 million (2023: less than €1 million). Hence, KPN has 0% eligible opex, and as a result this activity is not disclosed in the table on the following page(s). The total value of our EU taxonomy opex amounts to €312 million (2023: €310 million).

EU taxonomy turnover KPI

We have concluded that KPN's eligible EU taxonomy turnover is relatively small, as KPN's core economic activities are not described in the delegated acts on the six environmental objectives. KPN's turnover relevant for the EU taxonomy does not impact the reported percentage (<0.5%) and is not reported as eligible. The total value of KPN's turnover amounts to €5,603 million of which 100% relates to non-eligible activities (2023: €5,439 million of which 100% from non-eligible activities).

Finally, we believe our fiber rollout is an important enabler for climate change mitigation, and it also facilitates significant savings in electricity consumption compared with copper in our core network. However, electronic communications networks (telecommunications) as such are not included as an activity under the current coverage of delegated act. Industry alignment on the treatment of this topic is ongoing.

The amount and proportion of eligible, aligned and non-eligible activities are reported in the tables on the next pages.

EU taxonomy accounting policy

EU taxonomy turnover is defined as revenue as disclosed in Note 4 of our consolidated financial statements.

The EU taxonomy definition of capex differs from that of KPN's as disclosed in Appendix 2. EU taxonomy capex consists of the following components:

Property, plant and equipment investments and PPE changes in consolidation, in the case of acquisitions of business combinations (Note 10 of the consolidated financial statements);

Intangible assets investments and Intangible assets changes in consolidation, in the case of acquisitions of business combinations (Note 11 of the consolidated financial statements);

Leasing and right-of-use assets additions (Note 19 of the consolidated financial statements).

The EU taxonomy definition of opex differs from KPN's definition as disclosed in Appendix 2 and as reported under the operating expenses in our consolidated financial statements. EU taxonomy opex consists of the following components:

Research and development costs, building and renovation costs, short-term leases, maintenance and repair costs, and all other direct costs necessary to service the asset.

Environmental - EU taxonomy

EU taxonomy capex table

FY 2024		2024		Substantial contribution criteria						DNSH criteria ("do no significant harm")									
Economic activities	**Code**	**Capex**	**% of capex 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**% of taxon. aligned (A.1) or eligible (A.2) capex 2023**	**Category enabling activity**	**Category transitional activity**
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Investments in customer premises. Data driven solutions for GHG emissions reductions	CCM 8.2	13	1%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	1%	E	
Repair, refurbishment and remanufacturing	CE 5.1	9	1%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	-	Y	Y	Y	-	-	Y	n/a	E	
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		**22**	**1%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**1%**		
Of which enabling		22	100%	100%	0%	0%	0%	0%	0%	-	Y	Y	Y	Y	Y	Y	100%	E	
Of which transitional		-	0%	0%						n/a	n/a	n/a	n/a	n/a	n/a	n/a	0%		T
A.2. Taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles: -Electric lease cars	CCM 6.5	47	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	3	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								n/a		
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		50	3%														2%		
A. Capex of taxonomy eligible activities (A.1 + A.2)		72	5%														3%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Capex of taxonomy non-eligible activities		1,436	95%																
TOTAL		**1,508**	**100%**																

Environmental - EU taxonomy

EU taxonomy opex table

FY 2024		2024		Substantial contribution criteria						DNSH criteria ("do no significant harm")									
Economic activities	**Code**	**Opex**	**% of opex 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**% of taxonomy aligned (A.1) or eligible (A.2) opex 2023**	**Category enabling activity**	**Category transitional activity**
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
No activities identified		-	0%														0%		
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**-**	**0%**														**0%**		
Of which enabling																		E	
Of which transitional																			T
A.2. Taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
No activities identified		-	0%														0%		
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		-	0%														0%		
A. Opex of taxonomy eligible activities (A.1 + A.2)		-	0%														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of taxonomy non-eligible activities		312	100%																
TOTAL		**312**	**100%**																

Environmental - EU taxonomy

EU taxonomy turnover table

FY 2024		2024		Substantial contribution criteria						DNSH criteria ("do no significant harm")									
Economic activities	**Code**	**Turnover**	**% of Turnover 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**% of taxon. aligned (A.1) or eligible (A.2) turnover 2023**	**Category enabling activity**	**Category transitional activity**
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
No activities identified		-	0%														0%		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**-**	**0%**														**0%**		
Of which enabling																		E	
Of which transitional																			T
A.2. Taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
No activities identified		-	0%														0%		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		-	0%														0%		
A. Turnover of taxonomy eligible activities (A.1 + A.2)		-	0%														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy non-eligible activities		5,603	100%																
TOTAL		**5,603**	**100%**																

Environmental - EU taxonomy

Extent of eligibility and alignment per environmental objective

	Proportion of capex / total capex		Proportion of opex/ total opex		Proportion of turnover / total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1%	3%	0%	0%	0%	0%
CCA	0%	0%	0%	0%	0%	0%
WTR	0%	0%	0%	0%	0%	0%
CE	1%	0%	0%	0%	0%	0%
PPC	0%	0%	0%	0%	0%	0%
BIO	0%	0%	0%	0%	0%	0%

	Nuclear and fossil gas related activities	Yes/No
	Nuclear energy-related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas-related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Environmental - Climate change

CLIMATE CHANGE

Governance

Our ESG governance is described in the "Governance" section, which includes governance on environmental topics. To reflect our long-term ambition towards net-zero emissions, our long-term incentive (LTI) plan includes the reduction of value chain emissions (Scope 3), which is given a weighting of 15% of the total LTI plan. The target ambition for the reduction of Scope 3 emissions in the 2022-2024 performance period was set at 25% versus base year 2014. The actual outcome in the 2022-2024 period is at maximum level (a reduction of 29%), which corresponds with 200% of total LTI payout (vesting) level. See the "remuneration report" that forms part of our integrated annual report.

KPN pays a fixed annual fee and annual committee membership fees to the members of the Supervisory Board and these fees are not linked to climate-related considerations.

Strategy

Transition plan for climate change mitigation

Our transition plan to achieve net-zero operations and a net-zero value chain ('KPN Environmental Policy') is publicly available. The key elements are our environmental strategy, long-term goals, decarbonization levers, climate mitigation actions and locked-in emissions, impact of direct emissions, electricity consumption, and upstream and downstream activities. Our strategy and business model support our transition plan towards net-zero, as we roll out fiber in the Netherlands and switch off legacy networks. We aim for sustainable growth by modernizing and simplifying our business and a simplified and streamlined operating model. Sustainability is one of the ESG pillars that is embedded in our strategy.

We have set ambitious environmental objectives for the short term (2025), medium term (2030) and long-term (2040), moving towards net-zero on Scope 1, 2 and 3 emissions. In addition, we have set a medium-term target for 2033 (Scope 3). Target year 2033 is the maximum target year advised by the Science Based Targets initiative (SBTi) and is based on the year KPN requested validation of its updated targets (maximum of 10 years after date of request).

Mitigation efforts are crucial in addressing climate change, and a comprehensive approach involves reducing our impact across all emission scopes - Scope 1, 2 and 3. By implementing strategies to lower emissions in these areas, we not only reduce our own carbon footprint but also aim to reduce our overall negative impact by enabling our customers to reduce emissions. This means actively seeking opportunities to prevent emissions that would otherwise have occurred, thereby contributing to a less negative environmental outcome. Through innovative technologies, sustainable practices, and collaborative efforts with everyone from suppliers to customers, we aim to mitigate climate change effectively and work towards zero waste and zero emissions. This includes our procurement, operations, and the impact of our products and services before, during and after use.

KPN is committed to limiting global warming and achieving net-zero greenhouse gas emissions across its value chain by 2040. By then, we aim to reduce Scope 1 and Scope 3 emissions by 90% from 2015 levels, while continuing to source 100% renewable electricity annually. Any remaining emissions, capped at 10% of our baseline, will be neutralized. Our Scope 2 emissions (market-based) have been zero since 2011, and we will maintain this through 2040 by using renewable energy.

In the near term, we target an 84% reduction in Scope 1 emissions and an intermediate reduction of 41% in Scope 3 emissions by 2030, working towards a 75.6% reduction in Scope 3 emissions by 2033 (all targets versus base year 2015).

These targets have been validated by the SBTi, which provides sector specific guidelines to organizations before they develop and submit targets for validation. SBTi has classified our Scope 1 and Scope 2 target ambitions as in line with a 1.5°C trajectory. By validating our targets externally and monitoring our progress, we aim to contribute to the Paris Agreement pathway.

Environmental - Climate change

Our key actions and decarbonization levers

KPN has multiple decarbonization levers in place, which are used to reduce emissions and achieve our climate goals.

Direct emissions - Scope 1

Our Scope 1 emissions primarily stem from the process of transitioning our fleet to fossil fuel alternatives. Our key focus is to restrict our inflow to fossil fuel-free vehicles by 2025. We will reach this goal by converting to electric cars in lease arrangements for our own people and in part by using electric and cars fueled by HVO-100 (biodiesel) for engineers.

Moreover, we use gas to heat our buildings and diesel power generators sparingly. For larger buildings and offices, we are still facing a challenge converting from gas to electric installations.

We currently still have emissions relating to no-break installations in our network. The usage of these installations is limited to testing, potential power down incidents and capacity shortage. We continue to explore alternatives, including the consumption of biodiesel in no-break installations and battery-based solutions.

Market-based emissions - Scope 2

Our Scope 2 emissions relate to the electricity consumption of our network, offices and stores. The reduction of our electricity consumption is mainly driven by replacing old copper-based technology with new optic fiber-based technology. In addition, we are reviewing the cooling settings of our technical buildings, applying energy saving features at night in our mobile network and reviewing the space required in offices and stores.

We will continue to reduce energy consumption in our operations, even though data usage continues to grow. We are updating our energy mix by committing to a wind farm from 2027 through 2042 and solar park from 2025 through 2039 (both 15-year periods) and are placing solar panels on our technical buildings.

Value chain emissions - Scope 3

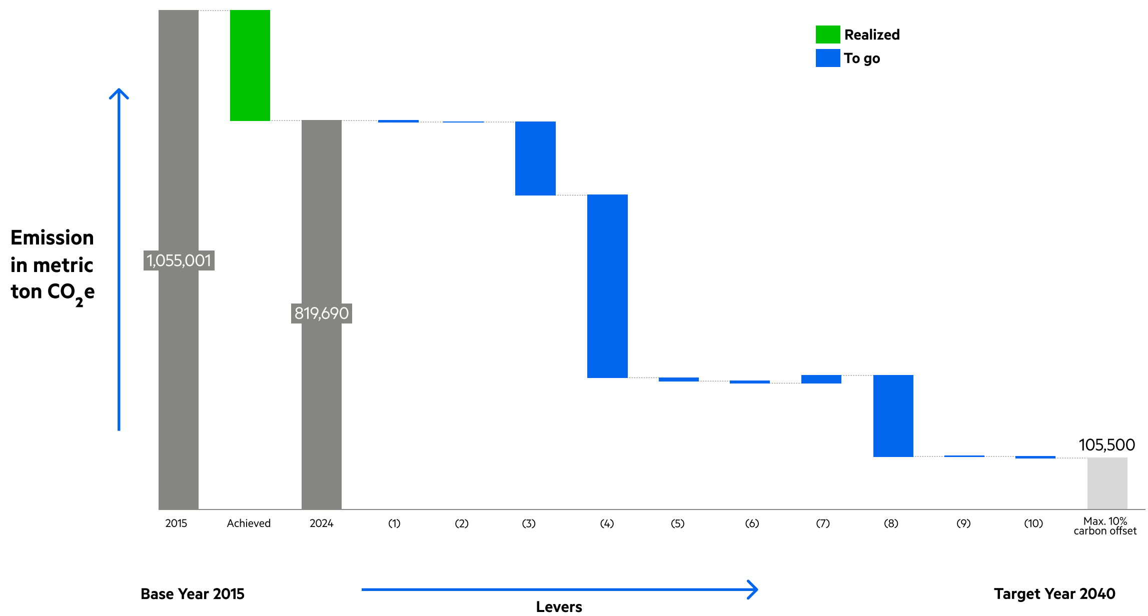
Our Scope 3 emissions reflect our impact in the value chain, and mainly stem from production, transport and usage of equipment we buy from suppliers and usage of our products and services by customers. The key decarbonization levers in the value chain are our suppliers becoming carbon neutral, green electricity available to our customer through advancement of a greener energy grid mix in the Netherlands and the completion of our fiber network and related emitting installation activities.

Other drivers include customer equipment at home or in offices becoming more energy efficient via energy save modes or by using less equipment, reuse and refurbishment of equipment and the lower impact of transport and logistic services in our value chain. Our key actions are supplier engagement programs in collaboration with the Joint Alliance for CSR (JAC) with other telecoms providers and own supplier engagement programs for those vendors not in JAC's scope. The goal of the supplier engagement programs is to gain insight into the alignment of suppliers' climate change related objectives with our objectives, by creating transparency on GHG emissions and energy consumption (including targets, performance and actions) and accelerate improvement opportunities in terms of the carbon footprint of products and equipment (life cycle assessments, or LCAs, e.g. for the energy settings of products we sell to customers) and services. Of our top 20 suppliers that contribute to our Scope 3 upstream emissions, accounting for ~ 56% of our total Scope 3 upstream emissions in 2024, 20% have a net-zero target year of 2040 or earlier for the entire value chain.

We have summarized our emissions reduction achieved so far and the key decarbonization levers in the chart on the next page.

Environmental - Climate change

Decarbonization levers (in metric ton CO_2e)



Explanation of decarbonization levers:
1. Scope 1: reduction of direct emissions (gas, fossil car fuels);
2. Scope 2: maintaining 100% renewable energy sourcing (market-based);
3. Scope 3 upstream: completion of fiber rollout resulting in less construction emissions;
4. Scope 3 upstream: reduction of other activities and decarbonization of our suppliers;
5. Scope 3 upstream: reduction of emissions related to production of gas, fossil car fuels and offshore wind electricity as a result of reducing consumption and decarbonization of the energy supply chain;
6. Scope 3 downstream: reduction of emissions as a result of decarbonization of the last-mile logistics to our customers;
7. Scope 3 downstream: increase of emissions related to additional customer fiber equipment;
8. Scope 3 downstream: reduction of emissions related to the improvement of energy efficiency of customer products and/or equipment and the transition to renewable energy in the Netherlands;
9. Scope 3 downstream: reduction of emissions related to reuse and recycle of customer products;
10. Scope 3: other reductions (not further specified: waste from operations, business travel, employee commuting, investments).

The replacement of our copper network by a fiber network results in lower energy consumption in KPN's core network, as data is transported by light signals instead of electrical pulses and significant reduction of space required for equipment in buildings. In the medium-term additional emissions are expected related to customer premises equipment, which on the long-term will be compensated by improvement of energy efficiency of customer premises equipment and the transition of the Netherlands to renewable energy.

Progress on implementing the transition plan

Scope 1 emissions

We have focused on reducing fossil fuel consumption, achieving a 90% reduction in car fuel consumption in 2024 compared with 2010 (excluding subsidiaries). We added 776 electric and no additional biofuel or diesel cars, reaching a near 100% fossil-fuel-free inflow for 2024 (excluding subsidiaries). Natural gas consumption dropped by 17% from 2023 due to building closures.

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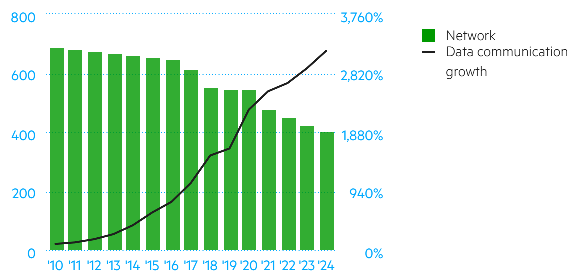
Scope 2 emissions

Electricity consumption fell by 17,800 MWh in 2024, marking a 43% reduction from 2010, even as data traffic increased. See figure 'Network electricity consumption (GWh) compared to data communication growth (%)'. This was achieved through network rationalization. Our energy program aims for energy consumption of <400,000 MWh by 2030. By 2027, around 60% of our electricity will come from the combination of a wind farm and a solar park, supporting our goal to improve the allocation of supply of renewable energy according to KPN's daily demand. This is part of our vision to consume the right energy at the right time.

Network electricity consumption (GWh) compared to data communication growth (%)



Scope 3 emissions

We collaborate with suppliers on carbon reduction in the value chain, using tools such as those from the Carbon Disclosure Project (CDP) and EcoVadis, and through our participation in Joint Alliance for CSR (JAC) Carbon Reduction Programme. Our top 10 suppliers accounting for the most Scope 3 spend-based emissions 2023 for products and equipment are requested to provide life cycle assessments through the JAC Carbon Reduction programme, and our top 179 suppliers accounting for the most Scope 3 spend-based emissions 2023 are invited to join the JAC Supplier Engagement Programme, in which the level of maturity is assessed and scored for improvement.

We have determined the maturity per supplier and provided a scorecard with suggestions for improvement as well as training webinars and have requested that they make pledges to improve. Climate change, energy reduction, reuse and recycling are embedded in the KPN supplier code of conduct, with which every supplier must comply. In 2024, we updated this code with our latest requirements on ESG and we are implementing this across our current supplier base.

For more details on the progress on these actions, see "Actions" in Impacts, risks and opportunities section and Metrics and Targets sections.

Investments in and funding of our transition plan

KPN has outlined a transition plan to address the four key focus areas in our sustainability efforts: reducing energy consumption, minimizing carbon emissions, preventing grid congestion, and enhancing resilience to extreme weather events. This plan aims to tackle each of these areas to ensure long-term operational stability. To support the execution of this transition plan, we have issued three types of financing instrument for key investments. The following instruments are in place to provide the necessary funding and strategic alignment:

1. Revolving Credit Facilities of in total €1.075 bn with a margin linked to KPN's performance on three sustainability targets that are assessed annually: (i) speeding up the digitalization of the Netherlands by rolling out fiber optics; (ii) reducing KPN's energy consumption, and (iii) reducing carbon emission throughout the value chain (Scope 3 emissions). These credit facilities are currently still available to KPN;
2. A sustainability-linked bond (SLB) of €0.7 billion, with a coupon linked to KPN's commitment to significantly reduce Scope 3 carbon emissions by 2030;
3. Two perpetual green hybrid bonds of €0.5 billion each, issued under KPN's green finance framework. The proceeds of these bonds finance or refinance projects with positive environmental impact in three areas:
   - implementing our energy efficient fiber optic network;
   - Investing in extending product life;
   - reducing impact of waste on the environment and the rollout of our fossil-free fleet.

The transition plan is embedded in and aligned with our business strategy. Our financial forecast relating to emissions reduction is in progress, including future resources, capex and opex, and will be updated annually.

For more detailed information about the key performance indicators for our taxonomy-aligned capex, see the EU taxonomy section.

The largest part of our Scope 3 emissions reduction lies with our suppliers and is, as such, funded by them.

Locked-in GHG emissions from our key assets and products

Locked-in emissions are those from the energy consumption of our network and customer premises equipment (CPE) at customer locations, which is influenced by the energy efficiency of this equipment and the energy mix consumed by KPN and the Dutch grid. Our main focus in terms of locked-in emissions on the path to net-zero is on rationalizing legacy network components, improving the energy efficiency of equipment, optimizing cooling and temperatures, transitioning suppliers to climate neutrality, and the conversion of the Dutch grid to green energy. Additionally, home and office energy consumption is affected by the specifications of supplier-provided equipment

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and customer adoption of deviceless applications. There is a technology risk, as we rely on suppliers for energy-efficient equipment innovations.

We manage energy consumption reduction through our energy excellence program, which is reviewed monthly. Energy consumption and power-saving potential are key factors in selecting network and customer premises equipment. We also engage suppliers (e.g. through the Joint Alliance for CSR (JAC) to discuss product carbon footprints and seek improvements through life cycle assessments.

No historic data is available for Scope 3 emissions from the energy consumption of devices sold or leased to B2B customers. Changes in sales volumes and energy features of home and office equipment may affect our outlook for Category 11 (Use of sold products), Category 12 (End-of-life of sold products) and Category 13 (Downstream leased assets) emissions.

For 2025 up to 2027 KPN expects the share of capex dedicated to taxonomy-aligned activities to remain relatively stable.

EU Paris-aligned benchmarks
KPN is excluded from EU Paris-aligned benchmarks, as it does not operate in sectors that significantly contribute to climate change, such as controversial weapons, tobacco, or coal, oil, and gas exploration.

Alignment and embedding of the transition plan with overall business strategy and financial planning
Our transition plan is embedded in and aligned with KPN's overall business strategy. More specifically, it is linked to the financial and business planning of our Connect, Activate & Grow strategy and uses capex planning towards 2027 as an input variable. The transition plan includes short-, medium- and long-term targets, which have been discussed by Supervisory Boards' ESG Committee and approved by the Board of Management.

We measure progress on our transition plan on a quarterly and yearly basis.

Impacts, risks and opportunities

For a description and the results of the process of identifying KPN's material impacts, risks and opportunities, see description of the process to identify and assess material impacts, risks and opportunities.

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We have identified the following **two actual impacts** on climate change, both negative:

1. **Energy consumption:** KPN's initiatives to enhance energy efficiency in its network reduce energy consumption, and thereby support climate change mitigation. Additionally, by providing digital services as alternatives to physical products, KPN helps customers avoid carbon emissions, further contributing to environmental sustainability;
2. **Carbon emissions:** KPN's services and products generate carbon emissions from energy consumption and material usage across our operations, our suppliers' operations, and our customers' usage, impacting climate change.

The impacts are relevant in our business model for our climate-neutral operations in terms of serving customers and delivering connectivity. In our value chain, the impact spans upstream, downstream, and our own operations. Geographically, the impact is both in the Netherlands and worldwide. Our strategy and business model support our transition plan towards net-zero. The impacts are involved through our own activities and business relationships and affects both people and environment, such as extreme weather and flooding, on a medium- to long-time horizon. KPN focuses on energy reduction and efficiency, reduced use of virgin materials, circular economy and resource use are key drivers in our journey to net-zero and reducing carbon emissions across the value chain. In our business relationships, we strive to secure fixed pricing by establishing long-term contracts for renewable energy with suppliers.

Our business model and portfolio of ICT solutions are focused on connecting everyone in the Netherlands to a sustainable future. This enhances the possibilities for working from home, thus reducing the impact of commuting and lowering energy consumption in office buildings. While home energy consumption may increase with working from home, the reduction in emissions from decreased commuting and lower office energy consumption typically results in a net decrease in carbon emissions overall.

We have identified the following **two risks**, which are both **actual** and **potential,** from climate change:

1. **Grid congestion:** renewable energy demand exceeds supply and energy storage technology is still developing. Limited power capacity and connections can lead to grid congestion, with the risk of disrupting KPN's networks and services through power outages;
2. **Climate-related major incidents:** climate change can lead to extreme weather events, such as flooding and heat stress, which could damage KPN's infrastructure and pose risks of temporary or long-term network disruptions.

The transition risk of grid congestion is relevant for our climate-neutral operations by serving the customer and delivering connectivity and is located in our own operations and upstream in our value chain in the Netherlands. The expected time horizon of this risk is medium-term. Grid congestion presents risks to KPN, such as increased costs and potential service disruptions, which could impact customer satisfaction and revenue. If not properly addressed, it may challenge operational stability and network reliability. To mitigate these effects, countermeasures and potential future scenarios have been outlined.

This physical risk of major incidents related to climate is relevant for our climate-neutral operations and is located in our own operations in the Netherlands. The expected time horizon of this risk is long-term. If we do not address the risk of extreme weather events, we run the risk of frequent service interruptions, higher costs, and reduced competitiveness due to less reliable network performance. To mitigate these impacts, KPN has guidelines for setting up technical buildings in ways that protect crucial infrastructure.

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To better understand the impact and the likelihood of the material physical and transition risks, we undertook a resilience analysis. We calculated the impact on KPN's equity value by factoring in possible increases and/or decreases in revenues, opex and capex. For further details on how the analysis was conducted and its results, see the Description of the process to identify and assess material impacts, risks and opportunities.

We identified and assessed the risks of climate change based on the TCFD climate-related risk subcategories, including physical risk, policy and legal risk, technology risk, market risk, and reputation risk, to determine their potential impact on KPN. In the process to identify and assess climate-related impacts, risks and opportunities we have not included the impacts of our GHG emissions on climate change and have not conducted a quantitative analysis of a (high emission) climate scenario nor a climate scenario in line with limiting global warming to 1.5°C with no or limited overshoot.

We have not screened our activities and plans to identify actual and potential future GHG emission sources and/or drivers for other climate-related impacts in our own operations and along the value chain. We plan to do this within two years.

Our strategy and business model support our transition plan towards net-zero, as we roll out fiber in the Netherlands and switch off legacy networks, and aim for sustainable growth by modernizing and simplifying our business and simplifying and streamlining our operating model. Sustainability is one of the ESG pillars embedded in our strategy. For more details on how our strategy and business model align with the transition to a sustainable economy, see the "Strategy" section. This section also provides insights into our green finance framework, which is used for funding any investments in adjusting or adapting our strategy and business model to climate change.

We have assessed the physical risks of climate change for our own operations by performing scenario analysis on the vulnerability of our own infrastructure, based on the geo spatial coordinates specific to our individual locations. For this, we used the Climate Impact Atlas ("Klimaateffectatlas" in Dutch) in considering the time horizon towards 2050, and selected three scenarios based on the Climate Impact Atlas layers: Urban Heat islands, Precipitation and Flooding.

The high scenario corresponds to the KNMI'14 scenario WH ("warm hoog" or "warm high") of the Dutch national weather service, which is the worst-case scenario for most of the effects. The low scenario generally corresponds to the KNMI'14 scenario GL ("gematigd laag" or "moderate low"), in which changes remain most limited. KNMI'14 scenarios (climate-change scenarios) are based on the worldwide climate projections of the Intergovernmental Panel on Climate Change (IPCC). On 9 October 2023, KNMI published new climate scenarios, which replace the '14 climate scenarios. The Climate Impact Atlas has not yet been updated for these scenarios for the relevant layers. We will update our scenario analysis when the relevant layers are updated for the KNMI '23 climate scenarios.

As a result, we have categorized our locations (e.g. technical buildings, Point of Presence-stations, street cabinets) on the exposure to these risks at a scale of 0-5, ascending from low risk (classification 0) to high risk (classification 5). In case a location needs to be relocated this data can be used to determine additional measures to mitigate physical risks (e.g. placing the equipment higher above ground level). The vulnerability of our upstream and downstream value chain has not been assessed.

The assessment of risks related to climate change has been the basis for conducting the financial materiality assessment. In the assessment we have not considered a climate-related scenario analysis in identifying transition events and assessing exposure. We plan to do this within the next two years. For our significant locked-in GHG emissions, we have identified that some of our equipment (i.e. customer premises equipment) is less compatible with a transition to a climate-neutral economy. For more information about our locked-in GHG emissions, see the "Strategy" section.

The climate scenarios described above are compatible with the critical climate-related assumptions made in our consolidated financial statements. We have analyzed whether they had any impact on the valuation of KPN's assets, liabilities and financial results and concluded the impact is limited (see also Note 2 of KPN's consolidated financial statements).

Policies

We have several policies in place to manage the material impacts and risks related to climate change mitigation and adaptation:

1. KPN environmental policy;
2. Strategy for furnishment of technical buildings;
3. KPN code of conduct (CoC);
4. KPN supplier code of conduct (SCoC);
5. Procurement policy.

More details of these policies are given below.

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KPN Environmental Policy

The general objective of our environmental policy is to inform our external stakeholders on our net-zero ambition, strategy, approach, measurement and high-level roadmap in regard to our GHG emissions (Scope 1, 2 and 3) and to provide guidance for internal decision-making in regard to energy consumption, material usage and sourcing of energy and products and services from our suppliers.
The IRO related to this policy is our impact on climate change from energy consumption and carbon emissions.
The policy is in line with ISO 14001. The monitoring process is embedded in the ISO 14001 "plan-do-check-act" cycle of environmental management. We monitor progress and publish the main results and indicators of our environmental performance in our sustainability statement, which is assured internally by our internal audit function as well as externally by our external auditor. Affected stakeholder groups are employees, customers, suppliers and investors. Geographically the scope of our own operations and downstream value chain are located in the Netherlands, however, the upstream value chain is global.
Our Board of Management is accountable for the environmental policy. We request feedback from customers, suppliers, employees, investors and peers via stakeholder dialogues and industry platforms and adjust our policy if needed.

The policy addresses climate change mitigation; reduction of KPN's GHG emissions, energy efficiency; reduction of KPN's energy consumption, and renewable energy deployment (maintaining our 100% renewable energy position).

The policy is publicly available at https://www.overons.kpn/en/kpn-in-the-netherlands/sustainability/vision-on-sustainability-1

Strategy for furnishing of technical buildings

Our vision on buildings and furnishing sets out the requirements for buildings containing active equipment. These requirements depend on the possible impact of an incident and are derived from the network functions of a building, the number of addresses in its service area and the equipment present in the building.
The IRO related to this strategy is the risk of climate-related major incidents.
The requirements in the strategy have been translated into the building requirements for contractors ('Programma van Eisen' or 'PVE' in Dutch), which are evaluated regularly at acceptance of work. These requirements are for technical buildings in our own operations located in the Netherlands and mainly focus on the required level of efficiency in terms of power usage effectiveness (PUE), data center infrastructure efficiency (DCIE) and climate conditions. The policy addresses climate change mitigation: energy efficiency and temperature requirements, and climate change adaptation: business continuity of critical infrastructure. In setting the strategy for network architecture and furnishing of buildings, we consider how best to limit the number of potentially impacted customers. The EVP Technology Office is accountable for the strategy.

The PVE is agreed upon with suppliers on a project basis.

KPN code of conduct

With regard to energy and environment, our values are: we help to create a better society by doing business in a responsible and engaged manner; we respect people and resources; our business operations are carbon neutral; our products and services help society to tackle issues such as climate change and road congestion; and we aim to inform our customers about our 'green credentials', and offer them energy-efficient solutions where possible. The IRO related to this policy is our impact on climate change from carbon emissions. The policy addresses climate change mitigation (carbon neutral operations, minimizing our usage of resources, helping customers to tackle issues with our services), energy efficiency (minimizing our consumption of renewable energy and other resources and offering energy-efficient solutions to our customers) and renewable energy deployment (carbon neutral operations). For details of the code of conduct, see the "Business conduct" section.

KPN supplier code of conduct

KPN purchases many products and services from suppliers. Suppliers are required to contribute to KPN's environmental goals and to comply with KPN requirements in regard to:
- Environmental legislation;
- Environmental governance;
- Reducing / designing for environment;
- Extending and optimizing product usage;
- Energy consumption and GHG emissions.

The related IRO to this policy is our impact on climate change from carbon emissions. The policy addresses climate change mitigation (requirements for suppliers regarding their GHG emissions and energy consumption ambitions, product specifications) and energy efficiency (requirements for suppliers regarding energy consumption of products and equipment). For details of the supplier code of conduct, see the "Workers in the value chain" section.

Procurement policy

Our procurement policy provides guidelines and standard methods and procedures for purchasing products and services from suppliers. We award contracts based on total value including environmental, social and governance (ESG) criteria. The criteria related to Environment are:
- Extending the life cycle of products;
- Promoting the energy efficiency of KPN products;
- Net-zero CO_2e emissions in the supply chain by 2040.

The IRO related to this policy is our impact on climate change from carbon emissions. The policy addresses climate change mitigation, i.e. GHG emissions in upstream (supply) and downstream (use of products by our customers), energy efficiency of purchased equipment and products, and renewable energy deployment (procurement of renewable energy). For details of the procurement policy, see the "Workers in the value chain" section.

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We engage with our stakeholders regarding our environmental policies and performance through stakeholder dialogues. We benchmark our performance via internationally recognized ratings, from e.g. the Carbon Disclosure Project (CDP), Sustainalytics, MSCI and EcoVadis. We participate in industry and cross-industry working groups, environmental membership organizations, partnerships and associations with a sustainability focus. We keep our employees informed and engaged about the value of environmental sustainability and about the initiatives and actions that we take to put our environmental principles into practice. This way, we ensure that our employees play an integral part in our sustainability programs.

Actions

Our key actions (taken and planned) to achieve our climate-related policy objectives and targets are presented below.

Scope 1 emissions

Key actions 2024:
- Converting to electric cars in lease arrangements for our own people;

Future key actions under investigation:
- Transitioning from gas-based heating to electrical heating for smaller buildings.
- For larger buildings and offices, we still face a challenge converting from gas to electric installations;
- Exploring alternatives such as application of biodiesel in no-break installations or battery-based solutions.

These key actions aim to reduce direct emissions (Scope 1). We expect that the outcome will match our target line.
The scope of these actions is our own operations in the Netherlands. The expected time horizon for both the conversion to electric cars of our own fleet in lease arrangements for our own people and/or biodiesel-fueled cars for engineers is 2030. The expected timeframe for the transition from gas-based heating to electrical heating for smaller buildings is yet to be decided.
The key actions require significant opex and/or capex. See the "Strategy" section for the type and background of financial resources allocated to this action plan, specifically the transition plan for "Climate change" subsection "Investments in and funding of our transition plan" for our current and future resources and the environmental/social objectives of these investments.

Scope 2 emissions (location-based)

Our electricity consumption has been based on 100% renewable electricity since 2011 and we have committed to this until at least 2040. This means that our market-based emissions for Scope 2 are already zero.

Key actions:
- We will continue to reduce electricity consumption in our operations, even though data usage continues to grow (see our energy consumption action plan);
- We are updating our electricity mix by committing to a wind farm and a solar park for 15 years (> 67% of long-term required capacity);
- We are continuing the rollout of our fiber network. We expect to achieve reduced electricity consumption by switching off legacy networks and finalizing the fiber rollout.

These key actions aim to reduce indirect emissions (Scope 2) by reducing electricity consumption.
The scope of these actions relates to our own operations in the Netherlands. The expected time horizon is 2040 for reducing electricity consumption in our operations, even though data usage continues to grow (see our energy consumption action plan). The expected time horizon is 2042 for updating our electricity mix by committing to the wind farm and solar park for 15 years (> 67% of long-term required capacity).
The key actions require significant opex and/or capex. See the "Strategy" section for the type and background of financial resources allocated to this action plan, specifically our transition plan for "Climate change" subsection "Investments in and funding of our transition plan" for our current and future resources and environmental/social objectives of the investments.

Scope 3 emissions

Key actions:
- Supplier selection also based on climate change requirements in procurement selection criteria e.g. via life cycle analysis of products and services and material flow analysis for impact of transport in our value chain. This includes selecting energy efficient equipment and stimulate extended use of equipment where feasible;
- Stimulate other project-based improvements by suppliers on climate-related activities in their operation and subcontracted activities;
- Participating in supplier engagement programs from worldwide platforms, such as the Joint Alliance for CSR (JAC), CDP and EcoVadis;
- Collaborating with industry bodies on climate-related industry standards, such as GSMA, JAC, and ETIS.

We expect to positively impact our supply chain and align with industry peers, in terms of climate change ambitions, requirements, reporting and carbon footprint improvement plans. The actions aim to reduce upstream and downstream emissions (Scope 3). The scope of these actions relates to our own operations and the downstream value chain in the Netherlands, and the upstream value chain globally. All key actions are by nature ongoing. The key actions which lead to lower emissions are not expected to require significant opex and/or capex or are part of actions which are not predominantly aimed at lowering emissions.

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Energy consumption

Key actions:
- Rationalizing network locations (optimizing network by closing down obsolete sites);
- Optimizing temperature at technical locations;
- Implementing energy efficiency measures in office buildings, such as the mandatory energy savings measures list ("Erkende Maatregelenlijst" (EML)).

These key actions aim to reduce indirect emissions (Scope 2) by reducing electricity consumption.
The scope of these key actions relate to our own operations in the Netherlands and will be carried out up to and including 2031. The time horizon under which we intend to complete the key actions is medium-term for the first action and short-term for the second and third action.
The key actions require significant opex and/or capex. See the "Strategy" section for the type and background of financial resources allocated to this action plan, specifically our transition plan for "Climate change" subsection "Investments in and funding of our transition plan" for our current and future resources and environmental/social objectives of the investments.

Grid congestion

Key actions:
- Data and forecast: determine magnitude of congestion and predict, prioritize and monitor locations;
- Lobbying solutions: dialogue with the government and electricity distribution system operators to find solutions for grid congestion;
- Technical solutions: development of a process to intervene in case of undercapacity (such as use of mobile sites, batteries).

These key actions aim to prevent grid congestion. However, as we are subject to regulation, we do not expect that all congestion can be prevented by these actions.
The scope of these key actions relate to our own operations in the Netherlands. There is no specific time horizon to complete them, since it is an ongoing process.

The following table shows the relevant decarbonization levers, and expected and achieved GHG emissions reductions. It also cross-references our consolidated financial statements and the EU taxonomy for our action plans.

Key actions	Relevant decarbonization lever	Expected GHG emission reduction	Achieved GHG emission reduction	Reference to consolidated financial statements	EU taxonomy opex (planned/ realized)	EU taxonomy capex (planned/ realized)	If applicable capex plan	Dependence on the availability and allocation of resources
Key actions Scope 1 emissions: • Converting to electric cars in lease arrangements for our own people and in part by using electric and biodiesel fueled cars for engineers • Transitioning from gas-based heating to electrical heating for smaller buildings	Reduction of direct emissions (Scope 1)	33,750 metric tons CO_2e	31,292 metric tons CO_2e	Note 19 to the consolidated financial statements (for leased cars)	n/a	Capex not aligned	n/a	Limited
Key actions Scope 2 emissions reduction (location-based) and energy consumption: • Rationalizing network location grid • Optimizing temperature technical locations • Energy efficiency measures in office buildings (such as mandatory "Erkende Maatregelenlijst" (EML)	Reduction of indirect emissions (Scope 2)	171,600 metric tons CO_2e	153,244 metric tons CO_2e	n/a	n/a	Capex not aligned	n/a	Limited

Environmental - Climate change

Metrics and targets

Targets related to climate change mitigation and adaptation

We have designated a number of metrics related to our material climate-related impacts, risks and opportunities to track exposure and/or performance. We have set targets to support our climate change mitigation and adaptation policies and address our material climate-related impacts, risks and opportunities.

KPN has set GHG emissions reduction targets for Scope 1, 2 and 3, based on trends, drivers and SBTi guidelines. Furthermore, in connection with Scope 1 and 2 and our electricity consumption relating to data traffic, we have targets on metric tons of CO_2e per Gbps and MWh per Gbps (intensity indicator). We consider these metrics as representative for the impact of KPN on climate change that can be influenced by management decisions. The targets are set organization-wide for KPN, which operates in the Netherlands. Scope 3 is by far the largest category of emissions, as for many companies around the world (2024: 99% of total GHG emissions, market-based). Emissions from upstream activities represent the largest part of our Scope 3 emissions (2024: 77% of total Scope 3 emissions) with purchased goods and services (Category 1 and 2) as the main driver. Reduction in emissions from downstream activities mainly depend on the transition of the Netherlands to renewable energy.

The following tables show results as well as details per target. We did not make any changes to the targets in 2024 and stakeholders are not directly involved in setting these targets, unless stated otherwise. The targets are monitored and reviewed every quarter (Scope 1 and 2 emissions, % fossil-free cars added to company fleet in the reporting year) or yearly (Scope 3 emissions, Tons CO_2e per Gbps KPN Netherlands and MWh per Gbps Network Netherlands) by the Board of Management in the ESG update, unless stated otherwise.

	Scope 1 emissions (gross)	Scope 2 emissions (location-based)	Scope 2 emissions (market-based)	Scope 3 emissions
Result 2023	8,686 metric tons CO_2e	132,326 metric tons CO_2e[1]	0.0 metric tons CO_2e	795,061 metric tons CO_2e[2]
Result 2024	6,208 metric tons CO_2e	118,356 metric tons CO_2e	0.0 metric tons CO_2e	813,481 metric tons CO_2e
Target 2024	8,500 metric tons CO_2e	150,000 metric tons CO_2e	0.0 metric tons CO_2e	759,000 metric tons CO_2e
Target 2025	6,100 metric tons CO_2e	116,000 metric tons CO_2e	0.0 metric tons CO_2e	794,000 metric tons CO_2e
Related policy objective(s)	Reducing our direct emissions	Reducing our indirect emissions from business operations	Maintaining our renewable energy %	Reducing our emissions in our upstream and downstream value chain
Scope	Own activities (the Netherlands)	Own activities (the Netherlands)	Own activities (the Netherlands)	Upstream and/or downstream value chain (global)
Base year and baseline value	2015: 37,500 metric tons CO_2e	2015: 271,600 metric tons CO_2e	2015: 0.0 metric tons CO_2e	2015: 1,017,501 metric tons CO_2e[2]
If applicable, milestones or interim targets	2030: 6,000 metric tons CO_2e 2040: 3,750 metric tons CO_2e (net-zero target year)	2030: 110,000 metric tons CO_2e 2040: 100,000 metric tons CO_2e	2030: 0.0 metric tons CO_2e 2040: 0.0 metric tons CO_2e (net-zero target year)	2030: 599,000 metric tons CO_2e 2033: 248,270 metric tons CO_2e 2040: 101,750 metric tons CO_2e (net-zero target year)
Methodology of target-setting	We used the SBTi Target Setting Tool (v2.3 - Absolute Contraction Approach) to set our near-term target for Scope 1, which is aligned with 1.5^{0} C. We set the target to be even more ambitious	Target is derived from long-term electricity consumption forecast and expected Dutch energy grid development	Not applicable, as target was reached in 2015 and has been maintained	We used the SBTi Target Setting Tool (v2.3 - Absolute Contraction Approach) to set our near-term target for Scope 3
Based on conclusive scientific evidence	Yes	Yes	Yes	Yes
Performance vs target and analysis	Progress is in line with plan. Result 2024 is significantly lower than 2023 as well as the set target for 2024. This significant change is due to lower gas consumption and less liters of fuels	Progress on Scope 2 emissions is in line with plan. There is a visible year-on-year decrease from 2015 up to 2024	The set target was already reached in 2015. The plan is to maintain 0, which has been achieved in 2024	Increase versus 2023 mainly due to higher Category 1 and 2 emissions, increase in Category 11 (higher volumes sold products) and higher emissions from Category 15 (mainly Glaspoort)

1 Adjusted, see table Gross Scope 1, 2, 3 and total GHG emissions

2 Adjusted, see section "Changes in Scope 3"

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	Energy consumption	Electricity Consumption in MWh	% fossil-free cars added to company fleet in the reporting year	Tons CO_2e per Gbps KPN Netherlands	MWh per Gbps Network Netherlands	Number of critical locations with congestion challenges
Result 2023	525,705 MWh	446,244 MWh (-42%)	98%	0.0 metric ton CO_2e per Gbps	2,318 MWh per Gbps	n/a
Result 2024	492,739 MWh	435,468 MWh (-44%)	99%	0.0 metric ton CO_2e per Gbps	2,016 MWh per Gbps	Not disclosed
Target 2024	n/a	445,000 MWh (-42%)	98%	0.0 metric ton CO_2e per Gbps	2,100 MWh per Gbps	n/a
Target 2025	489,000 MWh	432,000 MWh (-45%)	99%	0.0 metric ton CO_2e per Gbps	1,900 MWh per Gbps	n/a
Related policy objective(s)	Reduction in energy consumption to mitigate our negative impact on climate change	Energy efficiency leads to a reduction in electricity consumption and as a result mitigate our negative impact on climate change	Reduction of fossil fuel consumption to mitigate our negative impact on climate change	The target relates to limiting the impact of exponential data growth on our Scope 1 and 2 emissions	Energy intensity of our network versus exponential data traffic growth is a key challenge in realizing energy efficiency	Prevent service interruption as a result of grid congestion on critical locations
Scope	Own activities (Netherlands)	Own activities (Netherlands)	Own activities (Netherlands)	Own activities (Netherlands)	Own activities (Netherlands)	Own activities (Netherlands)
Base year and baseline value	n/a	2010: 769,401 MWh	n/a	n/a	2010: 100 (index)	n/a
If applicable, milestones or interim targets	n/a	2030: < 400,000 MWh	n/a	n/a	n/a	n/a
Methodology of target-setting	No target is set. Instead, we conduct a trend analysis based on the forecasted GWh of the network and the inflow of fossil-free cars.	The target is based on long-term planning of electricity consumption, where consumption uptake must be absorbed by additional measures	We set the target by analyzing the potential for the inflow of fossil-free fueled cars. We analyzed the available types of vehicles in the lease markets for the upcoming years.	We are already on target and plan to maintain that position	We set the target for the coming year based on estimated data traffic growth, energy efficiency measures and energy forecasts	KPN has assessed that certain information related to grid congestion is sensitive. Therefore, details about "Number of critical locations with congestion challenges" has been omitted from this report.
Based on conclusive scientific evidence	No	No	No	No	No	No

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	Energy consumption	Electricity Consumption in MWh	% fossil-free cars added to company fleet in the reporting year	Tons CO_2e per Gbps KPN Netherlands	MWh per Gbps Network Netherlands	Number of critical locations with congestion challenges
Performance vs target and analysis	Our trend analysis shows, that the progress is in line with our forecast. There is a visible year-on-year decrease for Energy consumption.	We have an energy excellence program in place and are on track to reach our target of less than 400,000 MWh in 2030. Furthermore, electricity savings mainly result from network rationalization. As 2024 figures show, we are on track to achieve the set target.	The progress made is in line with plan. There are no significant changes in performance towards target. The mentioned results exclude KPN's subsidiaries.	Progress is in line with plan. Significant change in performance towards target: no.	Progress is in line with plan. Decrease 2024 related to lower electricity consumption in the network, despite data traffic growth. Significant change in performance towards target: no.	KPN has assessed that certain information related to grid congestion is sensitive. Therefore, details about "Number of critical locations with congestion challenges" has been omitted from this report. The metric is monitored and reviewed on a monthly basis.

	Estimated avoided energy consumption	Estimated avoided CO_2e emissions	Avoided particulate matter emissions
Result 2023	5,349 PJ[1]	437,199 metric tons CO_2e[1]	76 metric tons PM_{10}[1]
Result 2024	6,984 PJ	591,751 metric tons CO_2e	126 metric tons PM_{10}
Target	Not available: no key action plan and target are set. Actions focus on explaining to our customers the possibilities of using our services for working from home offices.		
Performance vs target and analysis	The metrics are partially dependent on assumptions which vary from year to year and other factors determined by third parties (such as company rules on office/home office days, traffic rush hours etc.) and cannot be influenced by KPN. Therefore, we have chosen not to set a policy and target for these metrics, but are following year-on-year trends. The increase 2024 versus 2023 is mainly related to an increase in the % teleworkers.		

1 Outcomes 2023 are updated for new information on average working hours at home per week per home worker. Reported 2023: Estimated avoided energy consumption 3,830 PJ, Estimated avoided CO_2e emissions 383,041 metric tons CO_2e and Avoided particulate matter emissions 110 PM_{10}

Methodologies

- Scope 1, 2 and 3: see the "Methodologies and significant assumptions on GHG emissions" section;
- Electricity Consumption in MWh: the metric includes electricity consumption of our fixed and mobile networks, data centers, offices and shops versus the consumption in base year 2010. Electricity providers estimate the consumption for part of our network operations - as monthly meter readings are not always made - so there is some uncertainty around the accuracy and completeness of our electricity consumption;
- Energy consumption: Calculation is based on consumption reported by suppliers and our own smart meters. We convert the consumption measurement in PJ to MWh;
- % Fossil-free cars added to company fleet in the reporting year: for this metric we calculate the share of electric cars in total additions (inflow) of cars to the company fleet, the lease pool or company cars for engineers;
- Tons CO_2e per Gbps KPN Netherlands: for this metric we calculate the sum of Scope 1 emissions (net) and Scope 2 emissions (market-based) divided by data traffic in gigabytes per second;
- MWh per Gbps Network Netherlands: for this metric we calculate the energy consumption of our network divided by data traffic in gigabytes per second;
- Number of critical locations with congestion challenges: measured by comparing the base load of energy consumption corrected for incidental peak loads and compared to available grid capacity of the local energy distribution system operator and categorized in three categories (critical, needs attention and safe);

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- Estimated avoided energy consumption, estimated avoided CO_2e emissions, and avoided particulate matter emissions: the savings calculation consist of three parts:
  1. Reduced commuting (reduced traveling);
  2. Reduced office space;
  3. The rebound effect caused by additional electricity and gas consumption at home when working from home.

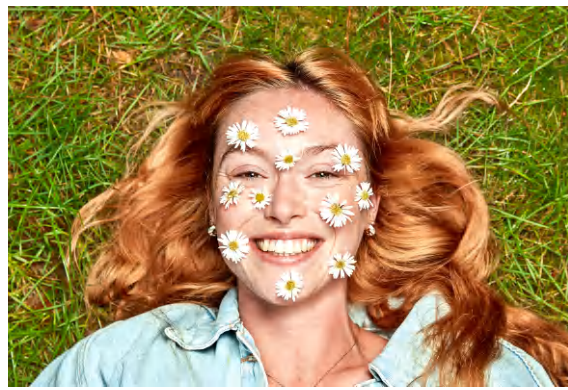
  The impact of working from home is estimated based on the following main assumptions:
  - Market share of broadband subscribers (limited change versus previous year);
  - % home workers: 52.0% (2023: 41.8%);
  - Average working hours at home per week per home worker: 15 (2023: 7.4, corrected to 15);
  - % travel by car: 69.7% (2023: 69.8%).

No stakeholders were directly involved in setting the targets. All parameters are reviewed annually by KPN for updates. In the event of changes or when new services are introduced to provide estimation methods, we involve external consultants. For the parameters for savings on office space and for extra electricity and home gas consumption when working from home (rebound effect), the values used in the savings calculation are based on averages. We use the average between the lowest and highest reported value in reports and research. Cost savings are based on the average fuel, electricity and gas prices published by Statistics Netherlands (CBS) and Milieu Centraal. Estimated avoided energy consumption is calculated by multiplying the avoided electricity consumption in kWh by a conversion factor to convert to PJ, estimated avoided CO_2e emissions are calculated by multiplying the avoided electricity consumption in kWh by an emission factor for electricity. Avoided PM_{10} emissions enabled for KPN customers are estimated based on the following main assumptions:

- Particulate matter per car kilometer: 0.00002 kg/km;
- Particulate matter per public transport kilometer: 0.00010 kg/km;
- Particulate matter per kWh: 0.00025 kg/kWh;
- Particulate matter per kWh off-shore wind: 0.00005 kg/kWh;
- Particulate matter per m3 – heating: 0.00170 kg/m^3.

Avoided particulate matter emissions are calculated by multiplying the avoided kilometers, natural gas and electricity consumption by the relevant particulate matter factor.

For base year 2015 we used the calculated emissions and corrected the emissions value for relevant changes and errors over the comparative year, to ensure that figures for the reporting year are like-for-like in regard to the base year. For Category 5 (Waste generated in operations), Category 11 (Use of sold products), Category 12 (End-of-life treatment of sold products), Category 13 (Downstream leased assets), Category 15 (Investments) we have set a baseline. Please refer to the "methodology" section for the changes in methodology and/or scope we made in calculating our GHG emissions in this reporting year 2024.



We used the SBTi target setting tool (v2.3 - Absolute Contraction Approach) to set our near-term targets and the net-zero tool (v1.0.3 - Cross-sector Pathway) to set our long-term targets for Scope 1, 2 and 3. These targets are validated by the SBTi (except our Scope 3 2030 target and our electricity consumption reduction target). SBTi has classified our Scope 1 and 2 target ambitions as in line with a 1.5°C trajectory. For Scope 1 we set an even more ambitious target than the reference target value (targeting an 84% reduction versus the reference value 80.25%). SBTi provides sectoral specific guidelines to organizations before developing and submitting targets for validation. By validating our targets externally and monitoring our progress, we aim to contribute to the Paris Agreement pathway. In setting the targets we have anticipated emissions reduction including those resulting from our supply chain becoming climate-neutral, the finalization of the fiber network rollout in the coming years, virtualization of network components and CPE, lifetime extension of network equipment and CPE and the transition to renewable energy of the Netherlands.

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We have not considered a diverse range of climate scenarios, including a climate scenario compatible with limiting global warming to 1.5°C, to identify relevant environmental-, societal-, technology-, market- and policy-related developments and determine our decarbonization levers. However, our net-zero and near-term targets on GHG emissions are validated by SBTi against the goal of limiting global warming to 1.5°C. Our decarbonization levers are aligned with our net-zero target emissions (maximum 10% residual emissions to neutralize). We plan to consider climate scenarios within two years. Our main decarbonization levers for the reduction of our GHG emissions and their individual contribution to our total reduction target are set out in the table on the next page.

	Main decarbonization levers	Quantitative contribution to total reduction target
Scope 1	• The conversion of our fleet from fossil-fuel to electric • Transition from gas-based to electrical heating in buildings • Other	0.3%
Scope 2	• Market-based emissions already at zero	-
Scope 3	• Completion of fiber rollout resulting in less construction emissions	21.6%
	• Reduction of other activities and decarbonization of our suppliers	53.8%
	• Reduction of emissions related to production of gas, fossil car fuels and offshore wind electricity as a result of reducing consumption and decarbonization of the energy supply chain	1.2%
	• Reduction of emissions as a result of decarbonization of the last-mile logistics to our customers	0.8%
	• Increase of emissions related to additional customer fiber equipment	-2.5% (increase)
	• Reduction of emissions related to the improvement of energy efficiency of customer products and/or equipment and the transition to renewable energy in the Netherlands	24.1%
	• Reduction of emissions related to reuse and recycle of customer products	0.0%
	• Other reductions	0.6%

We depend on the development of new technologies to achieve decarbonization of heating for buildings and greater energy efficiency of our equipment and products. We plan to adopt new technologies when these are feasible.

Energy consumption and mix

The following table shows the sources of the energy consumed for our own processes.

Total energy consumption related to own operations (MWh)	2024	2023
Non-renewable sources	**38,756**	**43,928**
Fossil sources	38,756	43,928
Nuclear sources	-	-
Renewable sources	**453,983**	**482,076**
Biomass, biofuels, biogas, hydrogen	7,937	14,302
Purchased or acquired electricity, heat, steam, and cooling	445,346	467,475
Self-generated non-fuel renewable energy	700	300
Total energy consumption	**492,739**	**526,005**

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Gross Scope 1, 2, 3 and total GHG emissions

	Base year 2014[1]	Base year 2015	2023	2024	% 2024 versus 2023	2025 target	2030 target	2033 target	2040 target	Annual % target / base year 2030
Scope 1 GHG emissions										
Gross Scope 1 GHG emissions (metric tons CO_2e)		37,500	8,686	6,208	71%	6,100	6,000	n/a	3,750	1%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Scope 2 GHG emissions										
Gross location-based Scope 2 GHG emissions (metric tons CO_2e)		271,600	132,326[2]	118,356	89%	116,000	110,000	n/a	100,000	1%
Gross market-based Scope 2 GHG emissions (metric tons CO_2e)		-	-	-	-	-	-	-	-	-
Significant Scope 3 GHG emissions										
Total Gross indirect (Scope 3) GHG emissions (metric tons CO_2e)	1,096,531	1,017,501	795,061	813,481	102%	794,000	599,000	248,270	101,750	4%
1 Purchased goods and services[3]	527,609	480,167	392,132	395,865	101%					
2 Capital goods	268,884	228,586	208,822	220,006	105%					
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	95,251	130,138	8,584	8,807	103%					
4 Upstream transportation and distribution	-	-	-	-	-					
5 Waste generated in operations	1,693	1,585	1,219	935	77%					
6 Business travel	3,181	2,963	3,169	2,525	80%					
7 Employee commuting	19,838	16,662	2,056	1,728	84%					
8 Upstream leased assets	-	-	-	-	-					
9 Downstream transportation and distribution	18,716	13,061	10,778	7,184	67%					
10 Processing of sold products	-	-	-	-	-					
11 Use of sold products	4,074	4,481	19,744	24,645	125%					
12 End-of-life treatment of sold products	199	285	310	348	112%					
13 Downstream leased assets	156,071	138,325	126,391	125,613	99%					
14 Franchises	-	-	-	-	-					
15 Investments	1,014	1,249	21,854	25,824	118%					
Total GHG emissions										
Total GHG emissions (location-based) (metric tons CO_2e)		1,326,601	936,073	938,045	100%	916,100	715,000	n/a	205,500	4%
Total GHG emissions (market-based) (metric tons CO_2e)		1,055,001	803,747	819,690	102%	800,100	605,000	n/a	105,500	4%

1 Base year 2014 is reported for Scope 3 as these emissions are part of the Long-Term Incentive Plan 2022 and forms the basis for the target performance under KPN's Sustainability Linked Financing Framework under which KPN has issued a €700m Sustainability Linked Bond

2 Until 2023 the Scope 2 emissions from electricity were converted based on "Well-to-wheel (WTT)" CO_2e emission factors. In 2024, we revised the conversion factors in line with the ESRS, including the Tank-to-wheel emissions in the scope 2 location based emissions. If we calculate the 2023 Scope 2 emissions based on the new conversion factors, the impact is a reduction of Scope 2 emissions of -21,304 metric tons CO_2e which is disclosed above (2023 figure was reported as 153,567 metric tons CO_2e). Base year 2015 for Scope 2 emissions has not been updated

3 We assessed the emissions related to "purchased cloud computing and data center services" as not significant, therefore not specified

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Changes in Scope 3
In our calculations for 2024 we updated our inventory with the following categories):
1. Category 5 Waste generated in operations: though not significant, we added this category to our inventory as input data is available;
2. Category 11 Use of sold products: we updated the scope with B2B products;
3. Category 12 End-of-life treatment of sold products: though not significant, we added this category to our inventory as input data is available;
4. Category 13 Downstream leased assets: we updated the scope with B2B products;
5. Category 15 Investments: we carried out an assessment based on revenue data and concluded that this is a significant category for KPN, mainly due to the emissions of Glaspoort B.V.

Furthermore, we checked all parameters used in the Scope 3 calculations as to whether new values are available or not. We also evaluated input data such as assignment of emission factors to purchasing categories and suppliers. We reclassified some spend-based emissions from Category 9 Downstream transportation and distribution to Category 1 and 2 and updated some emission factors for spend-based emissions in Category 1, 2 and 9. We are continuously working to improve the data quality of reported Scope 3 emissions.

We updated the spend in scope coverage, based on opex and capex, of KPN Group legal entities which are consolidated to 99.6%. The remaining 0.4% consists mainly of small undertakings and legacy legal entities, which we expect to have an emission profile lower than KPN.

In 2023 KPN did not fully report on all Scope 3 categories according to the GHG Protocol; this has been updated and reflected in the 2024 Scope 3 emissions. We have updated the comparative year 2023 and base years 2014 and 2015 for the added categories, except for the B2B scope extension of Category 11, 12 and 13 (no historic data available). See the following table for Scope 3 emissions and the total effect of the updates.

Impact of adjustments in Scope 3 emissions (in metric tons CO_2e)	Base year 2014	Base year 2015	Comparative year 2023
Previously reported total metric tons CO_2e emissions	1,090,331	1,012,507	759,428
Adjustments and addition of new categories 2024	6,200	4,994	35,633
Impact of adjustments compared with previously reported total metric tons CO_2e emissions	0.6%	0.5%	4.7%

Given ongoing updates to external guidelines we anticipate further enhancements to remain relevant in future reporting years.

Methodologies and significant assumptions on GHG emissions
KPN uses the operational control approach when reporting CO_2e emissions of associates, joint ventures and investments. Scope 1, 2 and/or 3 emissions of minority stakes (≤ 50% of total shares and no operational control) are accounted for in Scope 3 Category 15 Investments.

For KPN, carbon is the most relevant greenhouse gas as the primary source of our GHG emissions from energy consumption in telecommunications. Other gases, such as methane and nitrous oxide are negligible since they are more associated with other sectors, such as agriculture or heavy industry. The term 'CO_2e emissions' is used to refer to the GHG emissions we report on. These are stated in CO_2 equivalents. We use CO2emissiefactoren.nl for our Scope 1 and Scope 2 emissions calculations, as published in the reporting year, which cover CO_2 equivalent emissions. CO2emissiefactoren.nl is a publicly available, reputable Dutch platform specifically tailored to provide emission factors relevant to the Netherlands. Using this source ensures that the emission factors are accurate and appropriate for the local context in which our organization operates. We use DEFRA Table 13 Supply Chain for our Scope 3 spend-based method. The emission factors in this table cover CO_2, CH_4, N_2O and F-gas emissions.

Scope 1 – direct emissions
Our Scope 1 emissions sources comprise:
- Fuel consumption of the lease vehicle fleet (employees' passenger vehicles and commercial vehicles);
- Heating of buildings (gas);
- Consumption of coolants for air conditioning and/or cooling;
- Fuel consumption of emergency power generators.

Scope 2 – indirect emissions
Our Scope 2 emissions sources comprise:
- Electricity consumption of the fixed and mobile networks, data centers, offices and shops;
- Electrical vehicle charging;
- District heating;
- District cooling.

The accuracy of electricity consumption data is a key factor in the reliability of our CO_2e emissions calculations. In the data collection process, a number of factors affect the accuracy of the collected data. In general, data originating from direct measurements and meter readings or invoices, including measurements from third parties, are the most accurate.

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The location-based Scope 2 emissions are calculated based on Tank-to-Wheel (TTW) CO_2e emission factor. The Well-To-Tank (WTT) emissions are accounted for in our Scope 3 emissions (Category 3 Fuel- and energy-related activities). The market-based Scope 2 emissions are 0 because we have contractual arrangements for 100% renewable electricity.

Electricity providers estimate the consumption for part of our network operations - as monthly meter readings are not always conducted - so there is some uncertainty around the accuracy and completeness of our energy consumption. To improve these, we are migrating to remotely readable meters, reviewing administrative processes and updating profiles with our electricity providers.

Scope 3 – other indirect emissions
Our Scope 3 emissions comprise:
- Emissions in the upstream value chain (during the production phase of products, services and equipment at suppliers);
- Emissions in the downstream value chain (during the use phase, including recycling and disposal of the products, services and equipment).

Details of the emissions calculation methodology per Scope and Scope category

The coverage of our emissions calculation is 99.6% of all KPN business units and subsidiaries (opex/capex), with the exception of Scope 1 and 2. The coverage of Scope 1 and 2 is close to 100% of all KPN business units and subsidiaries (opex/FTEs). The standards used for the calculation are the GHG protocols related to Scope 1, 2 and 3. For Scope 3, no emissions are calculated using primary data obtained from suppliers or value chain partners, unless stated otherwise.

Scope 1
The reporting boundaries are fossil fuels (gas, petrol, diesel, and compressed natural gas (CNG). As input sources we use publicly available Dutch emission factors (CO2emissiefactoren.nl) and energy consumption reported by energy suppliers and lease companies. The calculation methodology is based on gross Scope 1 emissions.

Scope 2
The reporting boundaries are renewables (electricity, heat and cooling). We use publicly available Dutch emission factors (CO2emissiefactoren.nl) and energy consumption reported by energy suppliers and own smart meters. The calculation methodology is based on both the location-based method and the market-based method.

Scope 3 - Category 1 Purchased goods and services
The reporting boundaries are all upstream (cradle-to-gate) emissions of purchased goods and services, that are not specified in another category. As input sources we use purchasing invoices, Table 13 Supply Chain (DEFRA, emission factors) and CBS Statline (inflation). The "environmentally extended input-output" (EEIO) factors are corrected for inflation. The calculation methodology follows the spend-based method.

Scope 3 - Category 2 Capital Goods
The reporting boundaries are all upstream (cradle-to-gate) emissions of purchased capital goods, that are not specified in another category. AS input sources we use purchasing invoices, table 13 Supply Chain (DEFRA, emission factors) and CBS Statline (inflation) as input sources. The "environmentally extended input-output" (EEIO) factors are corrected for inflation. The calculation methodology follows the spend-based method.

Scope 3 - Category 3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)
The reporting boundaries are:
- Upstream emissions of purchased fuels: all upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding combustion);
- Upstream emissions of purchased electricity: all upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding, combustion by a power generator);
- Transportation and distribution (T&D) losses: all upstream (cradle-to-gate) emissions of energy consumed in a T&D system, including emissions from combustion.

As input sources we use consumption of gas, car fuels and wind energy (obtained from suppliers) and publicly available Dutch emission factors (CO2emissiefactoren.nl, "Well-To-Tank"). For our consumed renewable wind energy, we used the so-called "life cycle assessment" (LCA) emission factor, which includes the build of wind parks. The calculation methodology follows the fuel-based method.

Scope 3 - Category 4 Upstream transportation and distribution
This category is not excluded from the inventory, but included in the reported emissions of category 1 and/or 2. We mostly agree with our suppliers on purchase prices including transportation and distribution ("Delivery Duty Paid"), the price break-down for this component is not available.

Scope 3 - Category 5 Waste generated in operations
The reporting boundaries are waste management services related to waste generated in operations of offices and shops and network and own data centers. We apply the waste-type-specific and the spend-based methods. As input sources for waste types, we use the weights per waste type and waste treatment reported by suppliers, consumed water volume, emission factors per waste treatment type of CE Delft, the Dutch Emission Authority ("Nederlandse Emissieautoriteit") and

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Envirometer ("Milieubarometer"). As input sources for some smaller subsidiaries we use purchasing invoices, Table 13 Supply Chain (DEFRA, emission factors) and CBS Statline (inflation). The EEIO factors are corrected for inflation. Base year 2014 is estimated the same value as for base year 2015, as no input data is available.

Scope 3 - Category 6 Business travel
The reporting boundaries are Scope 1 and 2 emissions of transportation carriers that occur during use of vehicles (i.e. from energy use). We apply the fuel-based, distance-based and spend-based methods. As input sources for fuel and distance we use reports from travel agencies with calculations per flight, complemented with data based on declarations of business kilometers by employees and publicly available Dutch emission factors (CO2emissiefactoren.nl – January 2024, "Tank-to-Wheel"). We make assumptions on the fuel mix of car kilometers. As input sources for the spend-based business travel we use purchasing invoices, Table 13 Supply Chain (DEFRA, emission factors) and CBS Statline (inflation). The EEIO factors are corrected for inflation.

Scope 3 - Category 7 Employee commuting
The reporting boundaries are Scope 1 and 2 emissions of transportation providers that occur during use of vehicles (i.e. from energy use). As input sources we use the number of KPN Group FTE, the % of FTE that has a lease car and publicly available Dutch emission factors (CO2emissiefactoren.nl, "Tank-To-Wheel"). We make assumptions on the number of commuting days per year (based on Dutch data on working days from home offices), the average distance of commuting and the transport mix (car/train). The calculation methodology follows the average-data method.

Scope 3 - Category 8 Upstream leased assets
Emisisons from the operation of assets that are leased are included in our own Scope 1 and 2 inventories.

Scope 3 - Category 9 Downstream transportation and distribution
The reporting boundaries are all upstream (cradle-to-gate) emissions of purchased goods and services related to downstream logistics services. As input sources we use purchasing invoices, table 13 Supply Chain (DEFRA, emission factors) and CBS Statline (inflation). The EEIO factors are corrected for inflation. The calculation methodology follows the spend-based method.

Scope 3 - Category 10 Processing of sold products
This category is not applicable to KPN (no own production of products).

Scope 3 - Category 11 Use of sold products
The reporting boundaries are the direct use-phase emissions of sold products over their expected lifetime, i.e. the Scope 1 and 2 emissions of end-users that occur from the use of: products that directly consume energy (fuels or electricity) during use. As input sources for B2C we use the number of products sold (mobile phones), installed base (WiFi extenders - sold and leased), for B2B the number of products sold of a key supplier and publicly available Dutch emission factors (CO2emissiefactoren.nl). We make assumptions on the average consumption per year per product and the life cycle of the product. For mobile phones we updated the estimated average electricity consumption per year to 2.8 kWh (2023: 4 kWh). The impact of the scope extension with a key supplier for B2B is 2,569 metric tons CO_2e. The calculation methodology follows the direct use-phase emissions method (directly consumed electricity during use).

Scope 3 - Category 12 End-of-life treatment of sold products
The reporting boundaries are the sold products in scope of Category 11. As input sources for B2C we use the number of products sold (mobile phones and WiFi extenders), weight data of the product and packaging (both supplier and KPN packaging), recycling % reported by the "Nationaal (W)EEE Register" and emission factors per waste treatment type of CE Delft and the Dutch Emission Authority ("Nederlandse Emissieautoriteit"). As input sources for B2B we use the end-of-life emissions per product reported by a key supplier. The impact of the scope extension with a key supplier for B2B is 10 metric tons CO_2e. The calculation methodology follows the waste-type-specific method.

Scope 3 - Category 13 Downstream leased assets
The reporting boundaries are the Scope 1 and 2 emissions of lessees that occur during operation of leased assets (i.e. from energy consumption). We use the number of products leased in active use (installed base, B2B for a key supplier) and publicly available Dutch emission factors (CO2emissiefactoren.nl) as input sources. We make assumptions on the average consumption per year per product. The impact of the scope extension with leased products of a key supplier for B2B is 3,124 metric tons CO_2e. The calculation methodology is based on the asset-specific method.

Scope 3 - Category 14 Franchises
This category is not applicable to KPN (we operate our own stores).

Scope 3 - Category 15 Investments
The reporting boundaries are the Scope 1, 2 and 3 emissions of Glaspoort B.V. and Netwerk Exploitatie-maatschappij Nuenen B.V. and Scope 1 and 2 emissions for other participating interests. We use KPN's percentage of total shares, revenue of the participating interest, nature of the latter's activities, Table 13 Supply Chain (DEFRA, emission factors), CBS Statline (inflation) and valuta.nl (exchange rates) as input sources. The EEIO factors are corrected

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for inflation. We make the assumption (as per DEFRA) that 30% of the emission factors are related to Scope 1 and 2. For base years 2014 and 2015 we have deducted KPN's participation interests from 2013 and 2019 data, as 2014 and 2015 data is no longer available. For participating interests for which the financial year is not equal to a calender year, we use revenue figures with a delay of six months. For KPN Ventures stakes we use revenue figures with a delay of one quarter. The calculation methodologies follow the investment-specific method and for Glaspoort B.V. direct calculation (primary data - 94% of total Category 15 emissions).

GHG intensity per net revenue

GHG intensity per net revenue	2024	2023	% 2024 / 2023
Total GHG emissions (location-based) per net revenue (metric tons CO_2e / €m)	167	172	97%
Total GHG emissions (market-based) per net revenue (metric tons CO_2e / €m)	146	148	99%

The line item used as the denominator in the intensity calculation for net revenue corresponds with the revenue figure in the corporate statement of profit or loss (see also Note 4 of KPN's consolidated financial statements).

GHG mitigation projects financed through carbon credits

To mitigate our gross Scope 1 emissions, we participate in offsetting projects.

KPN uses REDD+ forest offset projects to achieve net-zero Scope 1 emissions. In 2024 we canceled CO_2e emissions via several projects:

1. Clean cookstove contribution (Ghana), issued by Gold Standard;
2. Reduction of deforestation and forest degradation (Peru), issued by REDD+.

Both projects involve biogenic carbon sinks.

Carbon credits canceled in the reporting year	2024	2023
Total (metric tons CO_2e)	**13,300**	**14,300**
Share from removal projects (%)	0%	0%
Share from reduction projects (%)	100%	100%
Clean cookstove contribution (%)	75%	70%
Reduction of deforestation and forest degradation (%)	25%	30%
Share from projects within the EU (%)	0%	0%
Share of carbon credits that qualify as corresponding adjustments (%)	n/a	n/a

Carbon credits planned to be canceled in the future	Amount until 2025
Carbon credits related to Scope 1	7,000

For Scope 2, we use guarantees of origin to ensure 100% renewable energy. From 2025 and 2027 we will phase in energy-based on long-term power purchase agreements.

We do not purchase carbon credits for Scope 3 emissions or use GHG removals or storage in our activities to compensate our current Scope 1, 2 and 3 emissions.

In line with SBTi guidelines we will neutralize a maximum of 10% of the 2015 baseline of our Scope 1 and 3 emissions in 2040. We intend to do this by participating in removal and/or storage projects, which we will decide upon in the coming years.

Internal carbon pricing

The purchase of goods and services has a negative impact on our emissions. KPN does not use internal carbon pricing. In value cases where energy is a significant aspect, the energy cost is estimated as part of a total cost of ownership valuation for procurement decision-making.

Anticipated financial effects from material physical and transition risks

KPN uses the phase-in provision.

Grid congestion can lead to power outage and resulting in disruption of our network and services.

Extreme weather events, such as flooding, precipitation and/or heat stress, can lead to damage to our infrastructure, causing disruption in our network and services.

Our main data centers (also known as ZARA-locations) are significant assets at material physical risk, all located within the Netherlands as shown below.

Location	NUTS code	NUTS label
Zwolle	NL211	Noord-Overijssel
Arnhem	NL226	Arnhem/Nijmegen
Rotterdam	NL366	Groot-Rijnmond
Amsterdam	NL32B	Groot-Amsterdam

Environmental - Resource use and circular economy

RESOURCE USE AND CIRCULAR ECONOMY

Impacts, risks and opportunities

Resource use and circular economy is a material topic for KPN and consequently included in this sustainability statement. As a large public company, we deem it important that KPN acts in an ethical, responsible and transparent way. For a description and the results of the process of identifying KPN's material impacts, risks and opportunities, see description of the process to identify and assess material impacts, risks and opportunities.

KPN has identified the following negative **impact**, as actual and potential, on resource use and the circular economy:

Use and disposal of raw materials: Virgin raw materials from mining and extraction to produce network and customer equipment have a negative impact on the environment. Incineration and landfill of waste from operations lead to lower availability of secondary raw materials to the market and more direct negative impact on the environment, mainly relating to climate.

This impact is relevant for KPN's future-proof infrastructure and mobile spectrum, and flexible, simple, converged products and services with solid environmental performance and a responsible supply chain. The impact in our value chain is concentrated downstream (use, collection, and recycling) and, upstream (mining, materials, components, and manufacturing), as well as within our own operations. Geographically, this impact is located in the Netherlands (own operations and downstream) and globally (production). The impact is involved through our business relations and affects the environment (mainly climate) on a medium time horizon.

To reduce the use of virgin materials we need changes in our strong partnerships and supplier base including greater resource efficiency, more use of secondary raw materials and application of circular design and business practices. This is in line with the sustainability pillar in our ESG strategy and will contribute mainly to the "connect" and "activate" pillars of our overall strategy.

KPN has identified the following **risk** for resource use and the circular economy:

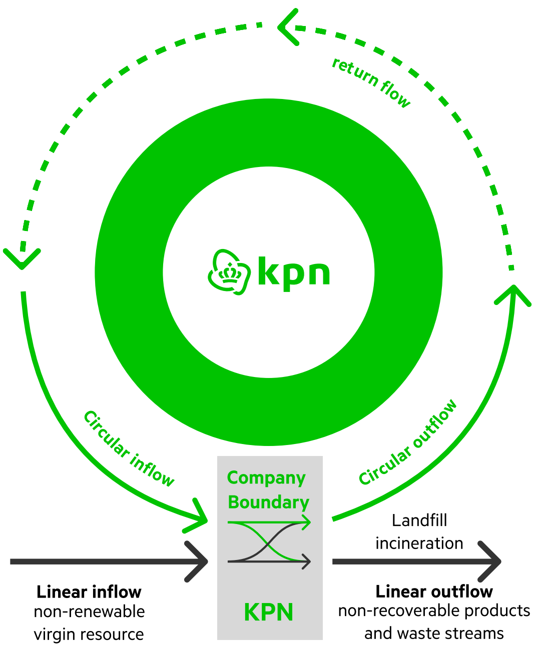
Scarcity of (critical) raw materials: Higher costs and lower availability of (critical) raw materials can make our services more expensive and less available on the market. Our key risks relate to network and customer equipment and critical materials essential for future technologies. The risk can be amplified by geopolitics due to concentration of primary supply from raw materials producing countries.

This risk is relevant for KPN's future-proof infrastructure and mobile spectrum with strong partnerships and supplier base for flexible, simple and converged products and services and with a solid financial basis. It is located upstream in our value chain, globally and in the Netherlands.

The expected time horizon of this risk is long.

To reduce the use of virgin materials we need changes in our strong partnerships and supplier base including greater resource efficiency, more use of secondary raw materials and application of circular design and business practices. This is in line with the sustainability pillar in our ESG strategy and will contribute mainly to our "connect" and "activate" pillars of our overall strategy.

Environmental - Resource use and circular economy



As part of the DMA we conducted consultations-with affected communities, via stakeholder representatives with an environmental perspective, to ensure a comprehensive understanding of their concerns and priorities. KPN has identified impacts, risks, and opportunities related to resource use and circular economy within its operations and value chain. We utilized a combination of life cycle assessment and material flow analysis to evaluate the environmental impacts associated with resource inflows and outflows.

We invited Naturalis Biodiversity Center, WWF (Wereld Natuur Fonds) and internal climate experts to challenge our DMA. Nature representatives were invited to stakeholder dialogues on topics such as climate change and critical raw materials, which are directly or indirectly connected to inflow, outflow and waste. These dialogues are held several times a year and insights from the engagement are discussed in the management team, ESG Board and, if relevant, included in our strategy or converted into improvements.

Responsible resource use and circular economy principles are embedded within KPN. For inflow, we focus on key inflows based on our network to service model. In short, we focus on KPN owned equipment and products that are needed for our business model as a service provider: IT, network and customer premises equipment. We also focus on enabling B2B services for circularity. For outflow, and in relation to products that we put on the market, we focus on takeback programs for obsolete (end-of-use) customer premises equipment and mobile phones.

Lastly, we reduce waste by optimizing preparation for reuse and recycling. Details on impact and risk and related policies, targets and metrics for inflows and outflows can be found in the following sections.

Policies

We have several policies in place to manage the material impacts and risks related to resource use and circular economy:
1. KPN environmental policy;
2. KPN supplier code of conduct;
3. Procurement policy.

KPN environmental policy

This policy informs our stakeholders on our circular ambition, approach, measurement, high-level roadmap, opportunities and risks.

This policy relates to the following IROs:
- Use and disposal of virgin raw materials; and
- Scarcity of (critical) raw materials.

For the environmental policy reference is made to the section "Climate change". Our policy and related transition plan focuses on keeping products and materials in use for as long as possible, reducing the need for new resources through the use of secondary raw materials. It also seeks to apply circular business practices such as closed-loop supply chains, second-hand retailing, maintenance, refurbishing and repair, which help to minimize waste in the outflow of materials. This is how we are transitioning away from the use of virgin resources and increasing the relative share of secondary resources.

KPN supplier code of conduct (SCoC)

This policy is designed to activate suppliers and their subcontractors in terms of circular economy.

This policy relates to the following IROs:
- Use and disposal of virgin raw materials; and
- Scarcity of (critical) raw materials.

For the SCoC reference is made to the section "Workers in the value chain". In the SCoC we stipulate our circular ambition, approach and principles:
- Design for environment and reducing the use of virgin raw materials;
- Extending and optimizing product use; and
- Increasing reuse and recycling and minimizing incineration and landfill of waste.

Environmental - Resource use and circular economy

We require our suppliers to comply with the principles and support our ambition as set out in the SCoC. Supplier must make every effort to implement these principles across their entire supply chain. KPN may reconsider its relationship with a supplier that does not comply with the SCoC.

Procurement policy

Our procurement policy provides guidelines and standard methods and procedures for purchasing products and services from suppliers.

This policy relates to the following IROs:
- Use and disposal of virgin raw materials;
- Scarcity of (critical) raw materials.

For the procurement policy reference is made to the section "Workers in the value chain". We award contracts based on total value including environmental, social and governance (ESG) criteria, among which are these related to resource use and circular economy:
- Extending the life cycle of products;
- Net-zero CO_2e emissions in the supply chain in 2040.

Actions

To achieve our ambition to become net-zero by 2040, we see the need for both an energy transition and a materials transition. The materials transition involves both finding lower-impact ways to produce materials and applying circular-economy principles. For outflow, we are approaching a saturation point given technical criteria and commercial viability. For inflow, we have introduced products with circular design and procurement criteria, and have started to quantify the circularity of material inflows. We consider circularity an enabler for the net-zero transition by reducing use of virgin raw materials.

Although our action plans require significant amounts of future financial resources, these are not earmarked separately in our financial planning. See the section on investing and funding in our transition plan for climate change for our current and future resources and the environmental/social objectives of the investments. For information on our sustainable financing instruments including our green finance framework, see "Non-current liabilities > Borrowings" in our consolidated statement of financial position, Note 13. The EU taxonomy analysis of eligible activities for circular economy shows that KPN has material eligible activities related to repair and refurbishment of customer premises equipment. In 2024 the related capex was €9 million (eligible and aligned).

Promote and measure reuse and recycling

Key actions in 2024:
- Retain high levels of waste separation and challenge partners
- Design risk and control framework for more reliable reuse and recycling reporting
- Defined improved data model

Key actions planned:
- Retain high levels of waste separation and challenge partners (short term/medium-term)
- Implement key controls for more reliable reuse and recycling reporting (short term)
- Automate data flows and controls (short term/medium-term)

The actions will contribute to the goal of becoming close to 100% circular by 2025 as included in the transition plan and progress our circularity effort as part of our transition to net-zero by 2040.

These actions to increase the relative share of reuse and recycling at our material product groups cover the activities within our NOI, B2C and B2B segments and KPN Real Estate Services (RES) to retain current levels or increase the reuse and recycling rate of our waste outflow in the Netherlands. The actions affect, our stakeholders (suppliers, business and consumer customers, and government and regulators) within our own operations and downstream value chain.

These targets are based on a three year forecast per business segment.

Environmental - Resource use and circular economy

Promote and measure circular inflow

Key actions in 2024:
- Defined data model for inflow
- Expanded number of contracts with circular inflow requirements
- Expanded scope of measuring circular inflow in B2B

Key actions planned:
- Build data model for inflow (short term)
- Expand the scope of contract requirements and measurement (short term/medium-term)
- Further develop baseline and targets (short term/medium-term, depending on data availability)

The expected outcome of this key action plan is an increased relative share of circular inflow. The actions will contribute to the goal of becoming close to 100% circular by 2025 as included in the transition plan and progress our circularity effort as part of our transition to net-zero by 2040. Actions to increase the relative share of circular inflow at our material product group are covered by our own activities within our NOI, B2C and B2B segments in the Netherlands. They also affect both our upstream value chain globally (suppliers), our own operations (the Netherlands) and our downstream value chain (consumer and business customers).

Promote and measure collected customer premises equipment (CPE)

Key actions in 2024:
- Expanded lifetime of CPE hardware through software enhancements (less collection from lifecycle replacements, enabling reuse)
- Introduced SuperWifi device as a service model (rental)
- Digitalize return process (process live in 2024, customer communication early 2025)

Key actions planned:
- Further improve return process and explore introduction of replacement fee for non-returns (short-term)

The actions will contribute to the goal of becoming close to 100% circular by 2025 as included in the transition plan and progress our circularity effort as part of our transition to net-zero by 2040.
The actions to increase the amount and relative share of collected CPE at our material product groups cover the activities of our B2C segment in the Netherlands. They also affect, our stakeholders (suppliers, consumer customers and government and regulators) within our own operations and downstream value chain.
The targets are based on a three year forecast per business segment.

Promote and measure collected mobile phones

Key actions in 2024:
- Enhanced mobile phone longevity through expanding trade-in proposition.
- Cooperated with other telco's and manufacturers to enhance collection for recycling and develop collection for recycling in KPN Retail shops.

Key actions planned:
- Explore implementation of collection for recycling in KPN Retail shops (short term).
- Improve trade-in flow by embedding it in the customer journey of buying a new phone (short term).

The actions will contribute to the goal of becoming close to 100% circular by 2025 as included in the transition plan and progress our circularity effort as part of our transition to net-zero by 2040.
The actions to increase the number and share of collected mobile phones, cover the activities of our B2C segment in the Netherlands. They also they affect, our stakeholders (consumer customers and government and regulators) within our downstream value chain.
The targets are based on a three year forecast per business segment.

Promote and measure B2B services enabled for circularity

Key actions in 2024:
- Defined data model for inflow
- Increased number of contracts with circular clauses, developed and implemented new return flows, expanded scope of measuring inflow/outflow for B2B services.

Key actions planned:
- Continue to increase the number of contracts with circular clauses, develop and implement new return flows, expand scope of measuring inflow/outflow for B2B services (short term/medium-term).
- For inflow: build data model for inflow (short term)
- For outflow:
  - align/integrate the default data model for B2B reuse/recycling (short-term)
  - develop collection metric for B2B customer premises equipment (medium-term)

The actions will contribute to the goal of becoming close to 100% circular by 2025 as included in the transition plan and progress our circularity effort as part of our transition to net-zero by 2040.
The actions to increase the number of B2B services enabled for circularity, cover the activities of our B2B segment in the Netherlands, customers downstream and global for our upstream value chain. Eligible products and services in the target portfolio include hardware (including customer premises equipment and SIM cards) owned by KPN or a third party on behalf of KPN. These actions also affect our stakeholders (suppliers and business customers).

Environmental - Resource use and circular economy

Metrics and targets

Our targets on circular economy will help drive our circular approach and will help us reach net-zero in 2040 as described in the section Climate change and in our transition plan to become a net-zero organization and value chain. The targets that relate to circular economy solely are described below.

None of these targets are required by legislation and they are therefore reported voluntarily. These metrics are not based on conclusive scientific evidence. All metrics are measured in absolute value or percentage, which means that the unit of measure is not relevant. Relevant changes in the targets or in the metrics that could affect comparability: 1. Circular inflow scope and methodology and 2. For collected mobile phones, as of 2024 we exclude devices coming back to us through legally required returns/change-of-mind policies in order to align with the GSMA definition.

	Reuse and recycling	Circular inflow
Result 2023	87%	n/a[1]
Result 2024	88%	57%
Target 2024	86%	n/a
Target 2025	≥86%	Ambition to develop targets in 2025
Interim target	2026 and 2027: ≥86%	n/a
Performance vs target and analysis	The result of 2024 is above target, mainly due to high reuse and recycling rates of customer premises equipment and from activities related to the network. The target is monitored and reviewed every quarter by the Board of Management. It is also monitored via the Energy and Environment Board (cross-segment) and for key components within the segment via program reviews.	n/a
Definition of metric	Percentage of total materials and waste prepared for reuse and recycling in relation to total outflow by mass. Reuse: Checking, cleaning or repairing. Recovery operations, by which products or components of products that have become waste are prepared so that they can be reused without any other pre-processing. Recycling: Any recovery operation by which waste materials are reprocessed into products, materials or substances, either for their original purpose or other purposes.	The circular inflow metric is calculated by dividing the total weight of recycled and reused content by the total weight of resource inflows. Total resource inflows are determined by multiplying the quantity of products by their respective weights.
Stakeholders involved in target setting	Each segment that produces waste is involved in the target setting process. Downstream waste processors and publications can be consulted to support trend analysis and developments as part of this target setting process.	n/a
Target relating to resource inflows and/or outflows	Resource outflows (waste). More specifically: (b) the increase of circular material use rate; (c) the minimization of primary raw material; (e) the waste management, including preparation for proper treatment.	The target (under development) will relate to resource inflows more specifically: (a) the increase of circular product design; (b) the increase of circular material use rate; (c) the minimization of primary raw material; (d) sustainable sourcing and use of renewable resources.
Target relation to waste hierarchy layer(s)	Preparing for reuse and recycling (avoiding incineration and landfill).	Prevention.

1 Realization of 2023 is not comparable due to changes in methodology

Environmental - Resource use and circular economy

Name of metric	Collected customer premises equipment (CPE)	Collected mobile phones
Result 2023	87%	5%[1]
Result 2024	95%	3%
Target 2024	87%	n/a
Target 2025	92%	5%
Interim targets	2026: 92%, 2027: 92%	2026: 6%, 2027: 7%
Performance vs target and analysis	The target is monitored via the Energy and Environment Board (cross-segment). The result of 2024 was above target. Digitalization of the return process had a positive effect on returns in the second half of 2024.	We did not have a target for 2024. The metric is monitored via management letters and the Energy and Environment Board (cross-segment). The result of 2024 was somewhat lower than expected mainly due to lower trade-in numbers compared to 2023 and a higher number of new sales (numerator).
Definition of metric	Used CPE collected through operator take-back schemes in the reporting period as a percentage of CPE distributed to customers in the reporting period corrected for installed base changes.	Percentage of used mobile phones collected through KPN take-back schemes compared to the number of new mobile phones distributed directly to customers.
Stakeholders involved in target setting	Internally, the B2C leadership team is involved. For the generic target-setting process, reference is made to the relevant ESRS 2 section.	We aligned our metrics (methodology) with the GSMA sector body. Internally, the B2C leadership team is involved in setting the target levels. For the generic target-setting process, reference is made to the relevant ESRS 2 section.
Target relating to resource inflows and/or outflows	Resource outflows (waste). More specifically: (b) the increase of circular material use rate; (c) the minimization of primary raw material; (e) the waste management, including preparation for proper treatment; (f) creating closed loops for products and materials.	Resource outflows (waste). More specifically: (b) the increase of circular material use rate; (c) the minimization of primary raw material; (e) the waste management, including preparation for proper treatment; (f) creating closed loops for products and materials.
Target relation to waste hierarchy layer(s)	Preparing for reuse and recycling (avoiding incineration and landfill).	Preparing for reuse and recycling (avoiding incineration and landfill).

1 Restated

Name of metric	B2B services enabled for circularity
Result 2023	5
Result 2024	12
Target 2024	9
Target 2025	12
Interim targets	2026: 14, 2027: 16
Performance vs target and analysis	The target is monitored by the B2B leadership team (including management letters) and via the Energy and Environment Board (cross-segment). The target of 9 B2B services enabled for circularity (cumulatively) was met. We even realized additional services compared to the target of 2024, amongst others through leveraging existing return processes and common vendor contracts across services.
Definition of metric	Number of B2B services enabled for circularity.
Stakeholders involved in target setting	Internally, the B2B leadership team is involved. For the generic target-setting process, reference is made to the relevant ESRS 2 section.
Target relating to resource inflows and/or outflows	Resource inflows and outflows (waste). More specifically: (a) the increase of circular product design (b) the increase of circular material use rate; (c) the minimization of primary raw material; (d) sustainable sourcing and use of renewable resources; (e) the waste management, including preparation for proper treatment; and (f) creating closed loops for products and materials.
Target relation to waste hierarchy layer(s)	Prevention and preparing for reuse and recycling (avoiding incineration and landfill).

Environmental - Resource use and circular economy

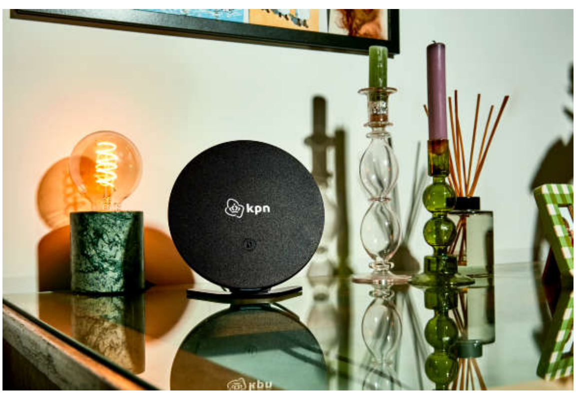
Reuse and recycling methodology

Metric methodology: Reuse and recycling covers the outflow of KPN materials and waste prepared for reuse and recycling (hence excluding other recovery, incineration, landfill and other disposal operations) - see section 'Waste' for the scope of KPN's waste. The other waste flows are not reused and recycled by KPN for its business activities, but by other parties who purchase reused and recycled materials from waste processors for their business activities.

Waste

Waste refers to the materials that have been used for KPN's business activities which are ultimately diverted to or diverted from disposal. This means that the scope includes:

- Regular waste streams and obsolete (end-of-use) equipment and inventory coming from KPN's network activities (including fiber rollout)
- Regular waste streams and obsolete (end-of-use) equipment and inventory from KPN's offices and shops
- Obsolete (end-of-use) CPE and mobile phones that are collected via KPN return programs and processed by KPN or on KPN's behalf.



The scope therefore does not include obsolete (end-of-use) CPE, mobile phones and related packaging that are not collected via KPN return programs. In this case, customers are responsible for disposing of this in accordance with the law, regulations and local waste collection procedures. The waste disposal method is mostly determined by selected service partners and their waste-disposal contractor, which are challenged on methods and performance. Service partners report the actual waste amounts (tons) on a monthly or quarterly basis.

These waste amounts are allocated to the recovery types and disposal methods based on processing rates (%) from direct information or public information. In total, approximately 30% of total waste is allocated to waste disposal types based on a breakdown from direct information from our partners. Generic processing rates per waste type are used as an assumption if no details of actual processing rates are available. The metric reuse and recycling is then calculated by dividing the tons of materials and waste (prepared for) reuse and recycling by the total amount of waste in tons.

Target methodology: The targets are based on a three year forecast per business segment. The forecast includes an estimate of total waste and the percentage of reuse and recycling based on trend analysis and developments expected in the business and the market (e.g. the recycling sector).

Circular inflow methodology

Metric methodology: The scope of the circular inflow indicator is limited to the following B2C products:

- Residential: KPN owned customer premises equipment for TV services (set-top boxes, remote controls, Digitenne) and internet services (modems, routers, media converters)
- Mobile Services: SIM cards

The circular inflow metric is calculated by dividing the total of secondary materials (reused, recycled, intermediary) and biological materials by the total weight of resource inflows.

Secondary materials as % of total weight is calculated by dividing the total weight of secondary materials (reused, recycled, intermediary) by the total weight of resource inflows. Total resource inflows are determined by multiplying the quantity of products by their respective weights.

The percentage of biological materials as % of total weight is calculated by dividing the total weight of biological materials used to manufacture KPNs products that are sustainably sourced by the total weight of resource inflows.

Quantity data is primarily sourced from our ERP system; if unavailable, we obtain it from suppliers. The weight per product, along with the percentages of reused and recycled content, is derived from product passports, supplier data, or, in their absence, expert opinions. To prevent double counting, we ensure that content percentages collectively total 100%. For B2C products, packaging is considered an immaterial part of the total.

We are in the process of mapping the key material inflows that will determine scope coverage of this metric. A key limitation to the calculation is (lack of) availability of value chain data relating to the level of circularity of inflows. This means that the resource inflows from B2B and TDO are currently not included. For B2B we started to measure circular inflow on a per service basis, refer to the metric 'B2B services enabled for circularity'.

Target methodology: We are expanding the scope and baseline data for this metric to determine a target. Where we have the

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metrics on inflow in place, this indicates the effectiveness of the policies and actions (if we are making progress, i.e. becoming more circular).

Collected customer premises equipment (CPE) methodology

Metric methodology: The collection rate for CPE includes in-home devices such as modems, Digitenne tuners and TV set-top boxes. It is based on the total number of returns (numerator) and the total number sent and delivered to customers less the delta of the installed base of internet and TV (denominator) in the reporting year. The scope is still limited to the consumer market (B2C).

Target methodology: Targets are based on a three year forecast within the consumer market. The forecast includes an estimate of the total number of returns (based in part on lifecycle management) and the total number sent and delivered to customers (based on sales forecast) less the delta installed base of internet and TV in the reporting year (based in part on churn).

Collected mobile phones methodology

Metric methodology: We follow the GMSA guidance in "ESG Metrics for Mobile - June 2024".

The metric is calculated as the: number of used mobile phones collected through the company's take-back schemes in the reporting period ÷ the Number of new mobile phones distributed directly to customers in the reporting period.

The collection numbers in the numerator include handsets that are offered to KPN as part of our trade-in proposition and handsets handed in to KPN for recycling. The collection numbers in the numerator exclude returns for repair, returns of new or defective devices and demo handsets.

Definitions:
"Mobile phones" include smartphones and feature phones, but not mobile devices such as wearables and mobile routers.

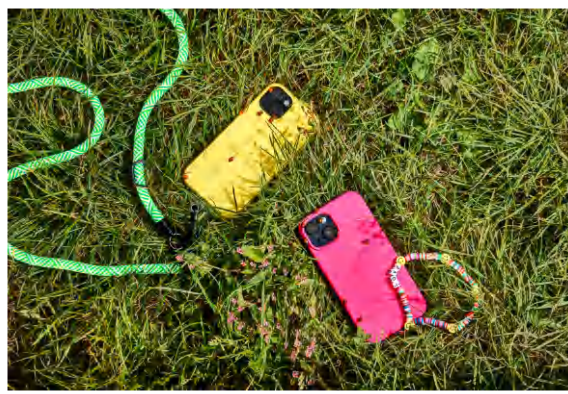
"Used devices" are devices that have been used by their previous owner before being disposed of or devices that suffer from a major fault and cannot be repaired. Used devices do not include devices coming back to operators through legally required returns/change-of-mind policies.

"Collected' devices" are used devices that are brought back to operator stores, sent to operators either through direct postal routes or through third-party collection points, or picked-up by operators from collection points managed through operator partnerships (e.g. special operations in commercial malls, town halls etc.).

"Take-back schemes" are any initiatives led by the operator to collect used devices such as trade-in schemes.

"Distributed devices" are new devices that are sold, given (e.g. to charity), leased or provided to customers as part of an "as a service" model on the consumer market or B2B market by the mobile network operator (MNO) through the operator's own channels, including physical and online stores and call centers. This includes devices that are sold, leased or provided "as-a-service" to businesses that then provide the devices to their employees and contractors, but definition excludes devices that are distributed by MNOs to third parties such as distributors and retailers that then resell the device to end-users.

Target methodology: The targets are based on a three year forecast within the B2C segment. The forecast includes an estimate of used mobile phones collected through KPN take-back schemes (based on business improvement plans) and an estimate of the number of new mobile phones distributed directly to customers (based on sales forecasts).



B2B services enabled for circularity methodology

Metric methodology: This metric focuses on B2B services within the designated target portfolio which encompasses hardware including CPE and SIM cards owned by KPN or a third party on behalf of KPN. The target portfolio is specifically identified in our lifecycle management strategy, aiming to facilitate the migration of existing customers or attracting new customers. The metric evaluates the following three pillars for each eligible service.

For a B2B service to be enabled for circularity, it has to meet the following three criteria:

1. Contract - circular economy clauses in vendor contracts related to the service: the supplier code of conduct (for all related vendors); circular requirements for products (for product vendors only); and requirements on outflow of obsolete equipment, products and waste for service providers (for any vendors involved in processing outflow).
2. Process - the service should have a circular process flow with product collection (except for SIM-cards a return process has no added value as reuse does not apply any impact

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from environmental perspective and is deemed marginal or negative) and sustainable reuse and recycling.
3. Measuring - measuring (circular) inflow and (circular) outflow of the hardware under the service.

The key limitation is that the metric does not in itself, but is enabling and supportive to improving the circularity of inflow and outflow. The metric is cumulative.

Target methodology: The target was set by identifying the total number of eligible services in the defined scope. Eligible services are services in the target portfolio which include hardware (including customer premises equipment and SIM cards) owned by KPN or a third party on behalf of KPN. The target was set at an ambition level relating to eligible and generally available / target portfolio services at the time of setting the target, and taking the complexity of implementation and lifecycle status into account.

Resource inflows

We focus on key inflows based on our network to service model (KPN owned equipment and products that are needed for our business model as a service provider).

From the analysis of our spend data on products for own operations which are produced in our upstream value chain, we assess that the key impact and risk are most likely to relate to the following product groups:
- Customer premises equipment
- Networks hardware
- IT - Hardware
- Networks - service platforms technical infrastructure (TI)
- Networks - passive TI equipment, street cabinets

Water is not considered a key inflow as it is assessed as non-material (in terms of the DMA). For property, plant and equipment, we exclude offices (rented) and larger technical buildings (non-recurring inflows with high volume of materials that would skew metrics for continuous performance improvement). We also exclude products and materials that we resell as they are not conditional to providing our services. Lastly, product packaging is not considered material in relation to the key impact of climate change, based on carbon hotspot analyses from lifecycle analyses for customer premises equipment and network equipment. Nor does packaging have a material relation to the risk of higher costs and lower availability of (critical) raw materials as it is mostly made from renewable material (cardboard), with abundant availability at a relatively low cost compared with the product it contains.

With respect to critical raw materials, we have carried out research in-house with support from universities (2020) into our risk on several product groups (including modems, routers, servers). We concluded that the following materials carry the highest risk: gallium, rhodium and rare earths. Moreover, germanium is an important critical raw material for optical fibers needed in our network and digital infrastructure (referring to public TNO-research "De leveringsketens van kritieke grondstoffen", 2024). Further research into new technologies such as 5G technologies, photonics, edge computing and quantum technologies show that the following materials have the highest occurrence in those technologies, combined with the highest supply risks: erbium, praseodymium and dysprosium.

Materials used to manufacture KPN's products and services during the reporting period

Segment and product category	Total weight	Biological & sustainable (renewable) (%)	Certification scheme	Secondary (technical) products and materials	Circular inflow (biological & sustainable + secondary technical products and materials)
B2C products[1]	506 tons	n/a	n/a	288 tons (57%)	288 tons (57%)

1 The scope is limited to specific B2C products and the methodologies used to calculate the data and avoid double counting are listed under the methodologies metric "circular inflow"

Resource outflows

Products and materials

The disclosure requirements regarding products and materials relate to the production process for products and materials. As KPN does not produce products and materials, this does not apply to KPN.

Waste

In relation to products that we put on the market, we do have takeback programs and metrics for obsolete (end-of-use) customer premises equipment and mobile phones. The products that are collected are prepared for reuse and recycling by KPN or on KPN's behalf. The targets and results are included in our "reuse and recycling" metric.

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Total waste		Result 2024	Result 2023
Total amount of non-hazardous materials & waste	**tons**	**11,743**	**12,737**
Diverted from disposal:			
i. Preparation for reuse[1]	tons	340	1,481
ii. Recycling	tons	9,975	9,651
Iii. Other recovery operations	tons	n/a	n/a
Directed to disposal:			
i. Incineration	tons	1,279	1,407
ii. Landfill	tons	149	198
Iii. Other disposal operations	tons	n/a	n/a
Total amount of hazardous materials & waste	**tons**	**186**	**374**
Diverted from disposal:			
i. Preparation for reuse	tons	-	-
ii. Recycling	tons	173	326
Iii. Other recovery operations	tons	n/a	n/a
Directed to disposal:			
i. Incineration	tons	12	43
ii. Landfill	tons	1	5
Iii. Other disposal operations	tons	n/a	n/a
Total amount of radioactive waste	tons	-	-
Total amount of waste	**tons**	**11,929**	**13,111**
Total amount of non-recycled waste	tons	1,781	3,134
% Non-recycled waste[1]	%	15%	24%

1 In 2024 we improved consistency for the waste flow 'soil'. This is now considered recycling, where in 2023 this was reported as either reuse or recycling depending on the source of the processing rate

The waste streams most relevant to our sector and KPN's operations are:
- Obsolete (end-of-use) equipment and inventory coming from KPN Technology and Digital Office (NOI)
- Other waste streams from KPN operations, e.g. related to fiber rollout (NOI)
- Obsolete (end-of-use) customer premises equipment (collected via KPN return programs and processed by KPN or on KPN's behalf for B2C, B2B)

The key materials that are present in the waste:
- Metals (including critical raw materials and rare earths)
- Non-metallic minerals
- Plastics

Anticipated financial effects from material resource use and circular economy-related risks and opportunities

KPN has opted to use the phase-in provision regarding anticipated financial effects from all climate and other environment-related impacts, risks and opportunities.

Social - Own workforce

Social information

OWN WORKFORCE

Interests and views of stakeholders

The interests, views, and rights of our own workforce are vital for our strategic planning at KPN. We believe that attracting, developing, and retaining the right talent enhances our agility and contributes to sustainable profitability. Our own workforce is in scope of this disclosure and is described in this section.

We engage with employees through anonymous surveys and focus groups. Feedback from these initiatives directly informs our strategic decisions, such as the implementation of flexible working models and enhanced training programs. We maintain open communication channels via intranet updates, town halls and online sessions with our Board of Management. This transparency helps preserve a culture of pride, engagement and empathy while keeping employees informed and involved in strategic changes. As noted above, we engage with our employees at least twice a year through an extensive survey and smaller surveys throughout the year. The findings from these engagement efforts inform our HR strategy and overall business objectives. This alignment ensures that our strategic initiatives reflect the needs and aspirations of our workforce. The output of these surveys indicates what the issues are experienced by our workforce and the Human Resources department uses this output to design meaningful interventions for improvement. Lastly, we frequently organize dialogues between our Board of Management and employees to facilitate discussions on several themes:

- Diversity, equity and inclusion (DEI) to ensure that everyone feels welcome, can be who they are and participate on an equal level;
- Culture based on our culture manifesto that emphasizes full attention to our customers, thinking big, acting now and "working together is winning" together;
- Leadership based on our leadership profile – giving purpose, engaging people, delivering performance;
- Focus on future skills and capabilities.
- Employee well-being by providing a healthy work environment and providing instruments that foster well-being.

Our governance structure includes one central Works Council and ten decentralized works councils that provide employees with a formal voice in decision-making. These councils meet regularly with management to discuss and approve new policies ensuring that employee perspectives shape our strategic direction.

By embedding employee interests into our strategy and decision-making processes, we foster an inclusive and engaged work environment that benefits not just our employees but our customers and society as well.

We continued our efforts to enhance our employee's well-being, including continuing our Open-Up service, organizing a month of well-being and paying extra attention to initiatives to achieve a healthy work-life balance. We implemented our culture manifesto which describes how we work and behave with each other by offering culture tool kits for teams to discuss and practice the desired culture. We continued to invest in and develop our employees in current and future skills with an enlarged digital learning and development (L&D) offer. We followed-up our "Good Conversation" initiative (with KPN GROEI) through which we invest in clear goal-setting and reflection. Speaking up about well-being is an integral part of this initiative.

Our employees expect us to provide opportunities for a dynamic workplace where they can continuously grow and develop to make sure they are a good fit for their current jobs as well as future jobs they may aspire to. For them, this translates into an attractive, diverse and inspiring work environment where several aspects come together (physical, technology, learning and development), for example; simplicity in data, organization, technology and processes; transparency in the organization; a leadership eye on working conditions; a distinctive culture and values; excellent development opportunities with equal treatment.

Social - Own workforce

Impacts, risks and opportunities

Own workforce is a material topic for KPN and consequently included in this sustainability statement. As a large public company, it's important for us that KPN acts in an ethical, responsible and transparent way. For a description and the results of the process of identifying KPN's material impacts, risks and opportunities, see description of the process to identify and assess material impacts, risks and opportunities.

As KPN we have identified the following **two positive actual impacts** for our **own workforce**:

1. Working conditions: KPN distinguishes itself towards its employees through factors including good work-life balance and high collective bargaining coverage and social dialogue to safeguard adequate wages. In our business model the impact is relevant for our skilled and motivated employees located in our own operations in the Netherlands. The impact is through our own activities and obviously affects people, within a short time horizon. Our HR People Strategy aims to ensure skilled and motivated employees by acting as a good employer in tight labor market.

2. Equal treatment - diversity: KPN aims to reflect the Dutch society. We provide equal opportunities for everyone regardless of their characteristics. The diversity within our employee base leads to a fair and equitable workplace where all talents can be themselves and unlock their full potential. Like the first mentioned impact, this impact is also relevant for our skilled and motivated employees located in our own operations in the Netherlands. The impact is through our own efforts and obviously affects people, within a short time horizon. The diversity within our employee base leads to improved results and an equitable workplace.

We have the following **two risks** for our **own workforce**:

1. Tight labor market: This could result in KPN not being able to create an engaged, diverse employee base and hire the talents it needs, which could lead to lower quality of services and lower business results. The tightness in the labor market has consequences for our skilled and motivated employees located in our own operations in the Netherlands. The risk is within a short time horizon.

2. Diversity – aging employees: In the coming years, a substantial number of employees will retire. KPN may not be able to sufficiently fill the gaps in capacity, skills and knowledge with newly recruited and younger employees. This might lead to lower quality of services and lower business results. This risk is relevant for our skilled and motivated employees located in our own operations in the Netherlands, within a medium time horizon.

To successfully implement our strategy and business model, KPN recognizes the critical importance of maintaining a workforce that is both skilled and capable of adapting to the rapidly evolving demands of our business. To ensure alignment between our workforce and strategic goals, we actively facilitate dialogues between our Board of Management and employees on key themes such as innovation, skills development and organizational culture. This approach allows us to better understand employee perspectives, strengthen employee engagement, and adjust our business model as needed.

KPN is committed to creating a diverse, inclusive, and accessible work environment. This enables us to better empathize with our customers, foster innovation, and reflect the diverse needs of society, thereby gaining a competitive advantage.

Our employee conditions are designed to ensure sufficient opportunities for professional development, talent attraction, and retention. A diverse workforce enhances our ability to deliver solutions that resonate with a wide array of customers and helps us better anticipate and address market demands. We prioritize employee health, mental well-being, engagement and work-life balance, which significantly contributes to higher motivation and job satisfaction. This, in turn, positively impacts productivity and overall business performance, aligning with our long-term strategic objectives.

While we remain focused on workforce development, risks related to tight labor markets and aging could hinder our ability to execute our strategy effectively:

- Talent attraction and retention: KPN faces risks related to its ability to attract and retain qualified, skilled, and diverse talent, particularly in specialized fields such as technology, IT, engineering, and cybersecurity. A shortage of qualified staff in these areas could result in insufficient workforce competency and capacity, leading to challenges in delivering on strategic priorities and increased pressure on existing employees, thereby raising labor costs.
- Workforce demographics: The combination of higher employee attrition rates and a lower inflow of younger staff in recent years has resulted in an aging workforce. This demographic shift poses risks to knowledge retention and continuity, particularly in a sector that requires ongoing innovation. In the long-term, an aging workforce could impair KPN's ability to remain competitive and innovative, especially if younger and more diverse talent is not recruited and retained.
- Diversity and social return: If KPN fails to meet its diversity and social return targets, this could negatively impact its brand,

Social - Own workforce

customer satisfaction, and future profitability. For example, the inability to meet public sector procurement requirements due to insufficient social impact could lead to lost business opportunities and reputational damage.

Despite these risks, there are opportunities for KPN to leverage its workforce to enhance business performance:
- Diversity as a competitive advantage: KPN's commitment to diversity and inclusion offers substantial opportunities to improve innovation and address the diverse needs of customers. A workforce that reflects the diversity of society is better positioned to drive business growth, deliver customer-centric solutions, and enhance KPN's reputation as a forward-thinking, socially responsible company.
- Employee development and retention: By investing in talent development programs, KPN can build a workforce with the skills necessary to meet the challenges of our strategy, particularly in critical areas such as technology and cybersecurity. These programs also help to retain employees by offering clear career progression and development opportunities, thereby reducing employee turnover and mitigating the risk of skill shortages.
- Strategic workforce management: To address the risks associated with workforce demographics, KPN is adapting its talent strategy, sourcing model, and strategic workforce management practices. This includes efforts to attract younger and more diverse talent, as well as implementing succession planning to ensure knowledge transfer and continuity within the organization.

For KPN, we define "own workforce" as a total of all own personnel, individuals who are in an employment relationship with KPN according to national law or practice and temporary staff provided by employment agencies ("agency workers"). There are different types of employment contracts within KPN:
- Own personnel: employed personnel hired directly by KPN. KPN has a direct contract with these employees and they generally take part in the collective labor agreement (CLA) or personal labor agreement (PLA). These employees can be defined as workers who are in an employment relationship according to European Sustainability Reporting Standards (ESRS).
- Agency workers: employed personnel hired through an employment agency.

Material impacts and risks as identified in our DMA process are only related to own personnel, excluding the agency workers. All other personnel are included as part of the section - "workers in the value chain".

For material positive impacts in working conditions and diversity (equal treatment), KPN has a range of plans, actions and activities. These activities include, for example, action plans to increase diversity and to ensure a healthy and safe workplace. Positive material impacts related to working conditions include well-being, a good work-life balance, adequate rewards and an inclusive place to work based on equal treatment with jobs that fit our employees. In general, these positive impacts apply to all of our own workforce. These actions are described in more detail hereafter.

The positive impacts provide the opportunity to have a skilled and motivated own workforce while offering attractive work and remuneration. A diverse own workforce leads to improved results, drives innovation and helps achieve a good brand reputation. The risks mentioned above could trigger increased workload, becoming an unattractive employer and a bad reputation in the labor market.

KPN has a dynamic risk assessment and evaluation process in place, in which a basic assessment and evaluation including standard measures have been drawn up for each job group and working environment included in the KPN working conditions catalog. We have defined five categories of workplace contexts and their workers and set up tailored occupational health and safety policies. The following categories have been defined and take into account the level of risk or harm.
1. Office: including directives and guidelines regarding screen time, positioning, office climate, facilities, accessibility, options for workplace investigations, acoustics and working hours/breaks.
2. Home office: including directives and guidelines for optimal remote working facilities, a shop for ordering office materials including desks, screens and chairs, policies about meetings in cars and grievance mechanisms.
3. Technical buildings: including directives and guidelines related to specific risks or harms from high-risk work, working with electricity, cables, lasers and fiber, working in different climates such as heat or cold, and other related circumstances.
4. Data center: including directives and guidelines on reducing specific risks or harm from working alone, working in narrow spaces, high risk work, calamities and other related circumstances.

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5. Retail: including directives and guidelines on working conditions, safety measures related to the risk of robberies or attacks, building maintenance and other related circumstances.

Material risks and opportunities arising from impacts and dependencies on people in its own workforce in general relate to all of KPN's own workforce rather than to specific groups of people. However, we see an additional risk related to the older employees in our workforce. This risk stems from aging in general which may lead to KPN not being able to sufficiently fill the gaps in capacity, skills and knowledge with newly recruited and younger employees. This might lead to lower quality of services and lower business results.

Policies

We have several policies in place to manage the material impacts and risks related to own workforce:

1. KPN human rights statement
2. KPN diversity and inclusion policy (D&I)
3. KPN company collective labor agreement (CLA)
4. KPN working conditions catalog (ARBO catalog)

More details on these policies are set out below.

Human rights statement

This policy informs and guides our stakeholders, partners and employees about the human rights we are committed to, how this shapes our way of collaborating and what we do to monitor this. It relates to the material impacts on working conditions and equal treatment.

Our policy is monitored through measures, processes, and channels (including works councils and trade unions) and it includes sections on, diversity, adequate wages, health and safety, freedom of association and expression, forced, and child labor. Freedom of expression is a basic human right. We create an open atmosphere in which people are not afraid to express themselves. If they see or experience something at KPN that worries them and they do not feel free to discuss with those directly involved, then we have various internal advice and reporting options where employees can get advice or speak out about possible abuses. The policy also contains measures to provide and/or enable remedy for human rights impacts in the form of processes and channels in place for its employees to re-mediate negative impacts and raise concerns. These channels also include works councils and trade unions. The channels are known and accessible to all employees. The "our employees" section of KPN's Human Rights statement is applicable to all KPN's own workforce. The Human Rights statement relates to all our own workforce but also to our value chain, our customers and the society around us. Every ESG theme is assigned to a member of the senior management team who, as theme owner, is responsible for stakeholder dialogue, targets, progress and results. Our Human rights statement is approved by our Board of Management.

Our human rights statement is compliant with the UN Guiding Principles on Business and Human Rights. KPN explicitly endorses:

- The Guiding Principles on Business and Human Rights as adopted by the United Nations in 2011.
- The ILO Declaration on Fundamental Principles and Rights at Work.
- The UN Global Compact and the OECD Guidelines for Multinational Enterprises.

The obligation to respect human rights is the basis for our way of working. Input from the Human Rights Board was taken into account in our human rights statement. The human rights statement is publicly available for all stakeholders and can be found on Onze waarden - KPN (overons.kpn). The statement has the form of a stand-alone policy and includes paragraphs specific to KPN's own workforce. Onze waarden - KPN (overons.kpn).

KPN diversity and inclusion policy

This policy informs our stakeholders, partners and employees about our ambitions and approach for topic of Diversity & Inclusion. It relates to the material topics on aging workforce, equal treatment and working conditions and contains sections on policies, targets, and action plans around diversity and inclusion.

The policy is monitored through a yearly internal review about progress and uses where applicable external benchmarks such as "Talent to the Top", the Social and Economic Council of the Netherlands (SER) and Workplace Pride. In scope of this policy is all of our own workforce which is fully based in the Netherlands. Every ESG theme is assigned to a member of the senior management team who, as theme owner, is responsible for stakeholder dialogue, targets, progress and results. The policy is approved by both the Board of Management and the Supervisory Board and is aligned with the Dutch Diversity Act. The interests of several stakeholders were taken into account during the design process of our D&I policy: governmental (in relation to diversity law), the vision and mission of the Board of Management, and feedback from employees (through the Works Council) together with the professional view of the D&I department. The D&I policy is publicly available for all stakeholders and can be found on Onze waarden - KPN (overons.kpn). The statement has the form of a stand-alone policy and includes paragraphs specific to KPN's own workforce.

KPN company collective labor agreement (CLA)

The Collective Labor Agreement (CLA) outlines the rewards, benefits, and rules for our employees, addressing our commitments to working conditions and the challenges of the tight labor market. The CLA covers key areas such as fair wages, health and education benefits, various types of leave, work-life balance initiatives, grievance mechanisms, and opportunities for learning and development. It is regularly monitored through data analysis, compensation benchmarking, and audits. The agreement applies to our entire workforce, which is primarily based in the Netherlands. The Board of Management, specifically the Chief People Officer, is responsible for overseeing the CLA. The CLA 2024-2025 sets out the terms agreed between KPN and the labor unions, who negotiate with KPN on behalf of the employees. The CLA is publicly available and can be accessed here: https://jobs.kpn.com/uploads/KPN%20CAO%202024-2025%20NL%20apr%202024.pdf

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KPN's working conditions catalog (ARBO catalog)

This catalog sets out work-related health and safety risk inventories and evaluations (RI&Es).
Objective being to create safe and healthy working conditions and to inform our own workforce about our policies on occupational health and safety. It relates to material impacts on working conditions and contains sections on occupational well-being and including risk mitigating measures. The policy is monitored periodically based on various sources such as new legislation, and relevant recorded data on eg. Sick leave, work-related incidents, and unsafe situations. In scope is all our own workforce that is fully based in the Netherlands. Our Chief Human Resources Officer (CHRO) and our VP Security are accountable. The policy adheres to the Dutch Working Conditions Act ("ARBO") and the goal is to mitigate health and safety risks for all KPN staff as key stakeholders. Input from a dedicated commission around health and safety is a key input for this policy. This commission involves the Works Council. No external stakeholders are involved. The ARBO catalog is available to our own workforce on KPN's intranet.

In addition to the policies described above, KPN's code of conduct (CoC) helps us managing material sustainability matters related to working conditions and diversity. This policy is further described in the "Business conduct" section of this sustainability statement.

As stated in our human rights statement, KPN aims to pledge the complete avoidance of forced labor, child labor and human trafficking in our own operations and own workforce.

Within the ARBO catalog, KPN has a prevention policy related to occupational health and safety. Several experts provide advice on working conditions and circumstances and have a mandate to adjust workplace settings to improve conditions for our employees. We have a registration system for workplace accidents.

KPN has specific policies, such as the code of conduct, aimed at the elimination of discrimination, including harassment, promoting equal opportunities and other ways to advance diversity and inclusion.

Our formal diversity and inclusion policy specifically covers the following grounds for discrimination: race, color and ethnic origin, gender, sexual orientation, disability, age, religion and political opinion. KPN has specific commitments related to inclusion or positive action for people from groups at particular risk of vulnerability in its own workforce. For all employees, regardless of their position, we expect the following behaviors in line with the KPN code of conduct: subcode 1:
- Respect the dignity and diversity of all colleagues;
- Value the input of people with different backgrounds, experiences, and perspectives than yourself;
- Contribute to creating an inclusive environment free from discrimination, harassment, and intimidation;
- Ensure that your actions do not lead to discrimination, harassment or other inappropriate behavior as described in the company code of conduct;
- Increase your awareness of possible unconscious biases and how these can hinder your ability to be more inclusive and to collaborate with colleagues,
- Address inappropriate behavior and -if applicable- report it.

These policies are implemented through specific procedures to ensure discrimination is prevented, mitigated and acted upon once detected, as well as to advance diversity and inclusion in general. We communicate clear procedures and resources through which employees can report unwanted behavior and find support as victim, bystander or manager. Moreover, we raise awareness and provide information on this topic to all employees on a regular basis via our internal group "Feel safe at work". We also have policies in place to advance diversity and inclusion in general. An example of this is our investment in an applicant tracking system to track the talent, implement inclusive language in our vacancy texts, update our assessment tooling, balance our selection pools and structure our hiring and interview processes to minimize the risk of biases. We strive to keep attrition rates between genders equal in the organization.

Processes for engaging with own workforce and workers' representatives about impacts

KPN has implemented employee participation in accordance with the provisions of the Dutch Works Councils Act. Constructive employee participation is an integral part of our organization and allows employees to be involved in organizational matters in various ways and to have a say in their work. Works Council members are directly elected by KPN's employees. Employee participation is an important value for KPN and a part of our culture. We believe that this leads to a clear vision of the goal and desired results prior to the change process, minimization of instability, involvement of the Works Council at every stage,

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constant involvement of employees, a "first time right" approach, and consistent evaluation.

To align employee participation processes with KPN's practices, we have established one Central Works Council and 10 works councils specific to different business segments. These works councils are all represented in the Central Works Council, which is competent for subjects of common interest or subjects that concern a majority of the works councils. Works councils meet with management at least once every six weeks. The works councils communicate with the own workforce via our intranet, newsletters and both formal and informal dialogue sessions. Every so often they conduct surveys among their constituents.

The Central Works Council interacts with the CEO, whereas individual works councils for each business segment interact with senior management of that segment. This engagement is intensified before lay off plans or organizational changes are communicated. The work councils advise on requests for advice before management makes an official decision. KPN has implemented employee participation in accordance with the provisions of the Dutch Works Councils Act. The Works Council provides management with insights about feelings and developments due to organizational changes among our own workforce on a regular basis. In this way we ensure concerns and ideas are known within the decision-making process.

KPN regularly -at least twice a year- conducts surveys relating to engagement (pulse surveys). These help to gauge employee involvement based through questions about how the employees feel about KPN, and about whether they have confidence in the decisions of the Board of Management. We also ask questions about well-being, psychological safety perceived culture and leadership. Through these surveys KPN assesses the effectiveness of its engagement with our own workforce.

Every year we invite our employees to participate in the pulse survey and provide an option to disclose more details about their identity related to diversity. In this way we can analyze differences between groups related to working conditions, inclusive behaviors, engagement and well-being. This provides insights which are used to improve the working experience at KPN for these groups. The results, insights and desired improvements are presented to both the Board of Management and the Works Councils. Our management is responsible for translating these insights into actionable improvements. HR supports this process and gives guidance in the follow-up.

Actions

KPN has action plans in place to address material impacts and manage material risks related to our own workforce. In this regard, our main lines of action (further explained in the following sections) are focused on offering attractive work and remuneration, in compliance with Dutch labor laws and our CLA. Our people plan is built around four strategic pillars:
- The job that fits you;
- Future skills;
- Well-being & reward;
- Best workplace.

Key actions that are taken or planned in the future, their expected outcomes and how their implementation contributes to the achievement of policy objectives and targets are: best workplace and working conditions for all employees, equal treatment and aging workforce (diversity and inclusion). These action plans are described in detail below:

Diversity and inclusion (D&I)

Expected D&I outcomes relate to a diverse own workforce, inflow of young technically skilled talents to combat the risk of an aging workforce and the creation of solid working conditions for all generations.
Coverage in terms of activities for the scope own workforce:
- Diverse and successful teams: Recruit a diverse range of talents and adjust the recruitment process to mitigate biases by standardizing the hiring process and making use of inclusive language in our job advertising. Set up hire rates for male/female inflow tailored to the dynamics of every segment within KPN and align this with targets for KPN overall. We aim for a 50/50 inflow of men and women in our trainee programs for an optimum balance in gender, age and experience and are thus working actively towards a younger and more diverse workforce.
- Inclusive and safe workplace: Clear D&I policy and code of conduct to address discrimination. Embed Inclusiveness in the leadership profile and assignment letters for senior leadership. Nurture employee resource groups. Provide training and measure inclusion within the pulse survey.
- Digital and social inclusion: This means, every segment having tailored targets and plans regarding gender diversity fitting to the dynamics of each segment.

The D&I plan has a medium time horizon to complete the actions. It includes metrics and targets on percentages of women overall and percentages of women in our senior management. To increase the inflow of young talent we provide several trainee programs with a focus on future job area's such as tech and IT, commerce and finance. By providing leadership development programs and working actively on succession planning and talent management we ensure diverse teams. We support employee resource groups around diversity and regard them as valuable networks to create awareness, providing insights about diversity and inclusion and collaborate with them as a sounding board.
We do not expect to allocate material current and future financial resources to the action plan and no relevant (material) amounts are presented in KPN's consolidated financial statements. The action takes into consideration our policies on diversity and inclusion, human rights, the CLA and the code of conduct.

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Attractive employer with the best working conditions: well-being and reward

The expected outcomes of this plan relate to a healthy, motivated and engaged workforce with the right work-life balance, control and stabilization of sick leave and the improved mental health of our workforce.
Coverage in terms of activities for the scope own workforce:

- Well-being and health: Aiming for and facilitating a healthy and inspirational workplace where our employees can combine their professional and private life in a sustainable way.
- Reward: Our 2024-2025 CLA provides a modern and attractive remuneration package for all generations with a strong focus on well-being, work-life balance, and attractive (higher) compensation for traveling to work by bicycle. The goal is to retain talent and be attractive to new hires.
- Engagement: An engaged and enthusiastic workforce who contribute to KPN's strategy and customer satisfaction.

The action plan has a short-time horizon for completion. It includes metrics on: "Groei" goal-setting, mental well-being, sickness/absence and engagement (pulse survey). In more detail actions relate to: **Well-being:** During the pandemic we started measuring well-being within our pulse survey. Although the outcome was not surprising in the circumstances, we felt the responsibility to help our employees feel better. We provided psychological help through the Open-Up platform, set up rules about meeting times and provide extra time off for employees with families. Since then, we measure well-being regularly and extended our offering across all types of well-being. **Sick leave** at KPN remained stable in 2024 and is still slightly below the nationwide trend in the Netherlands. We have concerns about the increase in the share of psychological absenteeism within the total percentage of sick leave, and the duration of this type of sick leave. The long waiting list within mental healthcare to provide adequate interventions and societal trends where one out of five workers experiences burn out symptoms requires a different approach. In 2024, we set up a new agreement with our company doctor aimed at detecting potential long during health issues at an early stage and took other actions to mitigate this issue. **Engagement** remained high as shown in the metrics further on. The survey also showed that most employees have confidence in the decisions of our Board of Management and feel connected with and proud of KPN. In 2023, a workshop was introduced to help managers follow up the outcomes of the pulse surveys.
We do not expect to allocate material current and future financial resources to the action plans described in this sub-section and no relevant (material) amounts are presented in KPN's consolidated financial statements. The action plan takes into consideration our policies on diversity and inclusion, human rights, the CLA, ARBO catalog, and code of conduct.

Tight labor market and working conditions: The job that fits you and future skills

The expected outcomes of this plan relate to addressing the challenge of attracting new employees in a tight labor market. We took steps to strengthen our position as an attractive employer and we focus on inflow of young and/or technically skilled employees, being an attractive employer brand for relevant target groups and upskilling and reskilling our own workforce to suit them for future jobs.
Coverage in terms of activities for own workforce in scope:

- Employer brand campaign to position ourselves as an attractive employer: Green is not a color!
- Referral programs for own workforce to encourage recruiting within the networks of our workforce.
- Trainee programs for young and tech talents.
- External recruitment to fill open positions with new employees.
- Provide access and budget to KPN Academy so our workforce is enabled to upskill and/or reskill themselves with future skills.
- Talent management and leadership development to exchange talents and create interesting career paths and perspectives.

The plan has a medium time horizon to complete the action. It includes metrics on: KPN Groei goal-setting, upskilling and L&D spend on future skills. In more detail, the actions relate to: Employer brand: Next to our main campaign we also ran tailor-made recruitment campaigns, targeting specific groups with the skills we need most, such as engineers and IT professionals. These efforts paid off in terms of our recruitment of mechanics, engineers and data-security specialists. Inflow of young talent: In 2024, we welcomed 33 new talents within our Young Talent program. In the current tight labor market, unchanged from previous years, recruiting new employees and retaining existing staff continued to be challenging. **Future skills:** We provide lots of development opportunities within our KPN Academy and our leadership programs for highly talented people. We work actively on talent management and succession planning to ensure our talent pipeline for leadership roles is securely based. We offer two programs for leadership development: one for scale 12 and 13 and one for people in our workforce with a personal labor agreement (PLA). In 2024, we had 84 participants for the programs combined.
We do not expect to allocate material current and future financial resources to the action plans described in this sub-section and no relevant (material) amounts are presented in KPN's consolidated financial statements. The actions take into consideration the CLA, the ARBO catalog, the diversity and inclusion policy, the human rights statement and the code of conduct.

Related to the impact on working conditions we provide professional support around sick leave to managers, and employees to help with complex and long-term sick leave and reintegration. This expertise is highly appreciated and helps ensure the optimum use of all our instruments. We have continued our efforts to provide instruments for employee well-being with a focus on prevention including continuing our Open-Up service, organizing a well-being week, and paying extra attention to initiatives to achieve a healthy work-life balance. We also rolled out an internal campaign to promote financial health and the debt relief opportunities KPN Inspire offers. These initiatives contributed to making a positive impact on the health of all the employees in our workforce.

Related to the impact on equal treatment (diversity) we continued our efforts to be a diverse and inclusive workplace. These included organizing diversity days, achieving an equal gender balance in our Board of Management, organizing events in tandem with our various employee networks (e.g. International Women's Day), and continuing our Growth mentoring program. In addition, we ran a "Pride Verified" campaign (internal and external) to increase awareness around online safety for the LGBTQI+ community under the #BetterInternet hashtag.

Also, strongly related to the impact on equal treatment (diversity), there are innovative and inspiring talent-management programs to attract and maintain qualified staff (both from the Netherlands and abroad). These are readily available and KPN promotes

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technical education initiatives at high schools and universities to attract new and diverse workforce.

We track and assess the effectiveness of these actions and initiatives internally with our pulse surveys. Externally we use benchmarks to challenge us on effectiveness and best practices. In addition we transparently communicate targets and progress on absenteeism, diversity and inclusion and attrition, learning and development (L&D) spend with internal dashboards, available to all managers. We include all people metrics in the monthly review process for senior leadership. The results, insights and desired improvements from the surveys are presented to both the Board of Management and the works councils. Our management is responsible for translating these insights into actionable improvements. HR supports this and gives guidance in the follow up.

Monitoring is part of our monthly review cycles. This is based on our HR dashboard with workforce KPI's and forms the basis for the reviews with our Board of Management.

The actions planned or underway to mitigate the risk of tight labor market are:
- Well-being and reward
- The job that fits you and future skills

The actions planned or underway to mitigate the risk of diversity - aging workforce are:
- Diversity and inclusion
- Well-being and reward
- The job that fits you and future skills

Resources for management of material impacts are allocated to the internal HR function which plays a key role in managing these impacts. How these impacts are managed is described in the action plans.

Resources allocated to the management of material impacts mainly relate to 148 FTEs in the HR department who work on the action plans on a daily basis.

Metrics and targets

KPN has metrics and targets in place to manage KPN's material impacts and risks. A summarized description of the metrics and targets is given below.

The metrics and targets as described in the tables below are set by HR's Leadership team and are applicable for all KPN's own workforce in the Netherlands. The D&I targets for 2025 are also approved by the Board of Management and the Supervisory Board as part of the D&I policy. The performance of these metrics against the targets is monitored and reviewed in the monthly management letters and dashboards.

	Women at the sub-top (senior management)	Employee survey score for engagement
Result 2023	27.5%	82.7%
Result 2024	33.3%	80.8%
Target 2024	35%	84.0%
Target 2025	36%	≥80%
Definition of metric	The share of female managers/female (headcount) out of the total number of managers (headcount) reporting directly to the Board of Management	The outcome of three questions: trust in the Board of Management, company pride and involvement. Total employees responding agree or fully agree to the questions divided by the total headcount who responded to the pulse survey.
Related policy objective(s)	This target is related to equal treatment - diversity	This target is related to the policy objectives around working conditions and aging workforce
Methodology	Increase of women at sub-top (% of women reporting directly to BoM roles)	Twice a year, KPN employees are invited to fill in the pulse survey, by which we measure engagement. The outcome of a human resources (HR) survey that measures the level of enthusiasm and dedication employees feels towards their job. The Q4 result is reported. Employee engagement is calculated by combining the results of three questions related to employee engagement resulting in a score from 1% to 100%, with 1% as the lowest and 100% as the highest engagement score.
Performance vs target analysis	The result on this target shows an increase of women at the sub-top, however the mutations in the sub-top were not sufficient to realize the target.	The engagement scores are below target because of speed of (organizational) change combined with general concerns on mental well-being.

Social - Own workforce

	Mental well-being	Sickness / absence rate
Result 2023	70.6%	5.0%
Result 2024	69.8%	4.9%
Target 2024	n/a	n/a
Target 2025	≥70%	4.9%
Definition of metric	The outcome of the question: "How are you doing mentally, do you feel vital and energetic? The percentage of the employees (headcount) who responded "good" or "very good". Calculated as the number of employees responding to the question with an answer "very good" or "good", divided by the total number of respondents to this question.	This is based on a 12-month moving average of % of own employees reporting sick. Source: third-party "ARBO" software. The sickness rate for the month: The number of sick days reported (including the weekends) divided by the total number of working days available of our own employees. The 12-months moving average is calculated as the average sickness rate over the last twelve months
Related policy objective(s)	This target is related to the policy objectives around working conditions	This target is related to the policy objectives around working conditions
Methodology	Twice a year, KPN employees are invited to fill in the pulse survey, from which we measure well-being. The outcome of a human resources (HR) survey that measures the level of mental well-being of an employee. The Q4 result is reported. Mental well-being is based on the results of one question resulting in a score from 1% to 100%, with 1% as the lowest and 100% as the highest mental well-being score.	The percentage of employees who report sick.
Performance vs target analysis	n/a	n/a

	KPN Groei goal-setting	Women at the sub-top (senior management)	Women overall
Result 2023	n/a; started in 2024	27.5%	22.2%
Result 2024	80.7%	33.3%	22.5%
Target 2024	n/a	35%	24%
Target 2025	≥80%	36%	23%
Definition of metric	The percentage of own workforce (headcount) who filled in the What & How goals (internal individual performance points)	The share of female managers/female (headcount) out of the total number of managers (headcount) reporting directly to the Board of Management	The diversity percentage is based on the number of women divided by the total number of employees.
Related policy objective(s)	This target is related to the policy objectives around working conditions and aging workforce	This target is related to equal treatment - diversity	This target is related to equal treatment - diversity
Methodology	The % of KPN Groei Goal-setting is measured by the % of own employees who recorded What & How goals for their personal development registered in the HR System divided by the total own employee base at the end the reporting period.	Increase of women at sub-top (% of women reporting directly to BoM roles)	Increase of women in overall workforce
Performance vs target analysis	n/a	The result on this target shows an increase of women at the sub-top, however the mutations in the sub-top were not sufficient to realize the target.	KPN is a company with a heavily technical component. Combined with tightness in the labor market, it has proven difficult to attract female talent and show growth on this target.

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	Women with Personal Labor Agreement (PLA)	Upskilling
Result 2023	27.3%	66.3%
Result 2024	29.8%	71.4%
Target 2024	34%	n/a
Target 2025	35%	≥70%
Definition of metric	The share of female employees (headcount) with a personal labor agreement out of the total number of employees (headcount) with a personal labor agreement.	This is calculated as the number of employees who ordered a paid training activity from our KPN Academy divided by KPN's total headcount for the reporting year, including the employees who left the company before year-end.
Related policy objective(s)	This target is related to equal treatment - diversity	This target is related to the tight labor market risk and diversity – aging workforce
Methodology	Increase of women with PLA	The data is provided by the main supplier of paid training within KPN.
Performance vs target analysis	The result on this target shows an increase of women with PLA, however the mutations in the PLA structure were not sufficient to realize the target.	n/a

	Learning and development spend on future skills
Result 2023	68.9%
Result 2024	68.9%
Target 2024	n/a
Target 2025	≥65%
Definition of metric	This is based on the percentage of learning and development ordered via spend, recorded and facilitated by a third party, for future skills as defined by the World Economic Forum (e.g. data, AI, security) as part of the employees' personal development budget spend (excluding departmental spend). This personal budget is part of the agreements in the KPN CLA and is the same for each employee
Related policy objective(s)	This target is related to the tight labor market risk and diversity – aging workforce
Methodology	The data is provided by the main supplier of paid training within KPN. As from 2025 we will use a new definition which is as follows: % future spend as part of the total spend instead of IZB spend. 2024 actuals would be 59% based on this new definition.
Performance vs target analysis	n/a

Methodology and significant assumptions for target setting

For each metric with a target 2024/2025 we used the following methodology and significant assumptions:

KPN Groei goal-setting: last year, we started with KPN Groei goal-setting. We believe in the method and the importance of performance reviews for all employees, therefore we want to set an ambitious target. However, a target of 100% would be unrealistic since we can't exclude employees who are for example pregnant, sick or on sabbatical. This is why we've come to a target of 80%, because we find it logic and feasible to assume that at least 80% of our workforce will make goals regarding their performance and contribution to the companies results.

Employee survey score for engagement: an engaged workforce leads to better results. In the past years, we've seen a positive trend with high scores of around 80% (or more). For this reason, we had set a target of 84% for 2024. For KPN, engagement is an important topic, also to prevent unwanted attrition. At the same time, we know that as an organization we will go through changes in the next years that might affect the engagement of employees, such as location closures and cost measures. Therefore, we have chosen to set a target that is both ambitious and realistic of 80% for 2025.

Mental well-being: to set up this target we compare our well-being rate to the average well-being rate of Dutch larger companies, published by CBS. For this reason, we have set our target at 67%.

Sickness / absence rate: to set up this target we compare our absenteeism rate to the average absenteeism rate of Dutch larger companies, published by CBS. Next to this we consider several societal and well-being developments, researched by TNO and the RIVM (NEA report).

Women at the sub-top (senior management): large companies have been subject to the Diversity Act since January 1, 2022, and we must report on this as accordingly. This law requires us to set ourselves ambitious targets for the sub-top of the company. The definition of 'ambitious' is that the target should aim to make the

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composition of the population more balanced than the existing situation. The achievement on this target in 2022 was already around 30% that at the time it was felt there was opportunity to set ambitious targets for subsequent years (also given the limited size of the population). Therefore, in 2022 and 2023 we have set up these targets of 35% in 2024 and 36% in 2025.

Women at overall workforce: for D&I, we have initially used the critical mass theory as a starting point. This theory assumes that a group (such as women) must make up at least 30% of the entire population to make a substantial impact. For a company like KPN - with a heavily technical component - that is hard to achieve. There is only a 20% inflow of women in technical studies, and not all those women choose a technical profession. That is why a target of 25% with logical intermediate steps was chosen (years ago). For 2024, that intermediate step was 24%. Initially, the target for 2025 was to be 25%. However, we have noticed over the past 2 years that there is little movement in the result for this target. We do not get beyond an average of 22.4%. Technical segments such as TDO are often well below this. A target (and expected result) of 25% is therefore unrealistic. In the past year, we' made more in-depth analyses with the segments based on average inflow and outflow per segment and expected FTE movements. Based on this, we established a hiring rate for filling new positions with women. This realistic but still ambitious plan will lead to an improvement in results in the longer term. To be congruent with this plan, we have adjusted the target downward.

Women with Personal Labor Agreement (PLA): in line with the target setting for the sub-top, we also wanted to set an ambitious target for PLA that would improve the gender balance throughout our organization. At the time the (LTI-)targets were set (in 2022 and 2023 respectively), the development of the base was such that we would reach the result of 35% females PLA at the end of 2024. Knowing that it would be difficult to continue this growth, we opted for a target of 34% in 2024 and 35% in 2025. The result on this target was 29.8% at the end of 2024. It proved more difficult to continue this growth than expected, but we have seen an increase of women with PLA last year. The target of 2025 has been set in the LTI plan 2023, but last year's end result is taken into account for the current LTI target setting in 2025.

Upskilling: we maximize the opportunities to offer L&D programs and budget to upskill. As HR, we believe in continuously investing in our workforces' skills and therefore we have made the management estimate of 70% for this target.

Learning and development spend on future skills: future skills are based on both reports of World Economic Forum as our own determined future skills to ensure continuity in the future. The offering within our KPN Academy is labelled, so we can track the effectiveness of the learning offering regarding our future needed skills. Based on the belief that we should continuously invest in our workforces' skills and we should stimulate employees to do so, we have made the management estimate of 70% for this target.

Characteristics of KPN's own workforce

The total number of employees of the consolidated KPN Group[1] can be specified as follows:

	Number of employees (head count) - 2024	Number of employees (head count) - 2023	Number of employees (FTE) - 2024	Number of employees (FTE) - 2023
KPN B.V.	9,960	10,048	9,318	9,388
Subsidiaries	373	362	346	336
Total	**10,333**	**10,410**	**9,664**	**9,724**

The split between gender for KPN Group is as follows:

Gender	Number of employees (head count) - 2024	Number of employees (FTE)-2024
Female	2,322	2,015
Male	8,010	7,648
Other	1	1
Total Employees	**10,333**	**9,664**

The total number of employees by head-count and full-time equivalents (FTEs) can be specified as follows based on their contract type as per the end of the reporting period (for KPN Group):

[1] This includes the own personnel of KPN B.V. and the own personnel of it's subsidiaries

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Headcount	Female	Male	Other	Total	Headcount	Female	Male	Other	Total
Permanent	2,023	7,197	-	9,220	Fulltime	1,098	5,789	-	6,887
Temporary	299	813	1	1,113	Parttime	1,224	2,221	1	3,446
Total	**2,322**	**8,010**	**1**	**10,333**	**Total**	**2,322**	**8,010**	**1**	**10,333**

FTE #	Female	Male	Other	Total	FTE #	Female	Male	Other	Total
Permanent	1,788	6,961	-	8,749	Fulltime	1,098	5,789	-	6,887
Temporary	227	687	1	915	Parttime	917	1,859	1	2,777
Total	**2,015**	**7,648**	**1**	**9,664**	**Total**	**2,015**	**7,648**	**1**	**9,664**

In the last 12 months, a total of 1,115 employees left the company, which leads to a turnover percentage of 10.7%.

The methodologies and assumptions used to compile the data are as follows:

1. Employees are presented in headcount as well as in FTE.
2. FTE definition: the equivalent of employees with a full-time contract. FTEs are calculated compared with the standard number of contract hours per employment group within KPN. In 2024, within the KPN's CLA, standard contract hours were 40 or 37 hours per week depending on the employee group within the CLA. As from 2025, contract hours will be standard 40 for all employees.
3. KPN measures the headcount and the FTEs at the end of the reporting period.
4. The definition of attrition used by KPN is as follows: total headcount that left KPN during the last 12 months, divided by the average employee base of the last 12 months.

See Note 5 of the consolidated financial statements for the breakdown of the personal expenses in 2023 and 2024, including FTEs per segment for 2023 and 2024.

Collective bargaining coverage and social dialogue

Related to the positive impact of working conditions, KPN stimulates employee membership of trade unions by financially reimbursing the contribution through employees gross salaries. There are facilities for active members of trade unions that support their union in their work within KPN, e.g. the possibility to use KPN meeting rooms and to spend part of their working hours on union activities. KPN has a long history of collective labor agreements (CLAs). The agreements protect both employee interests and those of KPN. KPN and the unions together ensure that the collective labor agreement is observed.

93% of all KPN employees are covered by a collective labor agreement. The remaining 7% comprises employees within subsidiary companies and individuals who operate under personal labor agreements outside the KPN's CLA structure.

Diversity metrics

In line with our positive impact on equal treatment, KPN wants to reflect our society. Everybody is welcome, irrespective of gender, color, descent, religion, sexual orientation, labor market limitation, origin, political opinion or age.

The following tables shows the gender and age distribution of our employees in headcount as well as in percentages for KPN Group:

	Board			Sub-top (senior management)			Overall			
	Female	Male	Total	Female	Male	Total	Female	Male	X	Total
< 30 years	-	-	-	-	-	**-**	383	947	-	**1,330**
30 -50 Years	1	1	**2**	8	21	**29**	1,178	3,807	1	**4,986**
> 50 years	2	2	**4**	6	7	**13**	761	3,256	-	**4,017**
Total	**3**	**3**	**6**	**14**	**28**	**42**	**2,322**	**8,010**	**1**	**10,333**

Social - Own workforce

	Board			Sub-top (senior management)			Overall			
	Female	Male	Total	Female	Male	Total	Female	Male	X	Total
< 30 years	0.0%	0.0%	**0.0%**	0.0%	0.0%	**0.0%**	16.5%	11.8%	0.0%	**12.9%**
30 -50 Years	33.3%	33.3%	**33.3%**	57.1%	75.0%	**69.0%**	50.7%	47.5%	100.0%	**48.3%**
> 50 years	66.7%	66.7%	**66.7%**	42.9%	25.0%	**31.0%**	32.8%	40.6%	0.0%	**38.9%**

Social protection

Related to the positive impact of working conditions, all KPN employees are covered by some sort of social protection against loss of income due to major life events (e.g. sickness, unemployment, disability, parental leave, retirement). KPN organizes work so that pregnant employees can work safely and healthily KPN employees can make use of the following protective measures: the right to a fixed work schedule; no overtime and night shifts; more breaks than required by law; the right to paid ante-natal leave; no heavy physical work; the right to preventive consultations with an occupational health professional.

If due to sickness the employee is unable to perform some part or any part of their work, this constitutes work incapacity and KPN will continue to pay the employee's salary in part or in full. The provisions of Book 7 Article 629 of the Dutch Civil Code and the Work and Income According to Work Capacity Act (the WIA) apply. If the employee is incapacitated for work, they will continue to receive for the first 104 weeks payment of 70% of their monthly salary, their CLA budget supplement and any personal supplements if applicable.

Employees and their managers should make such individualized agreements as may be needed in such circumstances. These could cover, for example, flexibility in working hours, workload and workplace, such as the option to work flexible working hours, to work from home, or to take additional breaks. KPN also offers the opportunity to attend a preventive consultation with the company doctor, support from corporate social work, and accessible psychological help.

Accrual of pension during work incapacity: employee accrue pension during their sick leave in the same way as if they had not been sick.

KPN provides for compensation during an employee's notice period and for severance payments based on KPN's social plan.

For all employees, KPN has taken out a collective WIA insurance that protects them against part of the loss of income in the event of incapacity for work. Employees are automatically insured under this WIA insurance if they meet the policy conditions. The collective WIA insurance consists of two work incapacity insurance policies: wage decrease cover for less than 35% incapacity, and WGA shortfall insurance:

- Wage decrease cover for less than 35% incapacity: Employees are paid out under this insurance cover if they are found by a WIA assessment to be between 15% and 35% incapacitated for work
- WGA shortfall insurance (WGA Hiaatverzekering): Employees are paid out under this insurance cover if a WIA assessment determines that they qualify for WGA benefits and they receive a WGA follow-up benefit from UWV and the employee are unable to earn at least 50% of the residual earning capacity as determined by UWV.

Collective accident insurance: KPN offers accident insurance with 24-hour cover for employees. KPN pays the premiums.

Death of an employee: If an employee dies KPN will pay out monthly income not yet paid out up to date of death and a one-time net payment of three times the employee's gross monthly income.

All KPN employees are eligible to take parental leave. More details related to parental leave are described in the work-life balance sub-section.

KPN's main pension plan covers employees in the Netherlands who are subject to KPN's collective labor agreement (CLA) and employees with an individual personal labor agreement (PLA), and is externally funded by Stichting Pensioenfonds KPN. For non-employees in KPN's workforce their employment agencies provide pension plans.

Social - Own workforce

Training and skills development metrics

To help them cope with the risks related to tight labor markets and the aging of our own workforce, KPN ensures that all our employees receive the maximum benefits, training and skills development, protections, and entitlements available to them. We actively support employees in future-proofing themselves in the internal and external labor market.

We encourage employees to invest in their future skills and employability. In 2023, we started measuring money spent on future skills (e.g. data, AI, security), as developing future skills is a key pillar in our people strategy. In 2024, we continued to offer our employees a budget of €1,500 to spend on personal development. An additional budget of €1,000 is available for tailored training to hone their technical craftsmanship. In 2024, our employees made use of this budget and spent on average €1,352 on training (2023: €1,342).

In 2024, 80.7% of our employees participated in regular performance and career development reviews.

We also addressed workload, among other things, through continuing our 'Good Conversation' initiative. These are regular conversations between employees and their managers that go beyond tasks and performance to include well-being. We aim for every employee to have such a conversation with their manager up to three times a year.

In 2024, the average number of training hours per employee were 72 hours. The split between gender is as follows:

Gender	Training hours
Female	52
Male	78
X	7
Total	**72**

Work-life balance

Related to the positive impact of working conditions, all KPN employees are entitled to avail themselves of a whole range of family-related leave schemes. First of all, vacation leave: in 2024 a full-time employee is entitled to take 20 statutory and 6 extra-statutory vacation days per calendar year.

In addition, the following specific types of leave are available for all employees:

Parental leave is governed by statute (Chapter 6 Work and Care Act).

All KPN employees are entitled to take family-related leave through social policy and/or collective bargaining agreements. 7.6% of our own employees took family related leave in 2024 of which 8.8% were female and 7.3% male.

Event	Duration	Continued payment of monthly salary
Death of a well-beloved person	Five days. If the special leave related to the death of a family member coincides with a vacation, then the vacation leave will convert into family leave for five days	During leave connected with a death, KPN will continue to pay the monthly income in full
Situations provided for under the Work and Care Act (Wet Arbeid en Zorg)	Dependent on reason for leave	Based on the principle that KPN observes the law. Exceptions to this principle: -During paid parental leave, KPN will continue to pay 70% of the monthly salary -During maternity leave KPN will continue to pay the employee's monthly salary in full -During supplemental maternity leave, KPN will continue to pay their monthly salary in full
Birth leave for rainbow families (rainbow leave): rainbow parents, who have no claim to maternity leave or supplemental maternity leave as set out in the Work and Care Act	6 weeks	During rainbow leave KPN will continue to pay the monthly salary in full

Social - Own workforce

Remuneration metrics

We monitor the annual total compensation pay ratio for our employees in the Netherlands. For the reporting year 2024, the pay ratio of the annual total compensation of the highest-paid individual to the median annual total compensation is 60.70. The total compensation for the highest-paid individual is predominantly determined by variable components, including lease cars. As a result, the total annual compensation for the highest-paid individual could significantly fluctuate year-on-year, even when the base salary remains unchanged.

The basis for determining the ratio -that differs from the IFRS definition for the CEO ratio- is the pensionable base salary, which includes all fixed components of employee salaries including lease cars. For the calculation, we use the annualized salary paid during the reporting year. This includes part-time salaries alongside full-time salaries. Additionally, all variable compensation paid during the reporting year is included, such as bonusses and the value of vested shares or phantom shares received by employees in the same year.

In line with our positive impact on equal treatment and to ensure transparency and clarity, KPN calculates the gender pay gap as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees. The average pay includes bonusses and lease cars. For 2024, the pay gap is as follows:

Gender pay-gap[1]	Percentage
Overall workforce (incl. Board of Management)	10%
Sub-top (senior management)	24%

1 The reported gender pay figures reflects an overall unweighted average comparison. It does not account for variations in workforce composition or pay equity within established job grades.

WORKERS IN THE VALUE CHAIN

Interest and views of stakeholders

Value chain workers are a key group of stakeholders who are affected by our strategy and business model. The interests, views and rights of KPN's value chain workers, including respect for their labor conditions and human rights, are a driver in our strategic planning process.

In our value chain, a distinction is made between upstream (Tier 1, 2 suppliers) and downstream (e.g. business partners and retailers). Tier 1 suppliers are the suppliers we directly purchase from and communicate with, and thus directly impact. Tier 2 suppliers supply Tier 1 suppliers with the resources needed to create the product or service. Similarly, suppliers beyond Tier 2 are the sources necessary for the Tier 2 suppliers to create their products, for example mining companies.

The interests of value chain workers could be materially impacted by KPN through purchase agreements with our Tier 1 suppliers, as well as specific annexes or agreements such as the supplier code of conduct (SCoC). We have high-risk suppliers and their subcontractors audited to ensure compliance with the SCoC. We use EcoVadis scorecards to assess data on suppliers, e.g. their locations and impact on the labor conditions and human rights of value chain workers.

Beyond Tier 1, KPN indirectly impacts the interests, views and rights of workers in the value chain via the Joint Alliance for CSR (JAC), of which KPN is a member. The JAC is a global association of 29 telecoms operators that focuses on human rights challenges in telecoms industry supply chains and helps to embed long-term CSR implementation in the different layers of the supply chain, among which are manufacturing centers of important multinational suppliers.

Strong partnerships and a diverse supplier base are assets in our business model. We assess the performance of our key suppliers in relation to the working conditions of workers in the value chain that are or could be materially impacted by KPN. The assessment informs our strategy and decision-making. KPN's strategy requires suppliers to comply with the SCoC and to have an EcoVadis score above industry average. We engage with our key suppliers on a structural basis with the purpose to manage their performance and our relationship. We discuss and, if necessary, set actions to improve their sustainable performance, including respect for the human rights of their workers, and to mitigate actual and potential negative impacts. We periodically review their performance against targets and identify any further actions to remedy negative impacts.

We depend on the quality and availability of the information we receive from our suppliers, labor union representatives, audit reports and if applicable also the SpeakUp line reports to gain insight into our upstream value chain and the interests, views and rights of KPN's value chain workers.

Impacts, risks and opportunities

Workers in the value chain is a material topic for KPN and consequently included in this sustainability statement. As a large public company, we deem it is important that KPN acts in an ethical, responsible and transparent way. For a description and the results of the process of identifying KPN's material impacts, risks and opportunities, see description of the process to identify and assess material impacts, risks and opportunities.

Social - Workers in the value chain

We identified material negative actual and potential **impact** that is related to workers in the upstream value chain and arises from sourcing from suppliers that perpetuate poor working conditions. This impact originates from or is connected to KPN's strategy and business model. We are involved through our own operations (KPN's demand for and purchase of products and services) and our business relations.

KPN's demand for products and services delivered by suppliers in CSR high-risk countries can have a negative impact on supplier working conditions, such as forced labor and child and juvenile labor, unlawful working hours, lack of attention to health and safety, wages below living standards, and freedom of association.

This impact is relevant to our business model for strong partnerships and a diverse supplier base. In our value chain, the impact is upstream (at suppliers beyond Tier 1) and especially related to workers in manufacturing firms that specialize in technologies and products for telecommunications equipment, and geographically mainly in Eastern Europe, Asia and Latin America. It affects workers in the value chain on a short to medium time horizon. The negative impact is widespread and systemic for suppliers beyond Tier 1 in high-risk areas rather than related to individual incidents or specific business relationships.

The resilience of KPN's strategy and business model is adequate to address the negative impact, as we have supplier due diligence procedures in place to mitigate the negative impact and we are generally able to select an alternative supplier if a supplier structurally proves incapable of meeting our standards as described in the SCoC. The JAC alliance of telecommunications companies adheres to the same standards relating to working conditions and human rights of value chain workers. This increases the pressure on suppliers to comply with these standards.

We are planning to develop an analysis and a description of the types of value chain workers likely to be materially impacted, including workers who are particularly vulnerable to negative impacts, whether due to their inherent characteristics or to the context, such as trade unionists, migrant workers, juvenile workers and women.

Child and forced or compulsory labor may be a significant risk at suppliers beyond Tier 1 located in Eastern Europe, Asia and Latin America, which are identified as high-risk areas for the human rights of value chain workers. A substantial proportion of our value chain workers beyond Tier 1 are located in Asia.

Main types of value chain workers who are or could be negatively affected:

- Workers for manufacturing firms in high-risk areas that specialize in technologies and products for telecommunications equipment
- Workers who are particularly vulnerable to negative impacts, whether due to their inherent characteristics or to the context, such as trade unionists, migrant workers, women or juvenile workers

Policies

We have several policies in place to manage the material impacts and risks related to workers in the value chain:

1. Procurement policy
2. KPN supplier code of conduct (SCoC)

On the next page more details can be found regarding these policies.

KPN has adopted a human rights policy which also relates to our value chain workers; see the human rights statement in the section "Own workforce".

KPN is developing a human rights due diligence process, following the OECD five-step due diligence guidelines. This includes the integration of responsible business conduct into our policies, management systems, risk assessments, mitigation and prevention mechanisms, monitoring and reporting.

Social - Workers in the value chain

Procurement policy

KPN's procurement policy sets out guidelines and standard methods and procedures for purchasing products and services from suppliers, and includes ESG criteria and measures to provide and/or enable remedy for human rights impacts. The policy relates to all material impacts for value chain workers and includes a monitoring process through quarterly management reporting on the results of onsite audits of high-risk suppliers, EcoVadis scores of suppliers and the progress of improvement actions.

Our procurement policy contains an assessment process for Tier 1 suppliers with a yearly spend in excess of €300k. This assessment is part of the sourcing process and includes the impact the supplier may have on the working conditions of their staff. Suppliers are assessed on whether they have policies in place such as the supplier code of conduct. The assessment is supported by a customized questionnaire and evaluation model, generated by EcoVadis according to the supplier's industry sector, countries of operation, and size. We expect our suppliers to achieve a score of at least the industry average in the EcoVadis assessment. If their score is lower than the industry average, the supplier must draw up a plan to improve it by mitigating identified risks or shortfalls to achieve a score of at least the industry average in a subsequent assessment.

Our procurement policy also includes a policy on auditing high-risk suppliers on compliance with the sustainable guidelines set by the JAC. To identify high-risk suppliers, we use three criteria: production of hardware or other products, spend size > €100k and high-risk country.

The scope of the policy is the upstream value chain.

Adhering to our procurement policy is mandatory for all KPN entities and all KPN employees as well as any agent(s) for KPN seeking to acquire contractual relationships for the provision of services and/or goods to or on behalf of KPN.

KPN's Chief Procurement Officer (CPO) has operational responsibility for ensuring that the procurement policy is implemented.

The policy is in line with the UN Guiding Principles on Business and Human Rights, the Declaration on Fundamental Principles and Rights at Work by the International Labour Organization (ILO) and the OECD Guidelines for Multinational Enterprises.

The interests of our suppliers and their workers are considered in setting the policy, such as working conditions, health and safety, and secure employment.

For further details of the procurement policy, see the supplier page on our website: overons.kpn/nl/het-bedrijf/leveranciers

KPN supplier code of conduct (SCoC)

KPN requires its suppliers to comply with the principles set out in the KPN SCoC, which are based on KPN's core values and KPN's code of conduct on business ethics and social and environmental commitments. The SCoC sets out social and environmental requirements for suppliers and relates to all material impacts on value chain workers. It contains requirements relating to, among other issues, ethical conduct, human rights, and labor conditions including health and safety, working conditions, social dialogue, child labor, forced labor, human trafficking, diversity, equality and inclusion. Our suppliers are obliged to ensure they are not involved in human rights abuses. This includes but is not limited to the subjects covered in Article 3 (Labor) of the SCoC. We also require our suppliers to have a clear policy and procedures in place to avoid purchasing conflict minerals or unsustainable mined minerals at high environmental and social costs.

KPN and the supplier evaluate the suppliers' performance under the SCoC on a regular basis and supported by EcoVadis scoring cards and by audits. At KPN's request, the supplier will share additional information on sustainability. If the supplier cannot (fully) comply with the SCoC, the supplier should actively inform KPN of this non-compliance and propose an improvement plan. KPN may reconsider its relationship with a supplier that does not comply with the SCoC and takes no appropriate action to resolve this.

The SCoC obliges our suppliers to inform their employees about the availability and usability of KPN's SpeakUp line to report workplace concerns, including concerns involving harassment and discrimination, to KPN management for appropriate resolution.

The accountable senior level for the SCoC is the Board of Management.

The policy is in line with the International ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights and the Dutch Whistleblower Protection Act.

In setting the policy, the interests of our suppliers and their workers are considered, such as working conditions, health and safety, and secure employment.

For more information on our relationships with suppliers, see overons.kpn/nl/kpn-voor-nederland/duurzaamheid/leveranciers

Processes for engaging with value chain workers about impacts

We interact with value chain workers through the following types of engagement:

- KPN participates in the monthly meetings of the JAC human rights workstream, which focuses on addressing human rights challenges in telecoms industry supply chains (including suppliers beyond Tier 1). This includes participation in the working groups General, Responsible Minerals, Child Labor and Living Wage.
- We engage with value chain workers indirectly via onsite audits that are regularly carried out at high-risk suppliers' plants, and via the EcoVadis assessment of Tier 1 suppliers. The JAC audits give us information on workers in the factories, their working conditions and their concerns. This includes monitoring the follow-up of corrective action plans. Through the EcoVadis assessments of suppliers, KPN gains some information on the way workers are treated, their working conditions and whether human rights are respected.
- Value chain workers can submit grievances and/or feedback via KPN's SpeakUp line. In the event that value chain workers submit grievances or feedback via this channel, we are committed to engaging directly with the reporter to address their concerns.

Our Chief Procurement Officer (CPO) has operational responsibility for engagement with value chain workers and for ensuring that the results of such engagement inform KPN's decisions and actions.

Social - Workers in the value chain

KPN engages with key suppliers (our most critical suppliers) via periodic supplier reviews of ESG topics and meetings with key suppliers, depending on the suppliers' risk potential and ESG risk impact on our business, and on our volume of purchases from them (spend size). Periodically, KPN organizes a supplier day for our key suppliers, Board of Management and stakeholders. ESG is one of the main agenda items, including the human rights of value chain workers.

KPN is taking steps in JAC working groups to gain insight into the perspectives of workers who may be particularly vulnerable to impacts and/or marginalized, such as juvenile workers, migrant workers and workers who are subject to unlawful labor.

Processes to remedy negative impacts

For all non-conformities encountered in JAC audits conducted on behalf of KPN, specific corrective action plans (CAPs) are drawn up that include actions to prevent or mitigate material negative impacts on value chain workers, resolution procedures and timetables. CAPs set clear deadlines to complete all corrective actions within 12 months. JAC members, including KPN, continuously monitor implementation of these plans and engage with the suppliers and production plants in following up on corrective actions and delivering the intended outcomes for value chain workers.

Any issues reported via KPN’s SpeakUp line are investigated under the responsibility of KPN's Chief Security Officer and Chief Compliance & Privacy Officer. All reports are registered and the reporting person receives a confirmation of receipt and feedback. Based on the nature and content of the report, an analysis is made and, if any further actions are deemed appropriate, these will be determined.

Channels for value chain workers to raise concerns

KPN's SpeakUp line provides workers with a secure (digital) environment for submitting their grievances and feedback. When a grievance is reported via the SpeakUp line, it is sent directly to KPN, guaranteeing confidentiality, and preventing the reporting person's direct employer from knowing, thereby minimizing any potential threats. The SpeakUp line is an anonymous reporting portal which can be contacted 24/7 via a secure website and is accessible to people inside and outside KPN. Third parties and value chain workers can speak up in their language, free from the fear of retaliation or intimidation. The KPN SpeakUp line is externally hosted and provided by an independent organization. To make it more accessible for people who want to report cases of abuse, we have expanded our SpeakUp line, in addition to Dutch and English, with the following languages: Spanish, French, Chinese (Mandarin and Cantonese), Hindi and Urdu. The KPN SpeakUp line is on this link: https://www.speakupfeedback.eu/web/5wudre/. It can be accessed from any country using code 70231.

In 2024, no grievances via the SpeakUp line were reported by our value chain workers. This may indicate that either there are no grievances that workers wish to bring to KPN's attention or that value chain workers are not aware of or do not trust the SpeakUp line as a way to raise and address their concerns or needs and have them addressed, or use other ways. In response to this assessment, KPN's SCoC includes the requirement that suppliers must inform their employees about the availability and usability of KPN’s SpeakUp line to report workplace concerns, including concerns involving harassment and discrimination, to management for appropriate resolution.

Another channel for value chain workers to raise concerns is the workers' survey which is part of the JAC audits and is limited to a small group of randomly selected workers. Incidents and complaints from these workers are included in JAC audit reports. We assessed the awareness and trust of the value chain workers in their ability to raise concerns in the JAC audits. In 2025, we will propose a change in the JAC audit approach, the aim being to improve the audits as a channel for workers to raise concerns.

Actions

Actions to prevent, mitigate and remedy material negative impacts related to value chain workers are taken by KPN’s management and include a deeper analysis of material impacts across Tier 1 and 2. The way we manage impacts related to value chain workers is through integration into our existing risk management processes.

Key action plans

Third-party auditor executes onsite audits of high-risk suppliers, based on JAC standards
Onsite audits are carried out by third-party auditors on behalf of JAC and KPN. The expected outcome of the action plan is that the planned onsite audits have been carried out and that findings from these audits in relation to actual material negative impacts on value chain workers, e.g. on respect for human rights and working conditions, are adequately followed up through corrective action plans (CAPs). The audits focus on the high-risk suppliers in the upstream value chain. To identify high-risk suppliers, we use the following three criteria: risk profile of the product category (i.e. production of hardware or other products), size of the engagement (i.e. spend size >€100k) and risk profile of the location (i.e. high-risk country). The audited suppliers (of which the majority are located in Asia) are from these sectors: user devices and appliances, network appliances, and IT equipment production. The time horizon of the action is short-term, based on yearly audit planning. An audit of a high-risk supplier is performed preferably once every two years unless a previous audit provides reasonable grounds for an earlier follow-up audit. In 2024, 57% of our high-risk suppliers were audited. Through CAPs, especially with regard to production sites where non-conformities have been found, remedy is provided for those harmed by negative working condition impacts.

Social - Workers in the value chain

Improvement of the % of contracted suppliers that have signed the supplier code of conduct (SCoC)
KPN requires its contracted suppliers to sign the SCoC. The expected outcome of the action plan is that new contracted suppliers comply with the SCoC, which sets out social and environmental requirements relevant to value chain workers. In exceptional cases we accept the suppliers' own code of conduct if this is comparable with KPN's code of conduct and our SCoC. The time horizon of the action is short-term. We set a yearly target to improve the percentage of contracted suppliers that have signed the SCoC.

Communicate the availability of KPN's SpeakUp line for employees of suppliers
KPN's SpeakUp line provides workers with a secure environment for submitting their grievances and feedback. It provides us with information about possible issues and enables us to address them in order to mitigate negative impacts for our value chain workers and to ensure that human rights are respected. The SCoC obliges our contracted suppliers to inform their employees about the availability and usability of KPN's SpeakUp line to report workplace concerns, including concerns involving harassment and discrimination, to KPN management for appropriate resolution. The expected outcome of the action plan is that workers are aware of KPN's SpeakUp line. The time horizon of the action is short-term.

Assessment by KPN of suppliers' EcoVadis scores
The EcoVadis assessments provide information on the impact suppliers have on the labor conditions and human rights of the value chain workers. This helps us improve conditions in the industry by gathering data on existing working conditions. The expected outcome is that our suppliers achieve a score of at least the industry average in the EcoVadis assessment. If the score is below the industry average, the supplier must draw up a plan to improve its score. We collaborate with contracted Tier 1 suppliers that participate in an EcoVadis assessment to improve the working conditions of value chain workers. The time horizon of the action is short-term. We set a yearly target to improve the percentage of the KPN spend that is sourced from contracted suppliers having an EcoVadis assessment. In 2024, 88% of the KPN spend was sourced from contracted suppliers having an EcoVadis assessment.

Tracking and assessing the effectiveness of actions

Actions to prevent or mitigate material negative impact on the working conditions of value chain workers are part of the CAPs. The CAPs include resolution procedures and timetables to complete corrective actions within 12 months. The results of the JAC audits, as well as the follow-up plans, are recorded on the JAC platform. Each JAC member responsible for a supplier CAP continuously monitors the implementation of these plans and the achievement of the intended outcomes for value chain workers. We engage with our high-risk suppliers and their production plants in addressing these corrective actions. The supplier should report on actions taken and their outcomes. Although our suppliers are committed to completing the corrective actions, we have found that some issues are hard to resolve within the space of one year.
The effectiveness of the signing of the KPN supplier code of conduct, the assessment by KPN of the EcoVadis scores of suppliers, and the communication of the availability of the SpeakUp line are not tracked and assessed.

Actions to prevent or mitigate material negative impacts

The key corrective actions to resolve audited topics with the most non-conformities related to material negative impacts on value chain workers are disclosed in the table below.

Topic	Non-conformities	Key corrective actions	Time horizon
Health and safety	The factory does not arrange at least one medical health examination per year for all workers exposed to hazardous environments.	The factory should share evidence that it provides a yearly on-the-job health examination for all workers exposed to hazardous environments, at its own expense.	3 months
Working hours	The factory's working hours per day, week and month do not meet local legal regulations.	The factory should share attendance records for three consecutive months that show that workers' monthly overtime and weekly work hours comply with local regulations.	6 months
Wages and compensation	Not all workers of the factory are provided with social insurance as per local legal regulations.	The factory should share social insurance records that show that all the employees are provided with retirement, medical, childbearing and unemployment insurance as per legal requirements.	3 months

In 2024, no incidents regarding human rights of our value chain workers were reported. We also have not encountered any child or forced labor in our audits in 2024.

We are a member of the Responsible Minerals Initiative and use their database to conduct smelter risk assessments for 3TG and cobalt. 3TG refers to the four minerals that are considered conflict minerals: tin, tantalum, tungsten and gold. Our current focus is on completing these assessments. By avoiding the

Social - Workers in the value chain

purchase of products that include conflict minerals, we contribute to mitigating negative impacts on workers in the mines.

Currently, two FTEs at the central Procurement department are allocated for social audits, monitoring of CAPs and EcoVadis improvement plans. In addition, buyers, contract managers and business management are involved when this is necessary to manage material impacts.

Processes through which actions are identified, implemented and ensured for effectiveness

We have integrated ESG criteria in our procurement policy. In our tender process, we use the EcoVadis platform to assess our Tier 1 suppliers to verify whether they have integrated ESG principles (including human rights) in their business and management systems. If risks or shortfalls are identified, the supplier must take mitigating measures to avoid material negative impacts on value chain workers. We strive to do business only with suppliers who comply with our SCoC and we audit on this. The assessment of the EcoVadis scores of suppliers and the identification and monitoring of improvement actions are part of our sourcing process for products and services. This also applies to actions on signing the SCoC. The progress of such actions is monitored with metrics.

When grievances and/or feedback are reported via the SpeakUp line, we engage directly with the reporting person to address their concerns. The grievances are analyzed and the actions identified in response are registered and reported to the responsible management. The implementation and effectiveness of these actions are monitored by KPN's Chief Compliance & Privacy Officer.

The Procurement department monitors human rights issues in CAPs via the JAC.

Metrics and targets

A summarized description of the metrics and targets is given below.

Name of metric	Realized improvements on corrective action plans from onsite audits of KPN high-risk suppliers during the last 3 years	KPN spend covered by contracted suppliers in EcoVadis assessments	KPN spend covered by onboarded suppliers with EcoVadis score above industry average	KPN spend covered by contracted suppliers that have signed the KPN SCoC (or have a similar code and/or policy in place)	High-risk suppliers audited in the reporting year
Result 2023	98%	76%	n/a (not published in 2023)	n/a (new metric in 2024)	66%
Result 2024	97%	88%	93%	91%	57%
Target 2024	> 90%	> 80%	> 85%	> 90%	> 45%
Target 2025	> 90%	> 85%	> 85%	> 90%	> 45%
Label and definition	% of the corrective actions in CAPs, generated from onsite audits of high-risk suppliers in the 3 years before the reporting year, that are completed.	% of total KPN spend (from previous year) that is covered by contracted suppliers that participate in an EcoVadis assessment and share their EcoVadis assessment result (scorecard) with KPN.	% of total KPN spend (from previous year) that is covered by suppliers who participate in an EcoVadis assessment, covered by suppliers with an EcoVadis score above the industry average.	% of total KPN spend (from previous year) that is covered by suppliers with a signed SCoC.	% of the high-risk suppliers audited in the reporting year, based on JAC standards.
Related policy objective(s)	Carry out onsite audits and ensure adequate follow-up on non-conformities related to respect for human rights.	Assessment of suppliers with a yearly spend €> 300k on the impact the supplier may have on working conditions of their staff.	Our suppliers should achieve a score of at least the industry average in the EcoVadis assessment.	We require our suppliers to sign the KPN SCoC and comply to the principles set out in the SCoC.	Carry out onsite audits and ensure adequate follow-up on non-conformities related to respect for human rights.

The definition and underlying measurement methodology of the targets and metrics are unchanged compared to previous year. We monitor performance versus targets on a quarterly basis. The 2024 targets have been achieved.

Every year, the KPI targets are reviewed and set with the central CSR Team and then approved by the Board of Management. Stakeholders, such as suppliers and NGOs, are not involved in target-setting but are informed about the targets set by KPN, for example via annual stakeholder meetings.

Methodology, data sources and significant assumptions

Data sources for the total KPN spend (from previous year) covered by contracted suppliers that participate in an EcoVadis assessment and share their EcoVadis assessment result (scorecard) with KPN are:

- The EcoVadis platform
- KPN's supplier spend data

We require EcoVadis scorecards for suppliers with a yearly KPN spend above €300k. The EcoVadis scorecards are based on

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assessments made by the independent rating agency EcoVadis, that collects CSRD data related to sustainability goals.

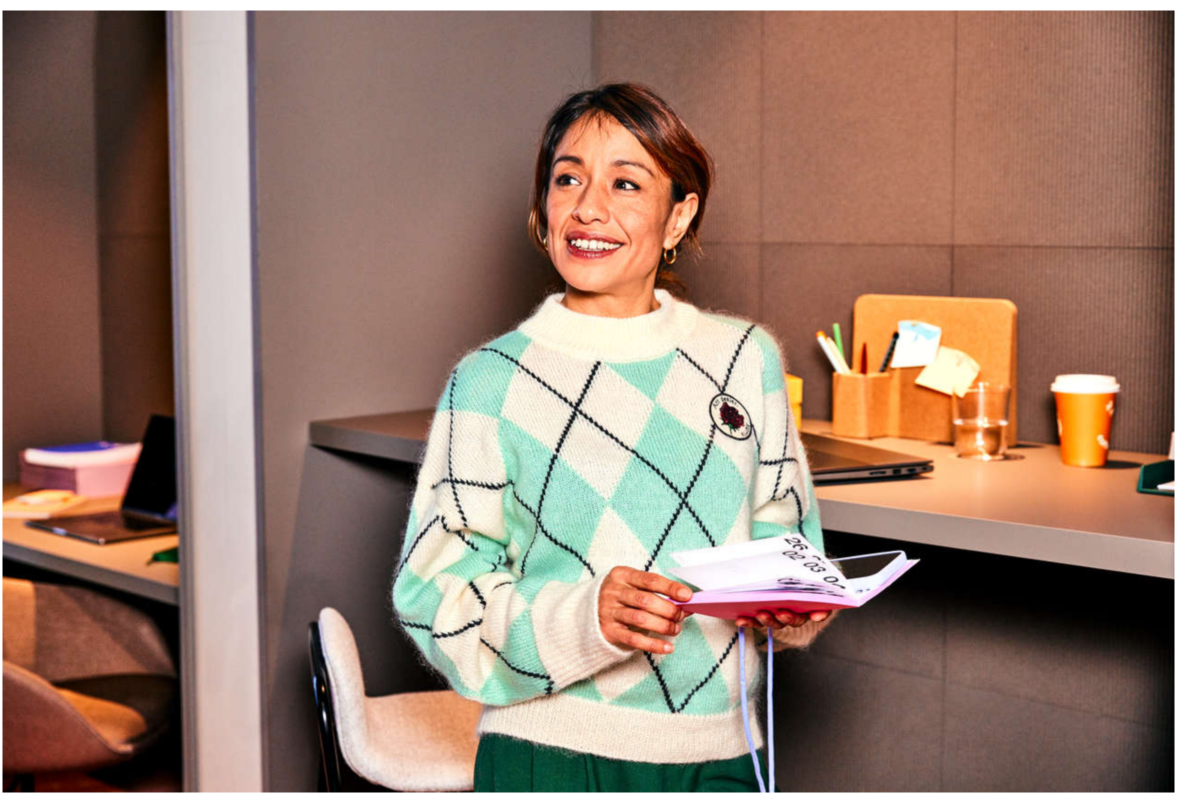
The number of high-risk suppliers, i.e. suppliers that have been assessed as having a higher potential for CSR non-conformities, is determined based on the CSR risk decision tree, which considers:

- Country risk
- Yearly spend size
- Whether hardware/products or software/services are supplied (hardware is considered a higher risk than software/services)

We consider a suppliers' code of conduct to be similar to the KPN SCoC if it follows the ILO standards, OECD and UN guiding principles for workers rights and covers the same topics as KPN's SCoC, such as health and safety, non-discrimination, legal working hours and minimum wage. The suppliers' code of conduct is reviewed on a case-by-case basis.

In 2024, we identified 28 CSR high-risk suppliers (2023: 27).

Realized improvements on CAPs (corrective action plans on non-conformities) from onsite audits of KPN high-risk suppliers are reported by KPN, based on the evaluation of the information provided by the supplier. The data source is the JAC platform. High-risk suppliers are suppliers operating in high-risk areas, such as Asia, Latin America and Eastern Europe, that manufacture products and have a KPN spend above €100k per year.



Social - Consumers and end-users

CONSUMERS AND END-USERS

Interests and views of stakeholders

All KPN's customers are key stakeholders, encompassing consumer market, business market and wholesale customers. In addition to our customer base, end-users also fall within the scope of this section.

The interests and views of our consumers and end-users are described in this chapter presented below, as well as details how the interests, needs, views and rights of our customers and end-users shape our strategic direction and business model.

Consumer market customers

Our consumers seek to connect, collaborate and operate safely in a digital society for people, organizations and society through:

- A reliable, safe and secure network;
- An easy and clear service;
- A service provider that has attention and appreciation;
- A service provider that creates solutions for the challenges of today and tomorrow.

Business market customers

Our business customers seek to be connected to (remote) employees, stakeholders, and the digital world, anytime, anywhere:

- by a reliable, safe and secure network;
- by products and services creating solutions for their challenges today and tomorrow, affordable, easy to implement and simple use;
- with fast and reliable customer service, transparent communications, attention and appreciation for existing customers; and
- delivered by a reliable, steady, and sustainable provider, able to deliver for a longer period (safeguard business continuity).

Business segment specific:

- SME (including self employed and SoHo): integrated telco products and services and basic IT services, including standard products/services, focused on telco and TV. Preferred contact is personal and digital; and
- LCE: integrated IT solutions; modular, complete, and integrated ICT solutions. Preferred contact account manager and online orientation.

Wholesale customers

Our wholesale customers, (mobile) virtual network operators, have access to our fixed and mobile networks. By maximizing the utilization of KPN's assets and ecosystem in this way, and using the utilization of our networks as fully as possible, wholesale creates value for KPN and for our customers and end-users. Wholesale customers often look for a telecoms provider with a robust network that offers high up-time, redundancy, and quality of service. A reliable and well-maintained network will directly impact KPN's reputation. Wholesale customers prioritize the stability and reliability of the network infrastructure. They need to be confident that they can provide uninterrupted services to their own customers. Customers and end-users value respecting the privacy and the secrecy and security of personal data, in accordance with the provisions of applicable data protection legislation. Customers decide what information they want to share or not. Personal data is dealt with confidentiality. The rights of KPN's customers are protected by the human rights (UN principles), General Data Protection Regulation (GDPR/AVG), consumer rights and the EEA Agreement. Furthermore, we comply with the Telecom Act.

KPN's strategy and business model is informed by:

- Customer-, brand- and UX- (user experience) research;
- Market intelligence: research market, industry, technology, and competitive landscape;
- Business intelligence: internal data analysis of customer usage, combined with customer research;
- Customer interaction in our direct customer channels; and
- Customer interaction in our indirect customer channels (business partners, business market only).

Interests and views shaping our strategic direction and business model

These insights are being used in multiple decision bodies within KPN's organization that have an influence on our strategy; e.g. by monthly and quarterly business reviews with Board of Management, Consumer and Business Market leadership teams. Market validation with Customer & Market Insights is a standard requirement in our strategic roadmap process.

KPN's strategy and business model are designed for realizing the positive impacts, resulting in a broad product and service portfolio for offering connectivity and the digitalization of business processes. We continuously measure customer satisfaction, gather feedback, and research needs. Using these insights, we optimize and innovate our products, services, and customer journey to enhance positive impact. In order to achieve sustainable revenue growth, we have a reputation to uphold where it concerns the safety of customer data. KPN conducts a survey every year that includes, among other things, the perception of the Dutch people regarding the handling of their (personal) data. This does not directly impact our strategy or business model.

For our customers we identified the following material sustainability matters: privacy, customer value specifically for consumer and business market, network quality and security. In the next sections we will further elaborate on these matters.

Social - Privacy of consumers and end-users

PRIVACY OF CONSUMERS AND END-USERS

Impacts, risks and opportunities

Privacy of consumers and end-users is a material topic for KPN and consequently included in this sustainability statement. As a large public company, we deem it important that KPN acts in an ethical, responsible and transparent way. For a description and the results of the process of identifying KPN's material impacts, risks and opportunities, see description of the process to identify and assess material impacts, risks and opportunities.

KPN has identified the following negative potential **impact** on privacy:

Regulatory implications: KPN faces potential damage to customers and harm to its reputation due to inadequate protection or non-compliant use of customer data in its network. Such lack of protection or non-compliance could impact customer privacy and KPN's reputation.

With our Connect, Activate & Grow strategy, we want to connect people. We generate a lot of customer data which if not handled correctly can cause damages to our customers (privacy breaches and misuse of data) and also to KPN (reputation, fines and recovery costs). Delivering connectivity and serving loyal customers goes hand and in hand with data privacy, as these are central to KPN's activities. This is connected to our business model through serving the customer.

In our value chain, the impact concerns all our systems containing customer data and relates to our own operations, but also to our suppliers and business partners in the Netherlands. The impact affects people and/or organizations potentially harmed by data privacy breaches or misuse of data (for example identity theft, fraud or other forms of harm). It is relevant to our telecoms services through our own networks and services provided by our business partners. The time horizon is from short to long.

KPN's security policy (KSP), data policy (KDP) and our code of conduct (CoC) all help to prevent negative privacy incidents. We also have a partner handbook which contains requirements regarding the handling of customer data by our business partners.

Among specific actions in the current year is that we have implemented additional logging. Other actions aimed at enhancing the protection of our customers for cybersecurity risks are described in the "Security" section of this report.

Every year, we perform a strategy risk assessment in which we assess our risk appetite and which covers privacy risk. This is also incorporated in our business model, in which "serving the customer" is a core activity, the aim being to mitigate the risk that customer data will be misused. This assessment is based on the principle that we must comply with privacy rules and regulations so as to avoid damage to customers and KPN's reputation, as well as fines, and that data breaches must be limited as far as possible. This means that our processes are set up in such a way that the risk of a violation of privacy rules and regulations is limited.

In addition to policies we have in place to ensure we comply with laws and regulations, KPN has implemented robust internal risk management and control systems that aim, among other objectives, to maintain compliance with external requirements in the short term, and this is evaluated regularly. Interactive exercises are held several times a year. During the exercises, a disaster team (KPN Ciso) and the Corporate Crisis Management Team jointly practice a realistic and challenging crisis scenario. In this way, KPN is able to handle a material data breach if this will arise. On this basis we have concluded that our strategy and business model are resilient. This is underpinned by the facts that KPN has not been subject to privacy fines and that our privacy reputation remains high.

Potentially all consumers and end-users could be negatively impacted if their rights to privacy or their rights to protection of personal data were violated. There are no consumers and/or end-users that are dependent on accessible and/or detailed information about the impact of our products or services on their privacy or that are particularly vulnerable to impacts on their health or marketing- and sales strategies.

Attempts to carry out malicious actions and attacks related to customer data are widespread (by actors such as nation-states, organized criminals, hacktivists and terrorists) and data breaches may also be incidental to our operations (e.g. through vulnerabilities in KPN's systems, applications or platforms and unlawful use of data by KPN employees).

Privacy is a human right and this is incorporated in the constitution of the Netherlands as well as in specific legislation such as the EU's General Data Protection Regulation (GDPR) which is the basis for our policies. For further information

Social - Privacy of consumers and end-users

about KPN's human rights commitments, see the sections "Own workforce" and "Workers in the value chain".

Policies

We have several policies in place to manage the material impacts and risks related to the privacy of customers and end-users:

1. KPN security policy;
2. KPN data policy;
3. KPN code of conduct.

Details of these policies are set out below.

KPN security policy

See the "Security" section for more detailed information about KPN's security policy (KSP).
As far as privacy is concerned, the KSP focuses on privacy by design, cookies, opt-in and opt-out, anonymization, pseudonymization, data minimization, facilitating the rights of those involved, data leak notifications and responsible disclosure.
The KSP is related to "the impact of regulatory implications".
Privacy by design is an additional KSP initiative that is particularly relevant for and meant KPN personnel. The idea of privacy by design is that privacy is taken into account as standard when developing products and services so that personal data is properly protected. Privacy by design is based on seven basic principles which are elaborated in KPN's privacy by design framework. This framework serves as a step-by-step plan for how to apply privacy by design in practice: anonymization, data minimization, pseudonymization, encryption, access control, data protection by default, deletion/retention periods and facilitating the rights of data subjects. This framework helps to make sure that we strictly comply with regulations (now and in the future) and minimize violations so that privacy of customer data is secured and customers see KPN as a trusted provider. Privacy by design is a continuous process as KPN is continually developing new products and services.

KPN data policy

The purpose of KPN's data policy (KDP) is to help data owners and producers to improve the quality, management and availability of our data and information. As far as privacy is concerned, the KDP includes requirements for data classification. This is important for the way data can be used and is related to the impact and implications of regulation.
We have implemented a risk management and internal control system to ensure compliance. KPN data principles are set to help ensure data is properly governed, is of the highest quality and is made available in appropriate ways to the rest of the organization. These data principles are embedded into the KDP which gives a practical implementation guidance to KPN employees and business partners. There are nine data principles.

- Governance: data is owned, data is defined, data is compliant.
- Quality: data is accurate, data is complete, data is consistent.
- Availability: data is timely, data is accessible, data is protected.

The KDP is mandatory for all KPN employees, business partners and suppliers who work with data, and these are mainly in the Netherlands. All customers whose data is available to KPN and its suppliers and business partners are affected.
The Executive Vice President (EVP) Data Office is accountable for the KDP which is based in the first instance on relevant laws and regulations such as the GDPR and the Dutch Telecommunications Act (Tw). Moreover, the KDP is based on the promises we make to our customers on how we use their data and how customers can give and revoke consent.
The KDP is published on KPN's website and covers all customers whose data is available to KPN and its suppliers and business partners. There were no significant changes to the KDP during 2024.

KPN code of conduct

We have an internal KPN code of conduct. - see the "Business conduct" section for more detailed information on this. The subcode 3 'Customer data and privacy' outlines KPN's commitment to safeguarding corporate information and personal data, ensuring accurate and transparent communication, and responsible use of company resources. Its key contents are:

- We process personal data only for predefined approved purposes;
- We process only as much personal data as is necessary for the intended purpose and only for as long as necessary;
- We process personal data only when the customer has been informed of our intention to do so;
- We use personal information for commercial purposes only with the customer's explicit consent;
- We record, use or divulge the content of customers' communications only in very limited circumstances; and
- If providing personal information to third parties, we ensure that all privacy rules are observed.

This policy is related to "the impact of regulatory implications".

A privacy statement on our website (kpn.com/algemeen/missie-en-privacy-statement) summarizes how KPN processes and protects personal data, and a video on the same explains customers rights around privacy.

Processes for engaging with consumers and end-users about impacts

Specifically for privacy matters we engage indirectly with customers and end-users. An external party carries out a research annually in which people are asked about their perception of KPN in relation to keeping their data safe. The latest research was done in December 2024. We also engage on an ad hoc basis with protection agencies such as de 'De Geschillen commissie' (the Dutch Foundation for Consumer Complaints Board) and the 'Autoriteit Persoonsgegevens' or AP (the Dutch Data Protection Authority). These agencies inform us about complaints about KPN made to them by customers and/or end-users. Additionally

Social - Privacy of consumers and end-users

these agencies publish decisions which we examine carefully to determine whether or not our policies need to be adjusted.

We are also a member of the Data Driven Marketing Association (DDMA). The DDMA Privacy Guarantee offers an internal privacy and security check that organizations can use to demonstrate to consumers and partners that they respect privacy and handle personal data with care and transparency. DDMA performs an audit regularly and customers can file complaints via their portal. In October 2024, it confirmed that KPN can use its privacy guarantee for the next three years.

The annual research in which people are asked about their perceptions of KPN in relation to keeping their data safe, is the (operational) responsibility of the Chief Consumer Market who must ensure this happens and that the results are discussed within the organization. The external party that carries out the research presents the results to the relevant KPN staff who are responsible for taking action.

The Privacy Officer (PO) is responsible for settling issues with the AP and for issues under the remit of the DDMA while KPN Legal deals with issues under the remit of the complaints board.

As standard practice complaints from these agencies and customers and/or end-users are dealt with in a timely manner.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

All complaints regarding privacy data breaches are reported to the Security Helpdesk. Each complaint is assessed by the Security Helpdesk in some cases with the Privacy Office (PO). When it concerns a privacy related matter, the follow-up is determined on a case-by-case basis. Every privacy incident must be registered internally. Depending on the gravity of the incident, the AP must be informed as well as the customer. This is at the PO's discretion.

Under the GDPR, the business partner is responsible for the protection of customer data. KPN has a business partner manual in which this is stipulated. This manual is updated annually based on feedback from the PO as far as privacy related matters are concerned. KPN does not support or require all our business partners to have channels available for consumers and/or end-users to raise their concerns or needs.

Complaints about privacy are reported to the Security Helpdesk and the Data Protection Officer (DPO) who is part of the Privacy Office and by third line Customer Relations. The DPO must make sure that complaints are dealt with. The DPO sets out actions to be taken, monitors progress and determines when the matter can be closed at the Security Helpdesk. The DPO's duties in this respect are legally enshrined in the GDPR.

All incidents are reported to the Security Helpdesk by the DPO and Customer Relations. The DPO sets out any actions to be taken and monitors progress. The incident can only be labeled as resolved by the DPO.

The different channels for customers to make their complaints known are described on our website and in our privacy statement. By using a ticket system to administer incidents we can monitor lead times but we do not further investigate the effectiveness of these channels.

There is no process in place to get feedback from stakeholders. We do not conduct research into the extent to which these processes are trusted by customers.

Our customers and/or end-users can find information about our complaints process on our website and our privacy statement lets them know where they can file complaints with KPN and the regulator.

Social - Privacy of consumers and end-users

Actions

Additional logging

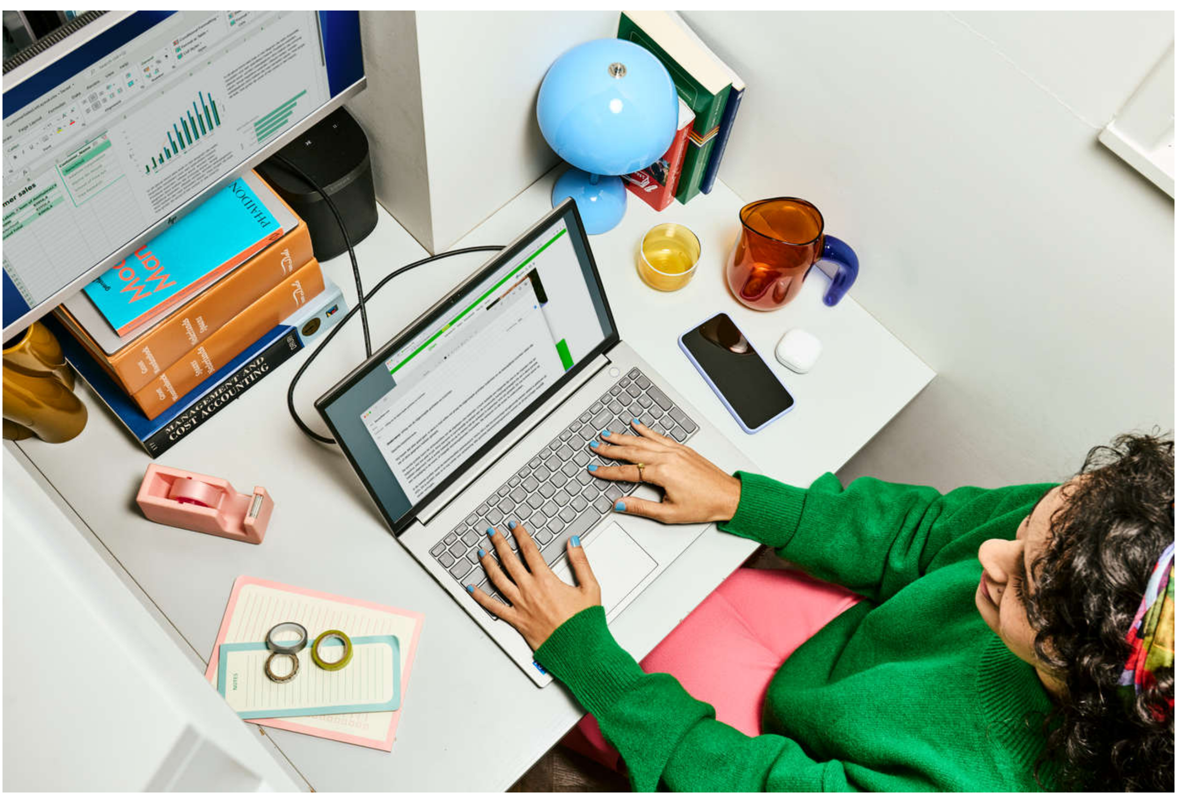
Additional logging enables us to more quickly analyze and detect (attempted) unusual behavior regarding access to customer data in our customer facing applications. The expected outcome of this key action plan is to be able to more quickly detect and prevent misuse of customer data. When employees know their behavior is being monitored, this has a preventive effect. It contributes to preventing violations of laws and regulations on the use of customer data. This is covered by the KSP. This action has been implemented and is still being fine-tuned - a continuous process.
All customers whose data is available to KPN are in scope and suppliers and business partners are also affected which is mainly in the Netherlands.
Monitoring of the action is done by quarterly reporting.

Actions are taken regularly as a result of changes in our KSP and KDP in which privacy is a focus. Both the KSP and KDP are updated regularly which can lead to changes in our IT systems to better protect customer data. Our website provides updates on such changes.

KPN's PO tracks or assesses the effectiveness of actions and initiatives on an ad-hoc basis. Privacy related incidents are dealt with by the PO which decides what action is needed based on guidance from the regulator that includes when to notify the regulator and the consumer and/or end-user and what information to disclose.

We comply with the law and keep our customers informed via the KPN privacy statement which indicates how and for what purposes we use customer data and on what legal basis. For marketing and sales activities, this is based on customer's permission, with customer indicating in advance whether personal data may be used for this purpose. If data is used for other legitimate interests, we mainly inform customers and offer the right to object. Customers can always indicate in the MyKPN environment which data we may use and can also adjust their preferences.

Our Privacy Office (three FTEs including the DPO) advises the organization on privacy-related matters. We publish newsletters and videos on privacy issues, for example on phishing and password managers, which we share with users of our services.



Social - Privacy of consumers and end-users

Metrics and targets

	Privacy reputation
Result 2023	61%
Result 2024	61%
Target 2024	65%
Target 2025	65%
Definition of metric	Percentage of Dutch population that believes their data is safe with KPN

Methodology
The privacy reputation metric is based on research performed by an external marketing research company. The purpose of this research is to map out consumers' attitudes towards privacy and data protection at (telecom) companies. The research is carried out by deploying an online questionnaire to an online panel representative of Dutch citizens aged 16-75. The sample size is approximately n=800 per measurement. The questionnaire asks people to rank three companies that they think their data is safe with, out of a total of 12. The metric is the percentage of people who rank KPN in the top three.

All (potential) consumers and end-users, including the downstream value chain, are in scope. This metric is analyzed year by year with the previous year as the target point. We do not have specific systematic methodologies or assumptions in place to set the targets and stakeholders are not involved. Our integrated annual report discloses the result of the annual research and the target. The aim is to remain stable as the highest scoring telecom provider. The aim for 2024 was 65%.

There is no direct link to the related policy objectives. However, this metric contributes to identifying KPN's negative impact.

The outcome of the yearly research by an external party is presented to the relevant business units. Stakeholders are not involved in identifying lessons learned from the research. Progress was in line with the plan and there were no significant changes in performance towards the target.

	Substantiated complaints regarding breaches of customer privacy
Result 2023	55
Result 2024	37
Target 2024	n/a
Target 2025	n/a
Definition of metric	Substantiated complaints regarding breaches of customer privacy which results in databreach notifications with the AP

Methodology
All privacy related notifications reported to the Security Helpdesk that the PO has determined, based on the GDPR, pose a risk to the data subject and must be reported to the AP. A breach of customer privacy entails any non- compliance with existing legal regulations.

There is no direct link to related policy objectives. However, this data leaks metric contributes to identifying KPN's negative impact. There are no targets for this metric because the aim is to get as few as possible.

Social - Customer value

CUSTOMER VALUE

Impacts, risks and opportunities

Customer value is a material topic for KPN and consequently included in this sustainability statement. As a large public company, we deem it important that KPN acts in an ethical, responsible and transparent way. For a description and the results of the process of identifying KPN's material impacts, risks and opportunities, see description of the process to identify and assess material impacts, risks and opportunities.

KPN has identified the following positive actual **impact** on both consumer and business customer value:

Connected society: KPN's products and services enable people (B2C) and organizations (B2B) to connect, participate, work and operate safely in a connected and digital society (e.g. fixed and mobile communication and internet services).

In serving customers, the impact in the value chain is therefore downstream and limited to the Netherlands. This positive impact affects both people and organizations and is directly related to our mission: we go all out to connect everyone in the Netherlands to a sustainable future. Our strategy, business models, and value chains are designed to deliver connectivity and customer value through our own operations and through our business relations. This impact is on a short and medium time horizon.

We enable people and organizations to be digitally connected and we deliver this by offering stable, fast, future-proof and secure networks. Moreover, we deliver services on top of our networks.

KPN has identified the following positive actual **impact** on business customer value:

Business digitalization: KPN's products and services enable organizations to digitalize their business processes. This includes ICT solutions such as workplace management, IoT, infrastructure, cloud, data management, identity management, and cybersecurity.

In serving business customers, the impact in the value chain is therefore downstream and limited to the Netherlands. The positive impact affects both people and organizations and is directly related to our mission: we go all out to connect everyone in the Netherlands to a sustainable future. Our strategy, business models, and value chains are designed to deliver ICT solutions and serve business customers through our own operations and business relations. This impact is on a short and medium time horizon.

With our ICT solutions and stable, fast, future-proof and secure networks we enable organizations to digitalize their business processes and thus improve their efficiency and effectiveness.

The resilience of our strategy and business model is tracked by our long-term performance on Net Promoter Score (NPS). Despite ever changing social-, economic- and market- dynamics KPN has shown strong resilience on NPS. NPS consumer has remained stable at or above +14 (full year results) for over four years and NPS business has slightly increased to +4 (full year results) in the same period.

Types of consumers and end-users

The table on the next page shows which customers and end-users are in scope through our own operations and are likely to be materially impacted (when we speak about consumers in this document, this also includes the end-users). The scope also includes any impacts associated with KPN's value chain through its products or services, as well as business relationships.

We acknowledge that our telecoms services impact a broad spectrum of consumers and end-users across the Netherlands. Our operations and value chain impact individuals and organizations alike, encompassing private consumers, businesses, government entities, and non-profit organizations.

We deliver essential communication and ICT-services that (1) facilitate personal and business connections, (2) provide access to the digital world, (3) enable economic transactions, and (4) support the digitalization of business processes and critical public services.

Our commitment to inclusivity ensures that our services are accessible to everyone in the Netherlands - so all demographics, including residential users, small and large enterprises, and public sector institutions - thereby playing a pivotal role in the digital infrastructure of the Netherlands. The different types of consumers and end-users subject to material impacts are specified in the table on the next page.

Social - Customer value

	Consumers	End-users in scope	End-users not in scope
Definition	Consumers are individuals or entities that purchase products or services that KPN sells or resells	End-users are those who actually use a particular product or service of KPN	
Role	• They engage in transactional activities, buying goods or services. • They may or may not be the actual user of the product	• They may not be the purchasers but are crucial for product success. • End-users are crucial for the success of user-oriented products and services.	
Example	When you buy a smartphone or software package, you are the consumer.	Employees using company-purchased smartphones or software	
Consumer market: Consumers	• Private individuals, often also end-users	• Household	
Business market: SME (incl. self employed/SoHo)	• Buyers: owners (DGA), ICT managers, facility of purchasing managers, other • Owners, often also end-users	• Employees, using our services to develop, produce or deliver their own product or services • Employees (small office) Household (home office)	• Customer of our customer (e.g. students of a university using IT services) • Visitors at a location of our customers (e.g. on-site using Wifi)
Business market: LCE	• Buyers: ICT managers, ICT advisers, security specialists, purchasing managers, other		
Wholesale	Wholesale partners	• Customers of WS partners	

KPN products are designed to be safe for individuals and do not inherently increase the risk of chronic diseases. KPN is bound to the EU net neutrality rules, ensuring that all content is treated equally by internet service providers. However, it is important to acknowledge that, under these regulations, there may be indirect implications for individuals' health and well-being. We remain committed to transparency and the responsible use of our services.

All consumers and end-users of KPN products and services rely on accurate and accessible product- or service-related information. Some groups are especially dependent on accurate and accessible product- or service-related information:

1. Elderly people. This demographic often relies on clear and accessible information to effectively understand and use technology, as they may not be as familiar with digital interfaces.
2. People with limited digital literacy. This group depends on straightforward and accessible information to navigate and use digital products and services effectively, as they may struggle with complex digital interfaces.
3. People with disabilities. For this group, accurate and accessible information is crucial to ensure they can use products and services without barriers, in compliance with accessibility standards.
4. People living in remote or under- served areas. Accurate information is vital for this group to ensure they can access and use services in areas where connectivity might be limited.
5. New customers and first-time end-users. Accurate and accessible information is essential for this group to ensure they can effectively use the products and services from the outset, minimizing the learning curve so that they can adopt our products and services first time right and hassle-free.

The types of consumers and/or end-users who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies include:

1. Children, who are susceptible to online threats, inappropriate content, and targeted advertising.
2. Financially vulnerable people, who may be more affected by aggressive marketing tactics.
3. Elderly people, who may struggle with understanding complex service terms and are more likely to be targeted by scams.
4. People with limited digital literacy, who may not fully understand privacy settings or the implications of sharing information online.
5. People with disabilities, who may face challenges in accessing and understanding information, making them more vulnerable to abuse or exploitation.

KPN's activities that result in the two positive impacts "connected society" and "business digitalization" affecting all consumers and end-users, comprise listening to our customers and working to meet their growing needs and expectations. Building on our customer-centric approach, we consistently enhance the range and quality of our products and services, while advocating for secure and responsible internet usage.

Social - Customer value

Policies

Our customer engagement policy guides us in managing the material impacts and risks related to customer value. Details of this policy are set out below.

Customer engagement policy

This policy outlines our objectives, targets, policies, processes, and mechanisms we have implemented that shape our engagement with customers and the way this impacts our strategic direction from the perspective of our customer.
It applies to all consumer and end-user groups in all sectors under the KPN brand. The policy mainly focuses on own operations, but indirectly also on up- and downstream activities (e.g. the customer experience of content or sales partners) in the Netherlands. The Chief Consumer Market and the Chief Business Market are both accountable for the implementation of this policy. At present, KPN has no monitoring process in place for this policy. However, multiple measures in our customer engagement policy are in place to ensure an objective representation:
1. In measuring customer value (e.g. via NPS) respondents are selected by an independent screener (Kantar) to represent Dutch society as best as possible. Customer groups, brands and segments are all weighed as part of this process. In addition, business market's "ZM Relatiemeting" data is incorporated into the Kantar measurement for companies >150 employees to ensure the respondent count is representative.
2. All customer channels (including all complaint processes) are included in this policy, enabling us to take into consideration opinions from all angles regardless of channel preferences.
In setting the policy, the interests of KPN customers have been considered to ensure attention to and appreciation of these customers.
The IROs related to the policy are both positive impacts "connected society" and "business digitalization".
Since this is an internal policy, it is not externally published.

Formalizing our customer engagement policy comprises making an inventory of and describing all activities in the business units (consumer market and business market) how we systematically engage with our customers and end-users to discover, understand, address, and ultimately improve their experiences when interacting with our products, services and touchpoints.

The objective of the policy is to deliver better customer value and improve customer satisfaction (NPS). It affects all customers in the downstream value chain in the Netherlands and KPN's own operations. The outcome of the actions carried out in 2024 resulted in a comprehensive description of our approach to customer engagement and how this interacts with our activities for delivering customer value.

In our policies, KPN actively promotes and upholds various customer rights, including health and safety, privacy and data protection, non-discrimination, safeguarding children's rights, and freedom of expression. As our operations are primarily concentrated in the Netherlands, we are bound to EU and Dutch rules and regulations governing these areas. For a description of policy commitments in regard to our customers' human rights, see the sections "Own workforce" and "Workers in the value chain".

Processes for engaging with consumers and end-users about impacts

Perspectives of consumers and/or end-users
We actively interact with our customers in accordance with the principles outlined in our customer engagement policy. To discover, understand, address, and improve the customer experience, when they interact with our products or services. This policy covers the following stages of the customer engagement cycle:
- Listening to customer signals through a variety of channels;
- Analyzing and acting on feedback, complaints and signals on actual and potential impacts;
- Defining and implementing changes based on the analysis to improved products, services, and customer journeys, addressing customer feedback, and
- Reporting back to relevant stakeholders.

The insights we gain from engaging with our customers are used for evaluation and further development of product and end-to-end service strategies, as well as the development (innovation) and optimization of our products and services portfolio, including the processes involved (customer touch-points and journeys). These insights are discussed by the management team and, if relevant, included or converted into improvements to the customer journey. Major changes are discussed first by the Board of Management.

Engaging through direct interactions
We engage with our customers through:
- Direct interactions;
- Our human-assisted sales and service channels;
- Ad-hoc customer surveys;
- Customer journey/touchpoint feedback channels.

We also engage indirectly through proxies, such as:
- The Net Promoter Score (NPS) as gauged by Kantar TNS through their consumer and business panels;
- Feedback received through authorities such as 'Geschillencommissie' and 'Autoriteit Persoonsgegevens (AP) and Autoriteit Consument & Markt (ACM)'.

Social - Customer value

Brand NPS offers the most significant proxy for customer engagement, serving as a top key performance indicator (KPI) for KPN. Consequently, our responses are particularly relevant to the NPS.

Stage(s) at which engagement occurs, the type of engagement, and the frequency of the engagement
Customer journey/touchpoint research is conducted to give insight into points where customer interaction takes place. Brand NPS is conducted monthly. This independent research is carried out by our partner, Kantar TNS, within their consumer and business panels, which are representative of the Dutch telecommunications market. Brand NPS is assessed through surveys that measure the customers' willingness to recommend KPN, as well as key drivers related to environmental, social, and governance (ESG) topics. Respondents are also encouraged to provide spontaneous comments. This ongoing NPS research encompasses all stages of customer relations and includes engagement across all our products and services.

Ultimate responsibility for engagements
The Chief Consumer Market and the Chief Business Market are operationally end-responsible for ensuring these consumer market/business market engagements happen and that the results of these engagements inform KPN's approach.

Measuring effectiveness of engagements
At present, KPN does not formally assess the effectiveness of its engagements with customers. However, we do measure the relationship between engagement (NPS score per customer) and customer value (Household Lifetime Value: HLV) in relation to that score.

Vulnerable consumers and end-users
The generic contact and feedback channels are described in our customer engagement policy. This applies to all customers with no differentiation of vulnerable customers.

Actions

Consumer market initiatives 2024

Key actions in 2024:
- New customer propositions, such as Mobile Unlimited Data with speed tiering, kids and teens subscription, super Wi-Fi rental and KPN Veilig;
- Investments and continuous improvements in customer touchpoints such as MijnKPN app;
- Investments and continuous improvements in TV/OTT services;
- Network and connectivity upgrades such as copper upgrade fiber, 5G on 3.5Ghz band, Soft@Home modem software;
- Benefits for base customers such as free speed upgrades and KPN Voor Jou benefits.

The expected outcome of these actions is a contribution to the positive impact "connected society" - KPN's products and services enable people (B2C) and organizations (B2B) to connect, participate, work, and operate safely in a connected and digital society. This contributes to meeting our NPS targets.
These actions affect the downstream value chain; consumer customers of KPN in the Netherlands. The actions were carried out in 2024 and required significant capex. In addition to the available cash and cash equivalents, short-term investments and cash flows from operations, KPN has committed financing resources available (see Note 13.4 of the consolidated financial statements) to implement the action plans.

Business market initiatives 2024

Key actions in 2024:
Related to the positive impact "connected society" such as:
- Security solutions (e.g. cybersecurity package and password manager)
- Speed tiering for unlimited mobile data subscriptions (SME customers)
- KPN secure networking: 'Internet van de Zaak' (Tailored solutions, LCE, Health customers)
- Teams Softphone (SME customers)
- EVM - Extra secure internet for mobile (SME, LCE customers)

Related to the positive impact "business digitalization" such as:
- Supervision (MSP partners)
- KPN Campus (Tailored solutions, LCE, Health customers)
- Edge computing for KPN Campus and multicloud (Tailored solutions, LCE, Health customers)
- CPAAS Omni Connect and Verification API's (Tailored solutions, LCE, Health customers)
- KPN SIAM (Tailored solutions + top LCE customers)
- New hardware and application suppliers integrated into KPN IoT platform (IoT customers)

The expected outcome of these actions is delivering additional customer value by allowing better and more securely connected customers to operate in the digital world and enabling them to further digitalize their business processes. The objective is to improve customer satisfaction (NPS).
These actions affect business customers in the downstream value chain, the upstream value chain and KPN's own operations. The actions were carried out in 2024 and required significant capex. In addition to the available cash and cash equivalents, short-term investments and cash flows from operations, KPN has committed financing resources available (see Note 13.4 of the consolidated financial statements) to implement the action plans.

Social - Customer value

In addition to the above actions, we also have market insights teams to measure customer experience and to gain customer insights. These insights are shared with our product and channel owners to help them improve and develop new products and services.

Metrics and targets

	NPS consumer	NPS business
Result 2023	+16	+5
Result 2024	+16	+4
Target 2024	+19	+6
Target 2025	+17	+4
Performance target vs. result	2024 performance of +16 was below the target of +19. Analysis shows that not all assumptions of the 2024 target have been fully realized, partly due to competitive market dynamics.	2024 performance is +4 and is below the target of +6. Analysis shows that not all assumptions of the 2024 target have been realized, mainly driven by market dynamics.

NPS consumer and NPS business metrics methodologies
NPS is a metric for measuring customer loyalty, based on whether customers would recommend a brand to someone else. The NPS results included in this report are measured, calculated and provided by Kantar (a leading market-research company). NPS is based on direct customer input, with the key question being whether a customer would recommend KPN to someone else. Depending on the score they give, the customer is classified as a "promoter" or a "detractor".

The methodology includes:
- Survey design;
- Data collection: survey among consumer and business members of the Kantar panel in the Netherlands;
- Score calculation: The final NPS score is derived from the categorized responses and their weight factors.

Assumptions of the metric
- Customer loyalty: NPS assumes that a higher score correlates with customer loyalty and future business growth;
- Simplicity: The methodology relies on straightforward questions, making it easy to implement and understand;
- Behavioral prediction: The presumption is that a customer's likelihood to recommend is indicative of their actual behavior.

Limitations of the metric
- Oversimplification: The three-category system may not always capture the nuances of customer sentiment;
- Not all KPN daughter-brands are included in the NPS for business market and consumer market. For business market only the KPN brand is included. For consumer market only the KPN brand, Simyo and (up to 2023) XS4ALL are included in the research. Youfone and Solcon are not included;
- Fluctuations: NPS scores can vary significantly based on sample size and timing;
- Behavior vs. intent: There can be a disconnect between a customer's stated;
- Likelihood to recommend and their actual behavior;
- Cultural and segmented biases: Different cultures/ demographics may interpret the scoring scale differently, affecting the comparability of scores across regions or age groups.

NPS calculation and definitions
Tracking willingness to recommend the brand on a scale from 0 ("very unlikely") to 10 ("very likely"), i.e. how likely is it that customers would recommend KPN and/or Simyo to friends, family or colleagues (consumer market) or to other companies, colleagues, or business partners (business market). The key questions asked to customers:
- Consumer market: "On a scale of 0 to 10, how likely is it that you would recommend KPN to your family, friends, or colleagues?"
- Business market: "On a scale of 0 to 10, how likely is it that you would recommend KPN to your colleagues and/or business associates?"

These questions help to categorize customers into promoters, passives, and detractors.
- Formula: NPS = % promoters -/- % detractors
- Description: NPS is calculated by subtracting the percentage of detractors from the percentage of promoters. The score ranges from -100 to +100. A positive score indicates more promoters than detractors, while a negative score indicates the opposite.
- Promoters: Customers who respond with a score of 9 or 10.
- Passives: Customers who respond with a score of 7 or 8.
- Detractors: Customers who respond with a score of 0 to 6.

In this report, all NPS results refer to full-year results of the respective year, based on a 12-month rolling average (January till December). Note: up to 2023 the reported NPS results were based only on Q4 results (average of October, November and December). The purpose of this change to full year reporting is to better reflect focus on NPS throughout the whole year. The 2024 NPS scores for consumer market and business market reflect a weighted average based on 2022 revenues. NPS business combines this with EBITDA margins for segments.

In 2025, business market will make two changes on the methodology of the NPS measurement in line with our redefined market approach, including the introduction of the mid-market segment (150-650): 1. Weighting for the business market will shift to focus on the number of products instead of revenue and EBITDA margins. 2. The scope includes companies up to

Social - Customer value

650 employees. These changes are included in the target setting for 2025.

For the 650+ employees segment, we have a direct relationship with our customers. In 2025, we will investigate the most suitable methodology for this customer segment to collect (non-anonymized) customer feedback. Based on this feedback, we aim to implement specific improvements for our customers, with the goal to achieve better customer relationships and higher satisfaction. We aim to use this own measurement for 2026 target setting.

KPN's process for setting targets
Target setting NPS (CM/BM)
NPS is a top KPI for KPN.

1. Every year targets are set for both consumer market and business market, considering underlying customer groups and brands. Targets are set in the Board of Management and approved by the Supervisory Board.
2. In the target setting of the NPS we consider the trends in customer needs that we have seen in the previous year as well as trends in society, in the market and among our own customers and end-users. The results, trends and insights from underlying drivers of the NPS in the running year from the Customer Value IRO are taken into account for the NPS targeting of the year to come. Setting the target starts with updating the weighing of the NPS for consumer market and business market.
3. The NPS is weighed on the relevant customer groups and brands within each segment. This weighing is done in collaboration between the Customer Insights, Finance and Internal Audit teams. Based on updated weighting figures, KPN's Customer Insights teams (from consumer market and business market) put together an initial proposal for the NPS target. This proposal considers trends, outlook, planned innovations, and an overall ambition to improve.
4. This proposal is first discussed and fine-tuned within the segments, after which it is put forward to the Board of Management and finally to the Supervisory Board.
5. Customers and end-users (including their representatives or proxies) are not involved in this target setting process.

Targets are set to meet our customer engagement policy objective: enhance customer satisfaction and continuously improve customer experiences to boost satisfaction and positive sentiment towards our brand. The scope for the NPS consumer and NPS business is the downstream value chain, for business market customers only the KPN brand is in scope, for the CM customers also the Simyo and (up to 2023) XS4ALL brands are in scope.

Target methodologies used:

- Analyses of different customer segments (for business market: customers with <150/>150 employees and split ZZP/SOHO, SME and larger accounts) to identify specific areas for improvement;
- Comparisons of KPN NPS CM score and underlying drivers to those of competitors within the industry;
- Use of past NPS consumer and NPS business data to set realistic improvement targets. This helps in understanding trends and setting achievable goals;
- Setting different NPS consumer and NPS business targets for different customer product holding groups based on their unique characteristics and needs. These different targets are weighed for reported revenues and together weigh towards the target for both NPS consumer and NPS business. NPS Business combines this with EBITDA margins for segments.

Significant assumptions in defining targets:

- The survey methodology remains consistent over time to ensure comparability of NPS scores;
- We are able to achieve a stable response rate to avoid skewed results;
- Market conditions and competitive dynamics remain relatively stable;
- Customer expectations do not change drastically over the target period;
- There are no major disruptions in operations that could negatively impact customer satisfaction;
- Broader economic conditions remain stable and do not adversely affect customer sentiment; and
- There are no significant regulatory changes that could impact customer experiences.

NPS is measured monthly. Performance analysis and reporting to management and employees are conducted quarterly, without involvement from consumers or end-users. Based on performance analysis outcomes, improvement plans are identified and implemented. The consumer market and business market leadership teams review performance against targets and activities informed by customer feedback. Customers and end-users, including their representatives or proxies, are not involved in this process.

Social - Network quality

NETWORK QUALITY

Impacts, risks and opportunities

Network quality is a material topic for KPN and consequently included in this sustainability statement. As a large public company, we deem it is important that KPN acts in an ethical, responsible and transparent way. For a description and the results of the process of identifying KPN's material impacts, risks and opportunities, see description of the process to identify and assess material impacts, risks and opportunities.

KPN has identified the following two **impacts** on network quality, the first being an actual positive impact and the second a potential negative impact:

1. **Network quality**: KPN offers high speed internet connectivity to consumers and end-users in the Netherlands, so they have access to key products, services and markets that increase participation in cultural, political and social life.

In our business model, the impact concerns future-proof infrastructure and mobile spectrum. It is located in the value chain of our own operations and downstream in the Netherlands. The impact affects people through giving them access to higher download speeds. Our own activities are involved with this impact by implementing and maintaining a superior network in the short-, medium- and long-term.

KPN is a fixed and mobile provider that brings both fixed internet connectivity and mobile connectivity to the Netherlands. Connecting everyone in the Netherlands to high speed internet, both consumers and business customers, is an important part of our strategy (Connect, Activate & Grow). A high-quality and reliable network is essential to connectivity in the Netherlands. Our networks have a nationwide footprint and a high-quality standard. We continue to invest in the coverage, quality and reliability of both our fixed and mobile networks, by rolling out fiber and 5G. This will improve the customer experience.

2. **Unavailability of 112 service**: To avoid the potential negative impact of unavailability of the 112 service on mobile networks, KPN ensures continuous network availability.

In our business model the impact concerns future-proof infrastructure and mobile spectrum. It is located in the value chain of our own operations and downstream in the Netherlands. The impact affects people because of the risk of having no access to 112 services. Our own activities such as monitoring capacity and planning of maintenance and innovations to mitigate interruptions are involved with this impact in the short-, medium- and long-term.

KPN facilitates the vital 112 service for the Netherlands and is therefore partly responsible for its availability. The 112 service is crucial in Dutch society and very important for KPN's reputation as reliable service provider. It is essential to prevent any disruption disturbance to this service, and this is part of our business model. Our network strategy will not be affected as a result of possible disruption. Our Service Quality Center (SQC) monitors the KPN network, critical IT and critical services 24 hours a day, 7 days a week, 365 days a year. This is essential to our business model.

KPN has identified the following **opportunity** for network quality:

Increase market share on broadband: KPN aims to increase its market share in broadband by deploying high-quality and competitive fiber networks.

In our business model this opportunity concerns future-proof infrastructure and mobile spectrum. It is located in the value chain of our own operations and downstream in the Netherlands.

We are connecting more addresses to fiber and the copper lines of these addresses will soon be made redundant. Our goal is to have a fiber footprint of 80% by the end of 2026, and even after that, we will continue the fiber rollout. After fiber connections are switched on, we switch off the copper lines with due care.

We have five promises for the transition to fiber:
- Always online: KPN customers will never be without internet. We switch off the copper network after the fiber connection is working.
- No transfer costs: With KPN the transition to fiber has no hidden costs even when an engineer is needed.
- Open and fair: We offer an open network and all the providers will start from the same position.
- Transparent: Internet providers are informed about the decommissioning of copper lines where fiber is available at least three years in advance.
- Ready to use: We ensure that if something goes wrong our engineers and specialists are ready to help customers stay online.

Social - Network quality

Offering high-speed internet connectivity leads to more customers, and KPN aims to increase market share on broadband. This positive impact and opportunity are incorporated in two of the three pillars of our network strategy: leading telco infrastructure and leading digital telco. Leading telco infrastructure consists of expanding our fiber footprint. Leading digital telco is the development of innovative solutions that build on KPN's fiber and 5G networks. Both contribute to facilitating access to high-speed internet and maintaining a high-quality network.

KPN has identified the following **risk** for network quality:

Network interruptions: Failure of one data center across four different locations could lead to network interruptions, potentially impacting KPN's reputation and market share.

In our business model this opportunity concerns future-proof infrastructure and mobile spectrum. It is located in the value chain of our own operations and downstream and upstream in the Netherlands.

The failure of one data center can lead to capacity issues, because subsequent disruptions may occur. Redundancy is then widely affected. Our services do not change as a result of outages, but can occasionally experience downtime. The value chain is affected locally in the area of the specific data center. This is part of our business model such outages do not alter our network strategy.

Providing reliable and stable connectivity is vital for KPN's service to the Netherlands. The fallout of our data centers would be detrimental to providing this connectivity and is therefore foundational for our business model. Our customers would have no access to the internet and emergency services without this connection. Our dedicated department (SQC) is responsible for all the assurance processes as described in the KPN assurance policy (KAP).

In terms of this risk and opportunity, there is currently no financial effect identified.

KPN has adequate resilience and insight into how long a data center can be down before fixed and mobile services become unavailable for customers.

KPN's consumers and end-users

The "Customer value" section describes which customers and end-users are in scope through our own operations. All consumers and/or end-users who use KPN networks are likely to be materially impacted by KPN and are included in the scope of our disclosures related to network quality. This group encompasses consumer, business and wholesale customers. End-users are also within the scope of this section. End-users are defined as those who actually use a particular KPN product or service.

Types of consumers and end-users

Potentially all consumer, business, and wholesale customers as well as end-users could be negatively impacted in the case there is an (individual) incident on KPN networks in the Netherlands which causes unavailability of the 112 service on the mobile network.

Activities related to material positive impacts

The most important activity that results in a positive impact, connecting everyone in the Netherlands to facilitate access to high-speed internet, is the implementation of a superior network through the rollout of fiber and modernizing our mobile network.

KPN is replacing its copper network with fiber and is upgrading its mobile network to enable the high-speed 3.5GHz spectrum, which facilitates higher 5G speeds.

These network modernizations in both fixed and mobile will allow customers to use new services and enjoy higher download and upload speeds. This ongoing impact affects all customers and end-users of KPN (consumer, business and wholesale).

Material risks and opportunities for the business arising from impacts and dependencies on consumers and/or end-user

The material risks arising from the impact and dependencies on consumers are reputational damage and a lower market share due to the potential failure of one data center location.

The material opportunities arising from the impact and dependencies on consumers are a strong brand reputation and higher market share. These opportunities arise from the high-quality of the networks provided to our customers, including higher download speeds.

All consumers and/or end-users (identified in the "Customer value" section) could be negatively affected, based on the materiality assessment set out in the "General information" section. The potential negative impact does not relate to specific groups of consumers and/or end-users. Everyone who uses the network of KPN could be affected.

Social - Network quality

Risks and opportunities that relate to specific groups of consumers and end-users

The material risks and opportunities as disclosed in the "General information" section do not relate to specific groups of consumers and/or end-users but to all consumers and/or end-users.

Policies

We have several policies in place to manage the material impacts and risks related to Network Quality:

1. Strategic plan for Network, Operations and IT (NOI)
2. Copper phase out at fiber to the home (FttH) addresses
3. KPN assurance policy (KAP)
4. KPN security policy (KSP)

More details of these policies are given below.

Strategic plan for Network, Operations and IT

The strategic plan for Network, Operations and IT (NOI) aims to translate KPN's overall Connect, Activate & Grow strategy into technological and digital components. The overall strategy is described in this integrated annual report. Its most fundamental pillar is to build the leading telco infrastructure, which is essential to be able to provide connectivity to the Netherlands. This infrastructure consists of KPN's fixed and mobile networks. To be leading, this is divided into the following objectives:

- Provide nationwide coverage on both fixed networks (fiber or copper) and mobile networks (4G or 5G);
- Provide throughput speeds that ensure a seamless connectivity (meaning customers can make voice calls and stream full HD video);
- Rollout fiber network to reach 80% fiber footprint by the end of 2026.

In the mobile network, KPN wants to provide nationwide population coverage on both 4G and 5G. KPN plans the network based on a minimum guaranteed throughput which is necessary to be able to make voice calls and to stream full HD video. In the fixed network, KPN wants to provide nationwide coverage based on the combination of copper and fiber. That means that any household should have either copper or fiber.
Related IROs: "Network quality" and "Increase market share on broadband".
Activities as part of this plan comprise rollout densification and replacements sites to maintain and improve coverage footprint, rollout of fiber to 80% of all households, rollout of 3.5 GHz spectrum to guarantee minimum downlink throughput and proactive monitoring of network quality and rapid response in the event of failures.
The related metrics to monitor the process monthly are described in the paragraph "Metrics and targets".

Affected stakeholder groups are all consumers and/or end-users who use the fixed and mobile network of KPN. Population coverage on mobile is the key value driver for both the consumer market and the business market. Coverage is regarded as more important than (average) speeds. For fixed access, fiber is regarded as a premium product for the coming decades. The ability to offer a fiber connection to households, provides an important opportunity for revenue growth.
Seamless connectivity is required for both consumers and business market customers on both fixed and mobile and this necessitates certain throughput speeds. If throughput falls below this threshold customers will experience connectivity as low-quality. For KPN's commercial departments (both Consumer and Business) these thresholds are crucial to provide a competitive market offering.
Geographically the scope is located downstream in the Netherlands. The Chief Operating Officer (COO) is accountable for the policy. KPN takes the recommendations of Netflix into account. Netflix has communicated downlink throughput recommendations in order to watch TV shows and movies on Netflix.

The policy covers all consumers and/or end-users who use the fixed and mobile network of KPN. During the annual strategic plan process, there are multiple touchpoints between the technical and commercial segments to align on priorities. During these alignments, customer-oriented drivers are taken into account.

Copper phase out at FttH addresses

The general objective of this policy is to inform the relevant departments within and outside KPN on our approach to phase out copper. The positive impact is offering high quality and high speed internet connectivity to consumers and end-users in the Netherlands so they have access to key products, services and markets that increase participation in cultural, political and social life (IRO "Network quality"). If fiber is available at the address, copper will be phased out after 36 months. The copper customers will receive an offer to upgrade from copper to fiber. Each quarter, KPN monitors the addresses at which copper can be switched off.

Affected stakeholder groups are all consumers and/or end-users who use the fixed (copper) network of KPN. In drawing up the policy we have taken into account the interests of the key stakeholders. The current copper customers will receive an offer to upgrade from copper to fiber, which enables higher download speeds and reduces energy costs. This is also mentioned on our KPN Wholesale website.
Geographically the scope is located downstream in the Netherlands. The Chief Operating Officer (COO) is accountable for the policy. The guidelines from ACM are followed. An update of the new announcement (addresses) will be published every quarter on the KPN Wholesale website and will be shared with other copper service providers.

The policy covers all consumers and/or end-users who use the fixed (copper) network of KPN. During the annual strategic plan process, there are multiple touchpoints between the technical and commercial segments to align on priorities. During these alignments, market and customer-oriented drivers are taken into account. For example, when there are many customer complaints about download speed, that might be a trigger to roll out fiber and switch off copper afterwards.

Social - Network quality

KPN assurance policy

The general objective of the KPN assurance policy (KAP) is to provide a robust and standardized framework for process assurance that fosters operational consistency, technological adaptability, and strategic alignment of processes within KPN. The potential negative impact is the unavailability of the 112 service on mobile network leads to unavailability emergency services in case of an emergency (IRO "Unavailability of the 112 service on mobile networks").
The scope of KAP comprises the assurance processes of the fixed and mobile networks (event management, incident management, problem management and change management) of the mobile and fixed network. Relevant activities carried out in accordance with KAP are proactive monitoring of radio network availability (event management) and ensuring prioritization of 112 in network designs (change management). Each month, KPN monitors the metric network availability.

Affected stakeholder groups are all consumers and/or end-users who use the 112 service on the network of KPN.
Geographically the scope is located upstream and downstream in the Netherlands. KAP is mandatory for vendors where they are engaged in the assurance processes. In case of involvement of a third-party in one of the processes described in KAP, KPN and the vendor need to document transparent methods and procedures for the processes using an interface agreement. The Chief Operating Officer (COO) is accountable for implementation of the policy.

All consumers and/or end-users who use the 112 service on the network of KPN are affected by the policy. KPN believes in delivering secure products and services for everyone and highly values the privacy of its customers. Therefore (information) business continuity are not optional and a base set of continuity measures must always be in place regardless of products, platforms, parties or processes. This is important for all our consumers and/or end-users. During the development of KAP customer oriented departments are involved.

Risk: Network interruptions
KPN Security Policy (KSP) is relevant for network quality, because it covers our framework data centers and ensures continuity at the correct level of service requirements. All physical assets of KPN must meet the continuity requirements based on their classification. The continuity requirements consist of architectural rules (data center framework), deployment rules (use/stock requirements) and redundancy measures. KSP is related to this IRO ("Network interruptions") and is described in the "Security" section.

Relevant activities related to the policy are;
- Assessment of architecture by the Enterprise Architecture Board (EAB);
- Annual review of continuity plans (technical recovery plans, TRP, and facility recovery plan, FRP) of individual platforms.

Processes to provide for or cooperate in the remediation of negative impacts
We have identified unavailability of the 112 service on the mobile network as a potential negative impact. The general process to remediate this negative impact is our "be-alert" process which consists of the following process steps;

1. Identify the (possible) disruption and classify based on the severity of the incident;
2. Set-up the emergency organization, internal team with specialists, and determine the approach to stabilization and recovery;
3. Execute the approach and communicate progress to consumers (and internal stakeholders);
4. Monitor whether the solution is effective and thereby the 112 service is available again as well as dissolution of the emergency organization;
5. Aftercare with customers and evaluate the "be-alert". KPN has close contact with the 112 control room and shares the root cause analysis.

The "be-alert" process describes the actions that are needed in the event of a potential negative impact.

Channels available to stakeholders to raise concerns and have them addressed
Concerns can be addressed through the regular channels, see the "Customer value" section.

Actions

Rollout densification and replacements sites

The expected outcome of this key action (related to "Network quality") is to maintain and improve our coverage footprint. This contributes to the policy "Strategic plan for NOI 2024" and to achieving the target on 5G coverage.
Densification of the mobile network is to increase both coverage and capacity in weak areas. In some cases 3.5 GHz expansions do not offer a capacity offload since traffic is too far from the site and a densification site is needed. The replacement of sites is to keep current coverage stable and prevent customer complaints and churn by replacing sites that cannot be continued any longer because the lease contracts are being terminated by the landlord or the site is technically not capable to be equipped with the desired hardware configuration.

The scope of the action in terms of activities is to replace and densificate sites. Site selection is based on capacity and coverage demand. This affects our consumers and end-users within our downstream value chain who use the mobile network of KPN in the Netherlands. The continuous rollout plan is spread over multiple years. The yearly target is based on the calculated number of sites that need to be replaced to guarantee the 5G coverage metric.

Significant financial resources are required to implement this action and KPN has contracts with hardware and service suppliers. This is a precondition to implement the action. The amount of current financial resources is covered in the yearly financial plan of each department involved in the mobile network services. The amount of future financial resources is covered in the company strategic plan and in the yearly reviews of the current financial resources.

Social - Network quality

Rollout 3.5 GHz spectrum

The expected outcome of this key action (related to "Network quality") is to guarantee minimum 5G throughput as part of our license obligation. This contributes to the objective "provide throughput speeds that ensure a seamless connectivity" of the "Strategic plan for NOI 2024" and to achieving the target on % of 5G traffic with a minimum downlink throughput of 6 Mbps.

The scope of the action in terms of activities is to expand existing sites with 3.5 GHz equipment to increase the capacity of these sites. In some cases, it also involves upgrading 1800/2100 layers to increase both coverage and capacity. This affects our consumers and end-users within our downstream value chain who uses the mobile network of KPN in the Netherlands. The continuous rollout plan is spread over multiple years. The yearly target is based on the calculated number of sites that need to be upgraded to guarantee the download metric.

Significant financial resources are required to implement the action and KPN has contracts with different suppliers. This is a precondition to implement the action. The amount of current financial resources is covered in the yearly financial plan of each department involved in the mobile network services. The amount of future financial resources is covered in the company strategic plan and in the yearly reviews of current financial resources.

Phase out our copper network

The expected outcome of this key action (related to "Network quality") is the phase out of our copper network at 4m addresses by the end of 2025. This contributes to the policy copper phase out on FttH addresses.

The scope of the action in terms of activities is to phase out the copper network for 4m addresses by the end of 2025 where fiber is already available. To ensure that all these addresses will have an internet connection, the announcement of the addresses will take place 36 months in advance. This affects our consumers and end-users within our downstream value chain who uses the fixed network of KPN in the Netherlands. Our upstream value chain is also involved through our suppliers. The time horizon to complete the action is by the end of 2025.

There are no significant financial resources required to implement the action.

Social - Network quality

Enlarge our fiber footprint
The expected outcome of this key action (related to "Network quality" and "Increase market share on broadband") is to achieve a fiber footprint of 80% of all Dutch households, which also includes Glaspoort numbers and acquisitions (if applicable). This contributes to the objective "rollout fiber network to enlarge out fiber footprint" of the "Strategic plan for NOI 2024" and to achieving our fiber footprint target. The scope of the action in terms of activities is to roll out fiber throughout the Netherlands. This affects our consumers and end-users within our downstream value chain who uses the fixed network of KPN in the Netherlands. Our upstream value chain is also involved through our suppliers. The time horizon to complete the action is between 2019 and 2026. Significant financial and other resources are required to implement the action. The resources needed are relationship management for requesting the permits at municipalities, contract management for the contracts with our partners, project and "kavel" managers to manage the projects so that these are completed on time. Permission from municipalities to rollout fiber is a precondition to implement the action. KPN has several green bonds outstanding and will finance or refinance projects with positive environmental impact in three areas of network transformation including rollout of fiber. Documentation related to the green finance framework and these bond issues is available on KPN's website. The objective is energy efficiency by network transformation including rollout of fiber. The amount of current financial resources is covered in the yearly financial plan of the fixed access network. The amount of future financial resources is covered in the company strategic plan and the yearly reviews of current financial resources. Our quarterly reports have information on capex related to fiber rollout.

Implement metric and target on annual review of continuity plans (technical recovery plan, TRP, and facility recovery plan, FRP) of individual critical and high platforms for data center locations
The expected outcome of this key action (related to "Network interruptions") is to report and manage on the annual review of continuity plans for individual critical and high platforms for data center locations. This contributes to KSP. The guidelines on continuity plans (recovery plans) are part of KSP. Continuity plans are tested annually for data center locations (classification critical and high) and a report must be drawn up. This states the results of the testing and any improvements needed are incorporated into the continuity plan. This is monitored within KPN. A metric, target and review of this is not currently in place. The external stakeholders of this action are our consumers and end-users within our downstream value chain who uses the network of KPN in the Netherlands. The time horizon to complete the action is no later than 2025. There are no significant financial resources required to implement the action.

Our Service Quality Center (SQC) monitors the network of KPN 24/7. If an incident occurs at a data center (or elsewhere in our network), a be-alert or emergency process is started. Its effectiveness is measured in terms of resolution time and impact on customers. To prevent such incidents KPN has continuity plans and these need to be tested annually on whether they work as desgined.

An additional action KPN has in place, is continuous improvement of the relevant processes. For example, one initiative is the use of customer experience analytics to improve the customer experience by preventing disruptions, facilitating proactive communication and reducing resolve time.

The SQC department receives feedback through NPS disruption CM (part of the customer experience). They combine the outcome of the NPS with be-alerts that have occurred. Based on reoccurrence or impact, the be-alerts are evaluated and action plans are drawn up. A problem manager and problem analyst are responsible for preventing the disruption in future. For example, network disturbances caused by maintenance by grid operators occur quite often. Alignment with the grid operators on planned work schedules helps in proactive communication with KPN customers about temporary declines in service. Based on this data analysis, KPN attempts to prevent outages and facilitates proactive communication with customers.

Effectiveness of the identified actions is tracked on a weekly basis by the Operations Board and on a monthly basis through the management letter process. For high-impact be-alerts, evaluations are discussed in the NOI leadership team. The regular KPI's on availability and be-alerts are reported to the Board of Management on a weekly basis.

Social - Network quality

We have a risk control framework in which the material risk is incorporated as part of the list of top risks (operational and quality related incidents), see Enterprise risk management in the "Compliance and risk" section of the integrated annual report.

The material negative impact is related to 112 services on the mobile network. KPN proactively monitors radio network availability to avoid causing or contributing to material negative impacts. The availability of the network is monitored continuously.

Near real time data from the network (with a delay of approximately fifteen minutes) is available for making dashboards in which the KPI 'Network availability' can be monitored. If the KPI does not reach the defined threshold an alarm will be sent to the solving group to take action on it.

The action of ensuring 112 priority in network designs, provides the highest possible network availability for 112 traffic so that in emergency situations there can be a fast and reliable connection to public services. Since 2021, the operators are obligated to have network accessibility for user equipment with non KPN SIMs or user equipment without a SIM. Also a design had been implemented that gives 112 traffic the highest priority in the network. If a cell is fully loaded when 112 traffic enters, other traffic will be cut off.

The 112 service is regulated by the government and there are no additional actions related to own practices regarding product design, marketing or sales.

The main departments involved with the actions related to "Network quality" and "Unavailability of the 112 service on mobile networks" are Fixed Access Network and Mobile Networks (approximately 600 FTE). These departments are involved in the rollout of fiber, sites and 3.5 GHz spectrum.

Social - Network quality

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Name of the metric	5G traffic with a minimum downlink throughput of 6 Mbps	Combined 4G/5G downlink throughput	5G coverage in the Netherlands
Result 2023	n/a	166 Mbps	96.9%
Result 2024	99.98%	193 Mbps	97.9%
Target 2024	98.50%	170 Mbps	98.0%
Target 2025	97.50% (from of 2025 the metric is changed to 4G and 5G combined)	185 Mbps	98.2%
Definition of metric	Percentage of 5G-NSA traffic with a minimum downlink of 6 Mbps	Crowd based measurement to obtain average real download speed experienced by customers that have Ookla speedtest app installed on their smartphone	Percentage of Dutch population with access to 5G network
Related policy objective(s	Strategic plan NOI 2024 Provide throughput speeds that ensure a seamless connectivity	Strategic plan NOI 2024 Provide throughput speeds that ensure a seamless connectivity	Strategic plan NOI 2024 Provide nationwide coverage on both fixed networks (fiber or copper) and mobile networks (4G/5G)
Scope	5G Mobile network of KPN (Netherlands) downstream	Mobile network of KPN (Netherlands) downstream	5G Mobile network of KPN (Netherlands) downstream

Name of the metric	Phase out copper at FttH addresses	Fiber footprint	Radio network availability
Result 2023	2.9 million	57%	99.8%
Result 2024	3.5 million	63%	99.8%
Target 2024	3.5 million addresses permanently ceased	>60%	99.7%
Target 2025	4.0 million addresses permanently ceased	>65%	99.7%
Other targets	The target applies from 2020, the year of the announcement. Long-term target is to phase out copper completely. Target is set annually.	The target of 80% applies from 2019 to (end of) 2026. Target is set annually.	Target is set annually
Definition of metric	Number of addresses which will be phase out.	Every household within the Netherlands which has a KPN or Glaspoort fiber at front of the house.	Average real network availability.
Related policy objectives	Copper phased out on FttH addresses	Strategic plan for NOI 2024 The strategy and related action aim to connect everyone in the Netherlands to a sustainable footprint. As KPN we establish this by rolling out fiber to enlarge the KPN footprint to 80% of the Netherlands.	General KAP objective For every change in the network KAP approval is needed. After approval the change takes place in a service window which avoids / limits downtime. The target measures availability (target 99.7%).
Scope	Fixed copper network (Netherlands) downstream	Fixed fiber network (Netherlands) downstream	Mobile network (Netherlands) downstream

KPN is implementing a metric and target related to the review of continuity plans for data center locations. This is included as an action related to the risk "network interruptions".

Methodology

<u>5G traffic with a minimum downlink throughput of 6 Mbps</u>

- *Metric:* This is calculated as the minimum user throughput on cell edge at peak times based on physical resource block load, (PRB, a capacity measure).
  The physical resource blocks represent the total amount of capacity in a sector of the 5G mobile network. These PRB's have to be divided amongst all the concurrent users in the respective sector. If the number of concurrent users increases, the number of available PRB's per user decreases. Because there is a direct relationship between number of PRB's and throughput, the user throughput can be determined. We derive the total traffic and PRB usage from our network on an hourly basis. With this data, the percentage of 5G traffic with a minimum downlink of 6 Mbps is calculated on an hourly basis. All hours in a week are aggregated and the total percentage of traffic with a minimum downlink throughput of 6 Mbps is calculated and reported on a weekly basis.

Social - Network quality

- *Target*: The target is based on what was realized last year and on the expansion of our network. At least 98.5% of all 5G traffic should offer users at least 6 Mbps to be able to stream HD Video.

Combined 4G/5G downlink throughput
- *Metric:* The average download metric is based on speed tests carried out by users of the Ookla speed test app. Samples are collected and filtered based on Ookla criteria for validity. Results are averaged per user before calculating the network average. This averaging ensures equal weight per user. Measurement of the metric is validated by Umlaut and Ookla. Ookla is an organization that provides data-driven insights to improve networks and connected experiences.
- *Target*: The target is based on the number of sites and available frequencies.

5G coverage in the Netherlands
- *Metric:* The metric is calculated using the population coverage in our model (planning tool). This model is a map of the Netherlands with our sites which calculates coverage based on propagation of radio waves (in accordance with worldwide standards). Our model represents reality as accurately as possible. If we notice deviations from reality, based on drive tests, this is used as input to improve our prediction model. We improved our calculation methodology by replacing the clutter database and the results of three studies with TNO. This has no impact on the customer experience, but offers KPN better insight into the provided 5G quality. Due to improved metric methodology, the result of 2023 is updated.
- *Target*: The target is based on the predicted of the coverage in our model (planning tool) which takes the planning of site replacements, network data and drive tests into account. It is a predictive model which KPN continuously improve based on new data (model tuning). Due to improved metric methodology, the targets are updated.

Phase out copper at FttH addresses
- *Metric:* After KPN activates its service on a fiber optic connection at an address, the copper service is taken out of use. We count the addresses that have been definitively blocked and can't use the copper line anymore. In other words, there is an end-of-sale on copper at the address and this service is deactived. The addresses list is updated every quarter.
  A limitation of this approach is that addresses that have multiple copper services at one address and connections to which an own contribution applies are not yet taken into account.
- *Target*: The target is based on the calculation of the planned fiber rollout to copper addresses (excluding new builds) and the expectation that these addresses fulfill the criteria to be announced (e.g. can be connected to fiber).
  The main assumptions are the progress of the fiber rollout and the number of households that can actually be activated on fiber.

Fiber footprint
- *Metric:* The calculation of the metric is calculated as follow: FttH households / the number of households in the Netherlands. The FttH households contain KPN's own fiber network (overlay and new build) + Glaspoort CM + acquired networks. FttH households are defined as premises to which an operator can connect in a service area, assuming that fiber is available, at a minimum, within reach of the premises property boundary. FttH is defined as an access network architecture in which the final part of the connection to the home also consists of optical fiber.
- *Target*: The target is based on the planning of the fiber rollout, which works towards our ambition of an 80% fiber footprint in the Netherlands by the end of 2026. Planning is made based on available resources, including available investment budget, our construction capacity and that of our contractors, internal and organizational capacity and permits received from municipalities. The main assumptions are the progress of the fiber rollout and the number of households.

Radio network availability
- *Metric:* Average network availability is calculated by dividing the sum of the available cells (with a retention time of six hours) by the expected sum of the available cells.
  A limitation is the retention time (of 6 hours) instead of 72 hours (more realistic).
- *Target*: The target is based on what was realized last year.

Performance
These metrics are monitored monthly by the Board of Management and weekly by the leadership team Network Operations & IT (LT NOI). Within the teams monitoring happens on a daily basis. Progress against target is tracked by he LT and in the management letter. And if progress is not sufficient, action and improvement plans are drawn up and implemented.

5G traffic with a minimum downlink throughput of 6 Mbps

Social - Network quality

The Progress and trend is above plan because of lower than expected traffic growth combined with extra spectrum on 5G. Significant change in performance towards target: Yes, deployment of NR2100 and NR3500.

Combined 4G/5G downlink throughput

The progress and trend is above plan due to value based rollout of 3500MHz spectrum on > 1.000 designated site's. No significant change in performance towards target, but gradual change hand in hand with rollout and traffic development.

5G coverage in the Netherlands

The progress and trend is slightly under target because of the planned number of densification sites over 2024 was not achieved. Significant change in performance towards target: Yes, deployment of NR2100.

Phase out copper at FttH addresses

Progress in terms of announced addresses and permanently ceased copper lines is measured per quarter but reviewed monthly. Active lines within the batches are reviewed monthly. This review is done across multiple departments, but always with the same end goal in mind to completely phase out the copper network.

Progress and trend are in line with plan. No significant change in performance toward target.

Fiber footprint

Progress and trend are in line with plan. No significant change in performance toward target.

Radio network availability

The progress and trend is according to plan. Significant change in performance towards target: No significant change, availability decreases slightly when planned work outages increase, but still slightly above target.

Process for setting targets

Every year, targets are set for all segments within KPN as part of the annual strategic plan process. As part of this any relevant input is taken into account, such as past performance, market developments, ambitions, strategic considerations, and possibly external feedback, e.g. resulting from NPS. Network quality targets such as 5G coverage and fiber rollout are not based on consumers or end-user engagements. However, KPN reports on these targets to consumers through its quarterly reporting and integrated annual report.

Tracking of targets is done on a weekly basis in the KPI dashboard (booklet), which is reported to the Board of Management and on a monthly basis through the management letter process. Top KPI's are reported to the Supervisory Board on a quarterly basis and on an annual basis in the integrated annual report. Part of the top KPI's are combined 4G/5G downlink throughput, 5G coverage in the Netherlands and fiber related KPI's. The quarterly results and integrated annual report are published externally for consumers and/or end-users to view. KPN Investor Relations publishes these reports on its website.

Customers and/ or end-users do not play a direct role in the determination of the targets. Targets and performance are reviewed on an annual basis as part of our strategic plan process. It is during this annual process that the business deliverables, including possible improvement actions resulting from an unsatisfactory performance against the targets, are determined. Performance and targets are presented externally at our Capital Markets Day (four-year strategy), the AGM, the quarterly results updates and in most detail in the integrated annual report.

Social - Security

SECURITY

Strategy

KPN's strategy and business model emphasize its commitment to being a trusted provider of telecoms and digital services, with a strong focus on security in both decision-making and execution. By adhering to this approach, we aim to further increase KPN's positive and measurable impact for its customers, suppliers, and society over the next five years (medium-term horizon). KPN aims to ensure a secure online environment, by putting security first and complying with laws and regulations, resulting in higher trust in telecoms and digital services on the part of customers, employees and society as a whole. This approach aligns directly with the “Connect” and “Activate” pillars of our Connect, Activate & Grow strategy and is put into practice through the "Assure" component of KPN's 4A security strategy.

To achieve the targets set by the Board of Management for security and continuity, based on the results of the strategic risk assessment and the Board's risk appetite a three-year security strategy is developed and executed by the CISO office and the business departments collaboratively. Our current 4A security strategy for 2023-25 focuses on four themes:

- Adaptive – support risk-informed decision-making on cybersecurity and continuity
- Aware – promote role-based security awareness across the organization
- Automate – automate security processes and activities to increase efficiency and effectiveness
- Assure – monitor and report on key security processes and controls

Impacts, risks and opportunities

Security is a material topic for KPN and consequently included in this sustainability statement. As a large public company, we deem it important that KPN acts in an ethical, responsible and transparent way. For a description and the results of the process of identifying KPN’s material impacts, risks and opportunities, see description of the process to identify and assess material impacts, risks and opportunities.

KPN identified the following positive actual **impact** on security:

Secure online environment: KPN aims to ensure a secure online environment, by putting security first and complying with laws and regulations, resulting in higher trust in telecoms and digital services on the part of customers, employees and society as a whole.

In our business model this impact affects people in the Netherlands and concerns loyal customers, strong partnerships and supplier base and a skilled and motivated workforce. So the impact is both downstream and upstream in the value chain, and in our operations through our own telecoms and data services. The time horizon is medium-term.

KPN provides telecoms and digital services to consumers and other end-users and through our Connect, Activate & Grow strategy, we connect our customers, partners, and employees and provide them with a secure online environment. In combination with our 4A security strategy, this results in an engaged and motivated workforce, strong partnerships, enhanced reputation and higher customer loyalty.

KPN identified the following **risk** on security:

Implications for our license to operate: A cyberattack on KPN’s operations could lead to losing our license to operate and high remediation costs for a data breach, resulting in reputational damage, loss of revenue, and decreased customer loyalty.

In our business model this risk affects people in the Netherlands and concerns loyal customers, strong partnerships and supplier base and a skilled and motivated workforce. So, the impact is located both downstream and upstream in the value chain and in our operations.

KPN identified the following **opportunity** on security:

Security and data protection: We have a strong focus on security and data protection for B2B and large corporate enterprise (LCE) customers, through implementation of our 4A security strategy, resulting in an enhanced reputation, higher customer loyalty and improved business results.

In our business model this opportunity affects people in the Netherlands and concerns loyal customers and a solid financial basis, as well as being relevant downstream in our value chain.

Social - Security

We undertake various activities that result in positive impact for our customers and/or end-users (society, employees and customers):

- Implementation of KPN's security policy (KSP);
- Execution of the Security First yearly plan and improvement programs;
- Participating in the Alert Online partner network;
- Participating in the Anti-DDoS coalition;
- Providing third-party assurance reporting for B2B systems integrator (SI) and large corporate enterprise (LCE) customers (e.g., ISAE3000, ISO27001);
- Ensuring demonstrable compliance with laws and regulations (e.g., Telecommunications Safety and Integrity Regulation (RVIT by its Dutch acronym), General Data Protection Regulation (GDPR), the Telecommunications Act, and the Decree on Telecommunications Data Security (BBGT by its Dutch acronym).

Policies

The KPN security policy (KSP) is in place to manage material impacts and risks related to security. More details of this policy are given below.

KPN security policy

The KSP provides a set of security measures and requirements that the KPN organization must meet in daily practice. It prescribes the use of basic security, continuity and privacy measures for all our activities.
The KSP is designed to manage all the material impacts, risks and opportunities related to security.
Its scope encompasses our own operations and the upstream and downstream value chain (in the Netherlands). Companies (e.g. suppliers) that want to work with KPN must also adhere to KSP requirements. The policy is applicable to all assets that are used to store, process and transport KPN information and information belonging to customers. This also applies to customer assets managed directly by KPN.

The Chief Information Security Officer (CISO) is the policy owner and the accountable executive.
Our KSP has embedded the principles of the National Institute of Standards and Technology (NIST) security life cycle. The CISO Office directs, monitors and evaluates implementation of security lifecycle ("identify, protect, defend, respond and recover"). In addition, on a weekly basis the CISO delivers a "weather report" to the Board of Management, senior executives and security professionals at KPN, which includes a risk intelligence element. This report contains updates on the most important external threat actors and threats, internal security events and incidents, and internal security risks and issues that could impact the various end-users of KPN's cybersecurity.
The policy is aligned with a number of international standards:

- NIST Cyber Security Framework
- ISO 27001
- ISO 22301
- The Information Security Forum's (ISF) Standard of Good Practice for Information Security (SoGP)

The KSP is set up to include inputs from supplier engagements, employee engagement, customer dialogue, industry bodies and legislative bodies. To this end, the KSP is available to all end-users via our website: ciso-ksp.kpnnet.org/welcome/KSP

Processes for engaging with consumers and end-users about impacts

Management and professionals of the KPN CISO office, under the responsibility of the Chief Information Security Officer, and in coordination with KPN's regulatory and legal departments, continuously engage in external relationships with multiple stakeholders particularly government and regulatory authorities. Governmental and regulatory relationships are key, as they ensure that laws and regulations in the domain of cybersecurity and data protection are implemented and that everyone complies with these. KPN:

- is a member of Anti-DDoS coalition, a public-private partnership to protect Dutch society from the impact of distributed denial-of-service (DDoS) attacks;
- closely cooperates with RDI, the Dutch regulatory authority, on the implementation of Telecommunications Security and Integrity Regulation ("RVIT");
- actively engages with the NCSC-NL, the Dutch national cybersecurity center; with ENISA, the European cybersecurity authority; and with various other government bodies;
- participates structurally in the Commission on Vital Infrastructure (CVI), and the National Continuity Consultation on Telecommunications (NCO-T);
- is represented on the Cyber Security Council via KPN's CEO, who holds the portfolio on national critical infrastructure (vital sectors);
- participates in the Alert Online partner network, which organizes cybersecurity month in October to promote security awareness among consumers in the Netherlands.

Every year, KPN's department CISO evaluates the effectiveness of these contributions and memberships to determine their continued alignment with KPN's "security first" mission.

Actions

As part of the "Security First" initiative, KPN has defined actions and allocated resources to manage the material impacts, risks and opportunities for consumers and end-users of cybersecurity. These actions can be divided into short-term and medium-term actions: annual work packages to achieve KPN's annual security objectives and targets, and multi-year improvement programs.

Social - Security

Implementing "Security First" work packages

The expected outcome of the action plan is to enhance security and continuity for all consumers and end-users with an enterprise-wide scope. The annual work packages contribute to achieving KSP objectives and targets by implementing the security measures and requirements that the KPN organization must meet in its daily operations.

The organizational scope of these packages encompass KPN's four major operational departments; TDO Network, TDO B2C Solutions, TDO B2B Solutions and B2B System Integrator. The following activities are part of these work packages:

- Improvlng asset and configuration management: increasing the coverage and quality ofthe configuration management database (CMDB);
- Improving business continuity management: defining the criticality of all business applications;
- Improving log management: improving insight into platforms connected to central log monitoring;
- Improving hardening: rollout of agents for hardening;
- Endpoint protection: rollout of agents for endpoint protection on servers and network devices;
- Improving security awareness: providing SecurX training for KPN employees in the target group;
- Improving vulnerability management: increasing the resolution time of open vulnerabilities.

These work packages have a short-term horizon.

Implementing "Security First" improvement programs

The expected outcome of the action plan related to the "Security First" strategy is to foster the right privacy and security mindset to improve security awareness among customers, employees, vendors and society as a whole, so everyone can enjoy the benefits of carefree connectivity. "Security First" contributes to achieving KSP objectives and targets by implementing the security measures and requirements that KPN must meet in its daily operations.

The organizational scope of the "Security First" improvement programs primarily concerns the operational departments of the KPN organization (TDO Network, TDO B2C Solutions, TDO B2B Solutions and B2B System Integrator). The "Security First" improvement programs are:

- Identity and access management (IAM): program to centralize IAM activities, update the IAM policy as part of the KSP, implement a new IAM solution and train and educate people;
- RVIT and NIS2 implementation: implement compliance with RVIT and NIS2 requirements;
- ISAE compliance: ensure timely and correct first-line execution of controls, second-line testing and management of the third-party audit;
- The integrated control framework (ICF) for IT and TI: designing, implementing, testing and evaluating integrated security and IT controls for compliance with multiple rules and regulations, determining the scoping process and improving automation and tooling.

These programs have a medium-term time horizon.

Social - Security

To contribute positively to improved social outcomes for consumers and/or end-users, KPN is part of various partnerships (see the previous section on engaging with consumers and end-users about impacts).

As well as implementing these work packages and improvement programs, we actively monitor external dependencies on developments in rules and regulation, geopolitics and high-risk country vendors. In 2024, we started a program to prepare the company for implementation of the Network and Information Security Directive (NIS2) and we are in the process of identifying the impact of other regulation such as the Critical Entities Resilience (CER) Directive and the Digital Operational Resilience Act (DORA) which covers critical IT service providers in the financial services industry.

KPN has various organizational functions in place to manage its material security impacts:
- CISO Office: develops the security strategy and maintains KPN's security policy (KSP);
- CISO Senior Security Officers: supervise implementation and operation of the KSP within KPN on behalf of the CISO;
- CISO Red team: the ethical hackers of this team help to detect and report vulnerabilities;
- CISO Blue team: security analysts of the security operations center (SOC) and incident responders of the KPN-CERT (Computer Emergency Response Team) detect, analyze and follow up on security events and incidents;
- CISO monitoring and reporting: builds the security watchtower for security performance monitoring and is the second line for monitoring and evaluation of the effectiveness of the KPN internal control system (KICS) for security and continuity;
- CISO implementation and special investigations: implement new legislation, e.g. NIS2, and maintain relationship with RDI, the regulatory authority;
- Decentralized security officers: security professionals in the businesses who support the organization with KSP implementation by giving advice and guidance.

Metrics and targets

In 2024, we set metrics and targets to manage KPN's material impacts, risks, and opportunities, related to the end-users of cybersecurity and data protection. These metrics provide insight in the coverage, quality, and resolution status of the most important security processes in KPN. The metrics and related targets are determined by the CISO department after consultation with internal stakeholders. Progress towards targets is monitored via the Security Watchtower, a central dashboard for measuring cybersecurity performance. Given the sensitivity of cybersecurity metrics and targets, we do not provide disclosure as this information can be exploited by external threat actors. For this reason we only disclose the metrics and targets for security awareness and security maturity of the 'Respond' function. Also these two metrics and targets are strongly linked together, as security aware personnel is better equiped to recognize threats and report incidents and a mature incident response process will be more effective in the resolution of security incidents.

Name of the metric	Number of KPN employees in target group who are SecurX certified
Result 2023	915[1]
Result 2024	2,964
Target 2024	3,500
Target 2025	5,000
Definition of metric	This metric contributes to the mitigation of the risk of cyberattacks The SecurX training is based on the KSP and is targeted at the KPN personnel in different business units of TDO and B2B. The annual target is determined by KPN CISO, included in the annual KPI-set for 2024, and reported to the COO on a monthly basis. The SecurX training must be attended by the employees and the SecurX Foundation exam must be passed, resulting in a certificate, which does not expire.
Related policy objective	KPN security policy - security awareness
Methodology	At the beginning of the year, CISO sets the SecurX target, which is based on the population (fte) size of the departments in scope and the number of planned training sessions. For 2025 the targeted units are TDO, B2B IoT, B2B SME, B2B LCE and B2B System Integrator. Furthermore, the training sessions and the certification will also be available for other personal instead of only own personal in 2024.
Performance vs target and analysis	Performance is measured and reported on a monthly basis as part of the KPN CISO extended weather report. For 2024, the outcome was below our target, mainly due to not completing the final assessment which leads to a certificate.

1 In our calculation, employees who passed the SecurX Foundation exam before July 2023 are excluded from the mandatory SecurX training, as this was determined as mandatory after this period

Social - Security

Name of the metric	Security maturity of the 'Respond' function
Result 2023	Managed
Result 2024	Defined
Target 2024	Defined
Target 2025	Defined
Definition of metric	CMMI defines the following five maturity levels for processes: Initial, Managed, Defined, Quantitatively Managed, and Optimizing. Maturity level 'Defined' for the Respond function signifies that KPN has established a set of standard security incident response processes that are document, well-defined, and tailored for use within KPN. Achieving this maturity level demonstrates that KPN can sustain long-term, structural incident response processes to mitigate the risk of cyber-attacks.
Related policy objective	KPN security policy - security and continuity management
Methodology	KPN uses the average CMMI score for the implementation of the NIST Cyber Security Framework Respond function based on our own observations and third party consultation.
Performance vs target and analysis	In 2024, we label our security maturity as 'Defined, with continuous room for improvements given the ever evolving threat landscape.

Governance - Business conduct

Governance information

BUSINESS CONDUCT

Governance

The Board of Management is, together with the Supervisory Board, responsible for KPN's corporate governance structure and its compliance with the Dutch Corporate Governance Code. The Board of Management is responsible for compliance with all relevant laws and regulations to which KPN is subject, and for creating a culture that contributes to the company's sustainable long-term value creation.

To this end, the Board of Management is responsible for adopting common values for KPN and its affiliated enterprises that contribute to a culture focused on sustainable long-term value creation and for discussing these with the Supervisory Board. It ensures the incorporation and maintenance of these values within KPN, encourages behavior in keeping with these values and propagates them through leading by example. The Board of Management pays attention to the company's existing culture and assesses whether it is desirable to implement any changes to this. It fosters social safety within KPN and the ability to discuss and report actual or suspected misconduct or irregularities. It monitors the effectiveness of and compliance with the KPN code of conduct, on the part of the Board itself and of KPN employees, and ensures that these are discussed with the Supervisory Board.

The Board of Management ensures that employees are able to report misconduct or irregularities within KPN to the CEO or a designated officer, without jeopardizing their legal position. When such matters concern the functioning of the members of the Board of Management, they must be reported to the Chair of the Supervisory Board. The Board of Management informs the Chair of the Supervisory Board without delay of any signs of actual material misconduct or irregularities within KPN or its affiliated enterprises.

The CFO is primarily responsible for formulating, communicating and executing the company’s business risk strategy. The CFO takes part in meetings of the Audit Committee to discuss risk management, KPN's internal control system and its compliance with laws, regulations and applicable codes of conduct in the areas of finance, accounting, tax and sustainability reporting.

The supervision of the Board of Management by the Supervisory Board includes, amongst other things:

- The effectiveness of internal risk management and control systems;
- The impacts, risks and opportunities faced by KPN and its affiliated enterprises in the field of sustainability;
- The integrity and quality of KPN's financial and sustainability reporting;
- The establishment and maintenance of internal procedures to ensure that all relevant information is known to the Board of Management and the Supervisory Board in a timely fashion;
- Relations between the Board of Management and KPN's shareholders;
- Compliance with laws and regulations.

Compliance with laws and regulations is important to KPN. Overall ownership of such compliance, including business conduct, is with the Board of Management. The Board of Management as a whole is responsible for oversight of business conduct related impacts, risks and opportunities and it informs the Supervisory Board at an early stage if there are any material issues. Separately, the Audit Committee within the Supervisory Board is kept up to date on compliance matters and developments. Individual members of the Board of Management and the Supervisory Board are required to be of undisputed integrity and high ethical standards, to be conscious of and to practice high standards of corporate governance, and to be able to operate critically and independently from the other members of the Supervisory Board and the Board of Management.

Governance - Business conduct

Impacts, risks and opportunities

Business conduct is a material topic for KPN and consequently included in this sustainability statement. As a large public company, we deem it important that KPN acts in an ethical, responsible and transparent way. For a description and the results of the process of identifying KPN's material impacts, risks and opportunities, see description of the process to identify and assess material impacts, risks and opportunities.

As KPN we identified the following **two positive actual impacts** for **business conduct**:

1. Promoting a strong and integer business culture and governance: KPN fosters a culture of integrity and robust governance, actively preventing corruption, bribery, and fraud. KPN enhances its reputation as a trusted business partner, positively impacting the stakeholders (customers, suppliers and employees) perceptions of KPN.

The impact is concentrated in KPN's business model by its core activities building and maintaining our infrastructure, delivering connectivity and serving our customers (refer to General disclosures for activities in our business model). In our value chain it is located in the up-, downstream and own operations. The impact geographically is located in the Netherlands, however regarding the value chain it can have a worldwide effect. Through our own activities people are affected positively. Everything KPN does, such as building and maintaining infrastructure, providing connectivity, serving customers, KPN does with integrity and promotes an integrity-based culture within the company. KPN sees an integer business culture and governance as a must to do business and is therefore fully integrated in our ESG strategy. The effects of this impact are expected to have a short time horizon.

2. Being considered as a trusted provider: KPN positively influences the perception of its stakeholders (customers, suppliers, and employees) by actively lobbying for and supporting cybersecurity policies and promoting initiatives for climate neutrality and sustainable ICT solutions.

The impact is concentrated in KPN's business model by its lobby activities and is located in the up-, downstream value chain and own operations. Through our lobby activities KPN can have a positive affect on people. KPN supports cybersecurity policies and promotes policies that support climate neutrality and sustainable ICT solutions which is important in providing connectivity. The impact geographically reaches from the Netherlands to the EU. The expected time horizon of this impact is short.

Business conduct policies and corporate culture

To emphasize our desired company culture and behavior and to create awareness in the business, we have implemented a communication and training program on compliance and integrity issues. Information that is important to share because of applicable policies, laws or regulations (or changes to these) or because of a need or demand in the business (risk- or needs-based), is shared through e-learning, workshops or classroom training. More information on our company culture and values can be found in our culture manifesto, see section "Own workforce".

The business control framework (BCF) comprises all corporate policies and guidelines that are mandatory for KPN's segments and entities. When deemed necessary (e.g. after substantial changes in policies or management), senior management receives an e-learning course on the BCF's main principles and policies.

KPN encourages all employees and external parties to report (anonymously, if desired) any misconduct or suspicion of misconduct by KPN employees.

In addition to the code of conduct, KPN has an internal webpage on speaking up, which contains answers to FAQs and guidance on various topics related to speaking up and reporting incidents.

We measure our organizational culture, compliance and integrity and engagement as perceived by our employees and report results and plans for improvement to a large part of senior management and, if required, solicit responses. Culture (including the culture manifesto) and engagement are periodically being measured by the HR pulses.

We communicate the code of conduct on our corporate website (https://ir.kpn.com/governance/code-of-conduct/default.aspx), our intranet, via mandatory e-learning training for all employees, and online learning interventions ('workouts') that target specific segments of the employee population. The effectiveness of, and compliance with, the code of conduct is structurally assessed by:

1. Actively detecting and investigating any alleged misconduct and taking appropriate disciplinary action if misconduct is substantiated.
2. Monitoring that all staff (both internal and external) have completed the e-learning on the code of conduct.
3. Quarterly reporting of incidents to the Board of Management and to the Supervisory Board.

Alongside the quarterly report on unwanted behavior, each month a broader report on security incidents is prepared by the Chief Security Officer.

Governance - Business conduct

Code of conduct (CoC)

KPN employees must comply with the rules of the CoC. The CoC describes how we deal with people, resources, and the environment. It describes KPN's values (trust, courage, and growth) and how we work in an open, transparent, honest, and socially responsible way. It covers themes related to issues including anti-bribery, competition law, and ESG. The KPN CoC applies to all KPN employees, including the Board of Management, the Supervisory Board, subsidiaries, and temporary staff. Board of Management and Supervisory Board are accountable for the CoC. KPN continuously monitors if all employees have finished the mandatory e-learnings on the CoC. The IRO related to CoC is 1. Promoting a strong and integer business culture and governance.

This internal policy is in line with UN Guiding Principles on Business and Human Rights, the Dutch Corporate Governance Code and the Dutch Whistleblower Protection Act. In setting the policy the interests of employees, customers, business partners and society have been considered.

The CoC is publicly available on KPN's website: https://ir.kpn.com/governance/code-of-conduct/default.aspx.

KPN has procedures in place for reporting misconduct, which are described in the reporting procedure and fraud control policy. By misconduct, we do not merely mean unlawful behavior such as bribery and corruption, but also behavior that violates our internal policies or that is unwanted or transgressive. Our reporting procedure describes how employees and third parties can discuss concerns or make a report. It also explains how KPN deals with reports, how privacy and confidentiality are safeguarded, and how to report anonymously. KPN also complies with legal requirements around the "prohibition of detriment" when filing a report.

KPN wants to make sure that everyone feels free to report misconduct (or suspicions of misconduct) and inappropriate behavior. It is important that all employees and workers in the value chain can do this without feeling disloyal to colleagues or to KPN, and without fear of intimidation, retaliation or any other disadvantage. KPN will protect people who report against any form of detriment in accordance with our reporting procedure.

Steps of the report-handling process of handling reports

Identifying: Information on unlawful behavior can reach us through the KPN SpeakUp line, KPN Helpdesk Security, Compliance & Integrity, reporting through the Chair of the Supervisory Board, reports made in personal conversations with a confidant within KPN, or external reporting through the Dutch Whistleblowers Authority.

Reporting: Reports are recorded in a register managed under responsibility of the Chief Security Officer. The reporter will receive, if applicable, within a reasonable time after acknowledgement of receipt (within a maximum of seven days), feedback from KPN on the assessment of and, if applicable, the follow-up to their report within three months. If the report is made by way of the SpeakUp line, both the acknowledgment of receipt and the feedback will be provided through the KPN SpeakUp line. When a report is filed through the SpeakUp line by phone, the reporting person is encouraged to call again after two working days to listen to the reply message and respond to any further questions. When a report is made through the SpeakUp line via the internet, the reporting person is encouraged to log in again after two working days (with the registration number) to read the message and respond to any further questions. If the report is made anonymously by letter to the Chair of the Supervisory Board, it is not possible for us to provide a confirmation of receipt or feedback. In this case these obligations for KPN will not apply. All reports made through the SpeakUp line are forwarded to the Chief Security Officer, who shares these with the Chief Risk & Compliance Officer and KPN's Chief Auditor.

Our whistleblower policy complies with the Dutch Whistleblower Protection Act.

Investigating: Based on the nature and content of the report, an analysis will be made and, if further action is deemed appropriate, the Chief Security Officer or a member of their staff will determine which officer will deal with the report and what actions must be taken. The appointed officer will feed the results of the investigation back to the Chief Security Officer, or to a member of their staff. They will take care of documentation and feedback to the reporting party and the responsible officers within KPN. In case a report gives reason to conduct an integrity investigation by an integrity consultant of the Corporate Security Office, then this investigation will be carried out in accordance with KPN's "protocol for integrity investigations". This protocol provides the framework for investigations into the conduct and actions of individuals. Its starting point is to strike a balance between the interests of the employer and the interests and privacy protection of the person under investigation and the reporting party/parties.

The protocol applies to all KPN employees, to employees of its majority shareholdings and to employees of companies where KPN has operational responsibility.

Further details of the various options can be found in the reporting procedure.

Whistleblower reporting channels

Employees and all third parties, including all value chain workers and suppliers, can report any misconduct (or suspicions of misconduct) that they believe KPN should be aware of. We have created a grievance mechanism, the SpeakUp line, which aims to ensure reports can be made free from any fear of retaliation or intimidation. People can contact this anonymous reporting portal

Governance - Business conduct

24/7 via a secure website. Third parties and value chain workers can speak up in their own language. KPN has an internal webpage on speaking up, which contains answers to FAQs and guidance on various topics related to speaking up and reporting. To raise awareness, the topic is included in our code of conduct e-learning, a mandatory training for all employees within KPN.

Investigations into reports are carried out under the auspices of the Chief Security Officer and the Chief Compliance & Privacy Officer. Investigators come from specialist backgrounds and are retrained on specific subject matters when necessary.

The KPN SpeakUp line is externally hosted and provided by an independent organization, the aim being to ensure that reports can be made free from any fear of retaliation or intimidation. When a complaint is made, it is sent directly to KPN, guaranteeing confidentiality and preventing someone's direct supervisor from knowing they have lodged a complaint, thereby minimizing any potential threats. KPN will investigate all reports of misconduct (or suspicions of misconduct) and inappropriate behavior and will take appropriate action. KPN is committed to investigating incidents of illicit business conduct (including corruption or bribery) promptly, independently and objectively, so that people can feel reassured that an investigation policy is in place.

Employees can report their concerns internally via the Helpdesk Security, Compliance & Integrity, the anonymous SpeakUp line, by sending a letter to the Chair of the Supervisory Board or, on request, in a personal conversation. External reporting can be done with a competent body appointed by the Dutch authorities. Further details of the various options can be found in the reporting procedure. Employees are informed about their ability to speak up through various channels, including the company intranet and the obligatory e-learning about the code of conduct.

Reporting procedure

KPN employees must be informed of the reporting procedures within KPN. The reporting procedure describes how employees, and third parties can discuss concerns or file a report. It also explains how KPN deals with reports, how privacy and confidentiality are safeguarded and how to report anonymously. It contains themes related to anti-bribery and corruption and whistleblowing.
The KPN reporting procedure applies to all KPN employees, including the Board of Management, the Supervisory Board, subsidiaries, temporary staff and employees of third parties. The Chief Security Officer and the Chief Compliance Officer are accountable for the reporting procedure. The operation of SpeakUp! is monitored on an ongoing basis as reports are processed. At the end of the year, we receive an overview of the number of notifications by an external company. At the end of every year, we receive an overview of the numbers of internal and external reports by the company who supports our SpeakUp platform. The IRO related to the reporting procedure is 1. Promoting a strong and integer business culture and governance.

In setting the policy the interests of KPN employees and employees in the value chain have been considered. The Central Works Council was involved in drafting the reporting procedure.

Publicly available via KPN website.: https://s202.q4cdn.com/886546970/files/code_of_conduct/10/Reporting-Procedure-EN-v1-0-final-July-2023.pdf.

Fraud control policy

KPN employees must be informed of and comply with KPN's fraud control policy. This policy establishes a comprehensive framework designed to prevent, detect, and respond to fraud within KPN (collectively, the “fraud risk management process”). It covers themes including anti-bribery and corruption.
The Fraud Control Policy applies to any fraud or suspected fraud, involving employees as well as the Board of Management, management, third parties with a business relationship with KPN and other third parties. The CCO is responsible for Fraud Governance, policy and communication are key components of that. The Fraud Control Officer is accountable for the fraud control policy. The IRO related to the reporting procedure is 1. Promoting a strong and integer business culture and governance.

This internal policy is in line with the Dutch Corporate Governance Code and the Dutch Whistleblower Protection Act. In setting the policy the interests of KPN and indirectly its stakeholders have been considered.

This policy is made available on our KPN intranet.

Policy for training on business conduct

As stated in our code of conduct, all our employees (including the Board of Management) are obliged to complete the code of conduct e-learning every other year. Also, everyone must complete an additional mandatory e-learning every other year on corruption and bribery.

Roles that are most at risk in respect of corruption and bribery include members of the Board of Management, senior management, purchasers and sales roles. Employees with functions of risk will also get additional training on gifts and entertainment. However, there are no targets for this additional training.

Management of relationships with suppliers

KPN manages its relationships with suppliers through the implementation of the supplier code of conduct (SCoC). The SCoC covers business conduct IRO 1: Promoting a strong and integer business culture and governance, for the SCoC reference is made to the section "Workers in the value chain". KPN commits to responsible procurement based on our core values pertaining to business ethics and social and environmental commitments. We require our suppliers to comply with the principles as set out in the SCoC. Supplier must make every effort to implement these principles across their entire supply chain. KPN may reconsider its relationship with a supplier that does not comply with the SCoC.

Governance - Business conduct

To measure progress and evaluate suppliers' ESG criteria, KPN uses EcoVadis scorecards. The scores are evaluated yearly, as the EcoVadis scorecard for each supplier is published once a year. There is no specific threshold for the end of the business relationship in the event of low EcoVadis scores. However, both KPN and EcoVadis do make suggestions for improvements if low scores are achieved. In addition, EcoVadis has a tool called the EcoVadis Academy which is used to educate suppliers, to help them improve their scores. Moreover, KPN employs a double materiality and risk assessment approach to calculate the impacts on its supply chain and account for supply chain-related sustainability matters.

KPN's procurement policy guides us in sourcing, contracting and managing our suppliers that deliver products or services, and our suppliers' sustainable performance plays a role in this. For our procurement policy, see the "Workers in the value chain" section.

Our procurement process is based on a competitive comparison of suppliers, and in the selection of a supplier it applies economic and technical criteria, as well as the following social and environmental criteria:
- Compliance with the KPN supplier code of conduct;
- EcoVadis assessment (suppliers spend > €300k);
- Onsite audits (high-risk suppliers);
- Design for environment and reducing the use of virgin raw materials;
- Extending and optimizing product use;
- Increasing reuse and recycling, and minimizing incineration and waste to landfill.

Prevention and detection of corruption and bribery

The Corporate Security Office is responsible for investigations and is separate from business management. It undertakes root cause analysis and determines corrective actions.

Every month, reports and investigations are reported by the Corporate Security Office to the Board of Management and senior management, including the business units.

For employees, KPN refers to its code of conduct and other internal policies and where to find them in the employment contract, which is signed at the start of employment. To spread awareness, the main topics in these policies are communicated through mandatory e-learnings. The reporting procedure and fraud control policy can be found on the TeamKPN intranet.

We distinguish between two target groups when talking about bribery and corruption. The first comprises customers and employees (examples: fraud, verbal abuse and transgressive behavior) and the second comprises the supply chain. All our employees (including the Board of Management) are obliged to complete the code of conduct e-learning every other year. Topics related to bribery and corruption, such as conflicts of interest, fair competition and gifts and invitations are included in this training.

Metrics and targets

	Confirmed incidents of corruption or bribery	Completion of code of conduct e-learning	Functions-at-risk covered by training programs
Result 2023	0	93%	n/a
Result 2024	0	89%	96%
Target 2024	n/a	95%	95%
Target 2025	n/a	95%	95%
Performance	Stable	2024 result is below target, mainly because additional reminders were not sent, on top of the regular system reminders, as we will go live with the new code of conduct from 2025.	No specific explanation that result 2024 is above target.

Methodologies of metrics

Incidents of corruption or bribery

Incidents are reported, recorded and counted. The fewer incidents the better, however KPN has not set any targets or plans to set targets. KPN includes incidents involving actors in KPN's value chain only where KPN or its employees are directly involved. In the calculation no assumptions were made. In 2024, KPN was not convicted for violation of anti-corruption and anti-bribery laws (2023: 0).

Completion of code of conduct e-learning

All our employees (including the Board of Management) are obliged to complete the code of conduct e-learning every other year. Topics on bribery and corruption are included in this training. Completion is reported, recorded and the percentage is calculated by dividing all trained employees by total employees (applicable for employees of KPN B.V. and agency workers, excluding the subsidiaries). Generally targets are reviewed and set with the central CSR team and then approved by the Board of Management. However, the 95% target has remained stable over the past years and was not reconsidered annually. The target remains the same for 2025. No stakeholders were directly involved in setting the target, employees are informed about the targets set by KPN, for example via management.

Governance - Business conduct

Functions-at-risk covered by training programs
Functions-at-risk are those functions deemed to be at risk of corruption and bribery as a result of its tasks and responsibilities. These include members of the Board of Management, senior management, purchasers and sales roles. The training comprises of an e-learning including the topics about a.o. gifts and invitations. The metric is calculated by dividing all trained employees functions-at-risk by total employees functions-at-risk (only applicable for KPN B.V., excluding the subsidiaries). Targets are reviewed and set with the central CSR team and approved by the Board of Management. No stakeholders were directly involved in setting the target.

Political influence and lobbying activities

KPN actively engages with policymakers in politics and government, and sponsors activities that help to generate public debate around the consequences of digitalization, as well as develop actions to address these. All our engagements and advocacy activities are managed by the External Affairs department under the supervision of our EVP for External Affairs. These activities encompass engagement with key policymakers from the European Commission and the European Parliament, as well as relevant regulatory authorities such as the Body of European Regulators for Electronic Communications (BEREC).

In addition, we actively collaborate with national governments, ministries, regulatory authorities involved in digital policymaking and politicians to advocate for policies that support our initiatives and align with both European and national objectives. We also promote policies that foster climate neutrality and sustainable ICT solutions, recognizing the positive impact these initiatives have on our stakeholders, including customers, suppliers, and employees.

Furthermore, these activities are closely coordinated with our member associations, including GSMA, Connect Europe, and NL Connect, to ensure a unified approach to advocacy and to amplify our collective voice in shaping policies that influence the industry.

For KPN, as a predominantly Dutch operation, policy is primarily shaped in Brussels and The Hague. The focus of our engagement is therefore aimed at policymakers in these cities. To increase relevance with policymakers, our aim is to cooperate as much as possible with other like-minded companies. To this end, KPN participates in trade organizations active in the Netherlands as well as at a European level and contributes to these organizations.

These contributions account for most of the disclosed amounts disclosed on the next page. The sums apportioned to Brussels are part of the sums disclosed in the EU Transparency Register to which KPN has subscribed from the start. The Transparency Register also encompasses an estimation of staff costs.

Finally, KPN contributes to ITU. This is a standardization body and United Nations agency, not a trade organization, and is not included in the sums presented.

KPN does not financially, or in any other way, support political parties or candidates for political positions. KPN does engage with national and regional authorities through knowledge-sharing to facilitate informed regulatory policy measures. KPN contributes to sector organizations representing the interests of KPN in specific fields. Management upholds strict standards on ethical and transparent behavior.

Employees who are politically active must ask for permission if they have paid political roles, for example if they are a member of municipal or regional councils. KPN's policy has always been to approach policymakers directly, rather than using external public affairs agencies to speak on its behalf.

KPN allocates approximately €1 million annually for membership and other expenses in lobbying and trade associations.

Governance - Business conduct

Trade organizations

Name of trade organization	Type of trade organization	Geographic scope
GSMA	Trade body representing the interests of mobile operators worldwide	Global
Connect Europe	Trade body representing Europe's telecommunications network operators	The European Union
VNO-NCW	Trade body representing industry and employers in the Netherlands	The Netherlands
NL Connect	Trade association for IT, telecoms and internet companies	The Netherlands
FME (up to and including 2024)	Trade association in the technology industry	The Netherlands
NIVD	Trade association for the positioning of the Netherlands' defense- and safety-related industry	The Netherlands
VEMW	Trade body and knowledge center representing commercial users of electricity and water in the Netherlands	The Netherlands
Cyber veilig NL	Trade body representing the interests of the cybersecurity sector	The Netherlands
ECP	Platform for information society	The Netherlands
Hague Security Delta	Cluster in the security domain	The Netherlands
DDMA	Association for data-driven marketing	The Netherlands
WDTM	Association for healthcare technology	The Netherlands
CCE	Trade body representing Europe's largest industrial and financial groups	The European Union
Nederlande Orde van Belastingadviseurs	Trade body representing tax advisers in the Netherlands	The Netherlands
UN Global Compact	Non-binding pact of the United Nations to encourage businesses and corporations worldwide to adopt sustainable and socially responsible policies and report on their implementation	Global
Monet	Platform for Dutch mobile telecoms operators, focused on coordinating network infrastructure.	The Netherlands
MVO Nederland	Dutch organization that promotes sustainable and socially responsible business practices, supporting companies in making a positive impact on people, the planet, and profit.	The Netherlands
ICC Nederland	Local department of International Chamber of Commerce	The Netherlands

KPN's advocacy efforts focus on creating an investment-friendly regulatory environment for telecommunications. This environment aims to promote digital inclusion, ensuring that everyone in the Netherlands can access our secure, reliable, and sustainable networks while maximizing customer value.

KPN advocates for cybersecurity regulations to protect networks and customer data. This aligns with our commitment to privacy and network quality, as detailed in our materiality assessment. By supporting cybersecurity policies, KPN mitigates risks related to data breaches and strengthens our competitive position through investments in secure network infrastructure.

KPN promotes policies that support climate neutrality and sustainable ICT solutions. For example, we have advocated for the inclusion of telecoms in the EU taxonomy, which aims to reduce climate impacts and leverage opportunities for sustainable innovation in ICT. This approach aligns with our materiality assessment on sustainable ICT solutions and product innovations.

Although KPN does not have a dedicated advocacy plan specifically for improving working conditions and ethical business practices, we support such initiatives. Our commitment to responsible business practices and enhancing conditions for our workforce and partners is a priority and is reflected in our materiality assessment.

In summary, our advocacy activities are closely connected to KPN's positive impact as a trusted provider. Our support for cybersecurity regulations helps mitigate data breach risks. Our efforts in climate change and sustainability work to reduce environmental impacts and foster sustainable ICT innovations. Our focus on digital inclusion ensures equitable connectivity, and our support for improved working conditions aligns with our commitment to ethical practices."

KPN is registered in the EU Transparency Register (register no: 38392131923-05).

Koninklijke KPN N.V. is registered at the Chamber of Commerce (file no. 02045200).

No members of the Board of Management nor the Supervisory Board have held a comparable position in public administration (including regulators) in the two years preceding their appointment.

Composition of the Supervisory Board

Composition of the Supervisory Board

The Supervisory Board oversees strategic policymaking by the Board of Management and the way in which the Board of Management manages and directs KPN's operations. KPN's Supervisory Board currently consists of nine none-executive members. On 20 February, Mr. Plater stepped down as a member of the Supervisory Board, following the reduction of América Móvil's stake in KPN to below the threshold as agreed in the 2013 relationship agreement between KPN and América Móvil. Mr. Shuter was appointed as a new member of the Supervisory Board at the Extraordinary General Meeting on 1 October 2024.

Following these changes to the composition of the Supervisory Board, its gender diversity ratio is 33% female and 67% male. All members of the Supervisory Board are independent within the meaning of the Dutch Corporate Governance Code. And all members comply with clause 2:142a of the Dutch Civil Code, which limits the number of positions on a supervisory or management board that a director may hold.

Mr. Spanbroek, General Counsel and Company Secretary, acts as Secretary to the Supervisory Board.

Name	Year of birth	Gender	Nationality	Start of term	End of current term	Audit Committee	Nominating & Corporate Governance Committee	Remuneration Committee	ESG Committee
G.J.A. van de Aast (Chair)	1957	male	Dutch	14 April 2021	2025		Chair	x	
H.H.J. Dijkhuizen	1960	male	Dutch	1 July 2023	2027	Chair			x
F. Heemskerk[1]	1969	male	Dutch	12 April 2023	2027			x	x
M. de Jager	1968	female	Dutch	1 June 2023	2027	x			x
K. Koelemeijer[1]	1963	female	Dutch	13 April 2022	2026		x	x	
B.J. Noteboom (Vice-chair)	1958	male	Dutch	12 April 2023	2027		x	Chair	
E.J.C. Overbeek	1967	male	Dutch	4 September 2017 14 April 2021	2025				x
J.C.M. Sap[1]	1963	female	Dutch	15 April 2015 10 April 2019 12 April 2023	2025	x		x	Chair
R. Shuter	1967	male	British & South African	1 October 2024	2028	x			

1 Appointed based on the enhanced right of recommendation of the Central Works Council

Composition of the Supervisory Board

Gerard van de Aast

Mr. Van de Aast was appointed as a member of the Supervisory Board on 14 April 2021 and has chaired the Supervisory Board since 13 April 2022. His current and first term of office ends in 2025. Mr. Van de Aast is currently Chair of the Supervisory Board of Signify N.V. He is a seasoned executive with a recognized track record at board level in various sectors ranging from construction to software engineering, both in the Netherlands and abroad. His executive experience includes CEO positions at Reed Business, VolkerWessels and Imtech.

Frank Heemskerk

Mr. Heemskerk was appointed as a member of the Supervisory Board on 12 April 2023. His current – and first – term of office ends in 2027. Mr. Heemskerk has been Executive Vice President Public Affairs and Countries at ASML since 1 February 2024. Until that date, he was Secretary General of the European Round Table for Industry in Brussels. Mr. Heemskerk's previous roles include both executive positions at Royal Haskoning DHV and the World Bank in Washington DC, and positions in public service as Minister for Foreign Trade within the Dutch Ministry of Economic Affairs (also responsible for IT and telecoms regulations) and member of parliament for the Dutch Labor Party (PvdA).

Herman Dijkhuizen

Mr. Dijkhuizen was appointed as a member of the Supervisory Board as of 1 July 2023. His current – and first – term of office ends in 2027. Mr. Dijkhuizen is currently Chair of the Supervisory Board of NS Group and a member of the Supervisory Board of Tata Steel Netherlands. Previously, he was a member of the Board of Management and CFO of NIBC, and partner and Chair of the Board of Management at KPMG. Mr. Dijkhuizen also holds a Supervisory Board positions at the Kröller-Müller Museum (Chair).

Marga de Jager

Ms. De Jager was appointed as a member of the Supervisory Board on 1 June 2023. Her current – and first –term of office ends in 2027. Ms. De Jager is currently the CEO of ANWB (the Royal Dutch Touring Association) and chairs the Supervisory Board of ANWB's insurance company Unigarant, as well as the Mobility Alliance. She is a member of the Advisory Board of the Dutch Cancer Society (KWF). Prior to her current roles, Ms. De Jager was director of ANWB's emergency center, and responsible for marketing and sales of the consumer and B2B divisions for roadside assistance. Before joining ANWB, she worked in several commercial positions at Leaseplan.

Composition of the Supervisory Board

Kitty Koelemeijer

Ms. Koelemeijer was appointed as a member of the Supervisory Board on 13 April 2022. Her current – and first – term of office ends in 2026. Ms. Koelemeijer is a full Professor of Marketing at Nyenrode Business University. She has a strong background in marketing, supply chain management, innovation, digital transformation, retail and digital commerce. Ms. Koelemeijer combines her academic work with several supervisory board roles at both listed and non-listed companies, advocacy groups and charities. She is a member of the Supervisory Board of Intergamma and holds supervisory roles at NLinBusiness, Vereniging Eigen Huis and Fonds Gehandicaptensport.

Edzard Overbeek

Mr. Overbeek was reappointed as a member of the Supervisory Board on 14 April 2021. His second term of office ends in 2025. Having spent over 30 years in the information and communication technology industry, Mr. Overbeek has gained extensive experience in the global digital and communication sector. He is former CEO of HERE Technologies and, prior to that, he held several management roles at Cisco, including leading the global services organization and the Asia-Pacific region.

Ben Noteboom

Mr. Noteboom was appointed as a member and Vice-chair of the Supervisory Board on 12 April 2023. His current – and first – term of office ends in 2027. Mr. Noteboom is a seasoned executive with a recognized track record in Dutch and international business, most notably as former CEO of Randstad and in various supervisory board positions at Ahold Delhaize, Wolters Kluwer and Corporate Express. Mr. Noteboom is currently Chair of the Supervisory Boards of AkzoNobel and of Vopak.

Jolande Sap

Ms. Sap was reappointed as a member of the Supervisory Board on 12 April 2023. Her current, third term of office is for two years, ending in 2025. Ms. Sap is dedicated to making the business world and society at large more sustainable. She is Chair of the Supervisory Board of the University of Amsterdam (UvA), a non-executive director of Renewi PLC, and a board member of the Dutch Emissions Authority. Between 2008 and 2012, Ms. Sap represented the Dutch Green Party (GroenLinks) in the lower house of the Dutch parliament, during the last two years of which she was party leader. Before that, she worked as an economist in the fields of science, policy and business.

Composition of the Supervisory Board

Rob Shuter

Mr. Shuter was appointed as a member of the Supervisory Board on 1 October 2024. His current – and first –term of office ends in 2028. He is a non-executive director of Drax Group plc and Sir Fruit (Pty) Ltd, and a member of the board of trustees of the Duke of Edinburgh's Award. Mr. Shuter has held various executive positions in the telecommunications industry, including at BT Enterprise, MTN Group, Vodafone Europe Cluster and Vodafone Netherlands.

Supervisory Board report

The year 2024

2024 was the first year of the implementation of the updated Connect, Activate & Grow strategy as announced in late 2023. Under this strategy, KPN is continuing its fiber rollout and network investments, while aiming to further increase usage thereof via its wide range of services. Overall, KPN delivered on its plans and promises for 2024 through e.g. strong fiber rollout, mobile customer growth, the transformation of the system integrator (Tailored Solutions), continued growth in SME and a strong societal positioning under the "#BetterInternet"-label. Challenges were observed in broadband growth, cost reduction and the structural inflection in the LCE business, which have the attention of both Boards.

In a turbulent world and geopolitical landscape, KPN is well positioned to support its customers in their communication and IT needs, with globally leading network quality, security embedded in all we do, state-of-the-art services and a broad and recognized position in Dutch society. Our employees – who make us who we are and enable us to offer the best possible services to our customers – are KPN's core asset, and their strong commitment is highly valued. The Supervisory Board is pleased to note the dedication to employee well-being, including through a modern set of labor conditions. Our shareholders have benefited from strong shareholder returns and reliable delivery on our promises. The Supervisory Board values the strong, balanced, team in the Board of Management that can balance all stakeholder interests and move the company ahead in its aim for long-term value creation.

What we did

Throughout the year, the Supervisory Board continued to monitor the operational and financial performance of the company and the way in which the Board of Management manages this. On a quarterly basis, the Supervisory Board monitors financial and key operational performance, including items as fiber rollout, customer growth, NPS and employee engagement, next to key financial metrics per segment. In these discussions we focus on both successes and challenges, such as the cost reduction ambitions or the turn-around of the LCE business segment. It is regularly updated on cybersecurity threats and activities, which is a key priority for KPN as supplier of vital infrastructure in the Netherlands. Another topic of constant attention is the rise of artificial intelligence and its impact on the company – both as an opportunity (e.g., to enhance quality and/or efficiency) and as a threat (e.g. through disruptive and still unforeseen competing business models). In the first half of the year ample time was spent on a review of the Dutch broadband market and its main actors, and strategic choices or opportunities in this market. This analysis enables the company to evaluate and refine the choices made in the strategic plan.

Specific attention was paid to a number of sizeable transactions, including the closing of the acquisition of Youfone (following regulatory approval) and the proposed joint venture for mobile towers. We furthermore discussed and approved the strategy and financial mandate for the 3.5GHz spectrum auction in summer and were pleased with the outcome thereof. We also reviewed and approved a number of corporate finance transactions, including the €200m share buyback program and the issuance of two bonds, partly in combination with tenders or early redemptions of existing bonds. Towards the end of the year, we reviewed and subsequently approved the business plan and budget for 2025, in line with the long-term strategic plan.

A specific, informal meeting was held on deep dives into a number of ESG themes with high relevance for the company, including on the road to net-zero and the company's position and views on diversity, equity and inclusion. The Supervisory Board was very pleased with the societal campaign to combat online shaming, expressed through a song and video by Meau (*"Stukje van mij"*) and supported by a broad campaign with specialized partners. The campaign was widely recognized and awarded and showed KPN as a responsible and involved member of society. Ample time was devoted (mainly via the Audit Committee) to the implementation of CSRD based reporting – leading to the first-time inclusion of the sustainability statement in this integrated annual report.

The Supervisory Board noted the divestment of AMX's shareholding in KPN, marking the end of a 10-year period in which AMX was KPN's largest shareholder. Following this divestment, Mr. Plater – who had been appointed to the Supervisory Board based on an agreement with AMX – stepped down from this position in February. The Supervisory Board is grateful to Mr. Plater for his contribution and valuable insights during his tenure. From 1 October the vacancy that had arisen was filled by the appointment of Mr. Shuter, a seasoned telco expert.

We continued our regular dialogues with employees of the company other than the Board of Management, including with the Central Works Council. We highly value this interaction, as it enables us to better understand the culture and mindset in the broader company. At least once per year, the Supervisory Board evaluates the performance of the Board of Management and its members, including based on feedback from employees. At the AGM, we proposed – and our shareholders approved –

Supervisory Board report

slight updates to the remuneration policy for both the Board of Management and the Supervisory Board to ensure this policy continues to be aligned with market practice and the company's strategy.

About the Supervisory Board

The composition of the Supervisory Board changed last year with the resignation of Mr. Plater (from 20 February) and the subsequent appointment of Mr. Shuter (from 1 October). In 2025, three members of the Supervisory Board will reach the end of their term of appointment: Mr. van de Aast (end of first term), Mr. Overbeek (end of second term) and Ms. Sap (end of third term).

The Supervisory Board continues to have a good mix of backgrounds and experience, supporting a diversity of views on a wide range of topics. The profile of the Supervisory Board was revised during the year and is available on the company's website. An overview of the current skills and competences in the Supervisory Board is provided in the skills matrix (composition as at 31 December 2024).

Skills / characteristics	Gerard van de Aast	Herman Dijkhuizen	Frank Heemskerk	Marga de Jager	Kitty Koelemeijer	Ben Notenboom	Edzard Overbeek	Jolande Sap	Rob Shuter	
Business leadership	x	x	x	x		x	x		x	
Industry knowledge (telco/IT)	x		x				x		x	
Industry knowledge (digitalization)	x				x		x		x	
Industry knowledge (cybersecurity)							x		x	
Commercial	x	x		x	x	x	x		x	
Operational	x	x		x		x	x		x	
International experience	x		x			x	x		x	
Society / government relations	x	x	x	x	x	x		x		
ESG		x	x					x		
Employment / social relations	x		x	x	x			x	x	
Stock listing / financial markets	x	x				x			x	
Finance, audit & risk	x	x						x	x	
Diversity										Ratio
Executive / non-executive (primary profile)	NE	NE	E	E	NE	NE	E	Ne	NE	33%/66%
Gender (male/female/other)	M	M	M	F	F	M	M	F	M	66%/33%
Nationality (Dutch/other)	NL	NL	NL	NL	NL	NL	NL	NL	GB/SA	89%/11%
Independence (yes/no)	Y	Y	Y	Y	Y	Y	Y	Y	Y	100%/0%
Age (year of birth)	1957	1960	1969	1968	1963	1958	1967	1963	1967	

The Supervisory Board currently consists of three women and six men, i.e. one-third female members. The Supervisory Board remains strongly committed to the principle that a board should have a diverse composition, in gender, but also in skills and experience. We note that the Board of Management currently consists of 50% female and 50% male members.

Since the resignation of Mr. Plater, all members of the Supervisory Board, including the Chair, are independent of the company as provided in best practices 2.1.7 to 2.1.9 of the Dutch Corporate Governance Code. Mr. Plater, who was nominated by KPN's shareholder América Móvil, was not considered independent under these provisions. At all times, the composition of the Supervisory Board was such that the members were able to act critically and independently of one another, the Board of Management and any particular interest involved. See Note 23 to the consolidated financial statements for information on related party transactions.

The Supervisory Board annually evaluates its own performance. In 2024, the evaluation was supported by an independent consultant. The evaluation was based on a combination of a questionnaire and interviews held by the consultant with all members of the Supervisory Board, the CEO, CFO, CHRO and the Company Secretary. The findings were laid down in a report by the consultant, which was discussed in a Board meeting in January 2025. The Supervisory Board was satisfied with the open and transparent relation with the Board of Management, with the role of the chair and secretariat, and with the overall governance structure of the company. The addition of an ESG Committee had helped to further increase focus on the review of the company's ESG strategy and its execution. The Supervisory Board decided to implement certain changes to its meeting structure to allow

Supervisory Board report

for more room to discuss material business topics, as well as the company's future strategy. It also invited all members to fully contribute their experience and views to the Supervisory Board's deliberations, so as to have the broadest possible views. Finally, the Supervisory Board would maintain an open dialogue as to its composition and the required skillset.

The Supervisory Board also periodically evaluated the performance of the Board of Management and its members. The evaluation took place in spring 2024, based on interviews with the individual members of the Board of Management, feedback from the CEO and feedback from direct reports of the members of the Board of Management. The overall conclusion was that the Supervisory Board was satisfied with the performance of the Board of Management. Individual feedback was shared if and where relevant. In autumn, a mid-year round of conversations was held with each of the members of the Board of Management. The Nominating & Corporate Governance Committee is charged with this evaluation.

Early in 2024, the Supervisory Board received training by company experts on ESG aspects relevant for the company, including on CO_2e and net-zero targets, diversity and CSRD. The latter topic (CSRD) was also the subject of a deep dive educational session in the Audit Committee. In September, the Supervisory Board spent a day on deepening its understanding on specific parts of the business, such as IoT, distribution and the (core) network, including through highly valued site-visits.

Meetings

The Supervisory Board met on nine occasions in 2024, of which seven were regularly scheduled and two were scheduled ad hoc to discuss matters at hand, including an M&A opportunity and the composition of the Board.

The overall attendance at the Supervisory Board meetings was 91%, with attendance at regularly scheduled meetings at 98%. An overview of attendance per member of the Supervisory Board and per committee is provided in the table below.

Name	Board (9)	Audit (6)	RemCo (5)	NomCo (6)	ESG (4)
Mr. Van de Aast	100%		100%	100%	
Mr. Dijkhuizen[1]	89%	100%			100%
Mr. Heemskerk	89%		100%		50%
Ms. De Jager	89%	83%			100%
Ms. Koelemeijer	89%		100%	100%	
Mr. Overbeek	78%				100%
Mr. Noteboom	100%		100%	100%	
Mr. Plater[2]	100%	100%			
Ms. Sap	89%	100%	100%		100%
Mr. Shuter[3]	100%	100%			
Total	**91%**	**95%**	**100%**	**100%**	**89%**

1 Joined the ESG Committee 23/7/2024

2 Member until 20/2/2024 (two Board meetings)

3 Member as of 1/10/2024 (two Board meetings)

Supervisory Board meetings typically start and end with a closed session (i.e. without the presence of management), in which the members prepare or evaluate the meeting. In the quarterly meetings, typically the full Board of Management is present to review the performance over the past period and discuss key strategic topics. For other or ad hoc meetings, different participation from the Board of Management may be agreed.

Committee Reporting

The Supervisory Board has established four committees that prepare the deliberation and decision-making by the full board: the Audit Committee, the Remuneration Committee (RemCo), the Nomination & Corporate Governance Committee (NomCo) and the ESG Committee. The main considerations and conclusions of each committee were shared with the full Supervisory Board and the meeting documents and minutes are available to all members of the Supervisory Board, which takes the final decision in all matters.

Audit Committee

The Audit Committee held six meetings in 2024, all of which were also attended (at least in part) by the CFO, the external auditor EY Accountants B.V., the internal auditor and the EVP Corporate Control. Mr. Dijkhuizen chairs the committee. The Chair of the Supervisory Board frequently attended the meetings of the Audit Committee as a permanent invitee. The Audit Committee – as well as the Chair of the Supervisory Board – met separately with the external auditor.

Supervisory Board report

In line with its tasks, the Audit Committee reviews and discusses all financially relevant matters that are presented to the Supervisory Board, most notably the quarterly and annual financial results and reports and (the financial and risk-related aspects of) the business plan. Overall, the Audit Committee was satisfied with the processes around external reporting as operated by the company, as was also confirmed by the reports from the internal and external auditors.

During 2024, the Audit Committee paid extensive attention to sustainability reporting under CSRD. The CFO and the project team regularly updated the committee on progress in the tremendous effort that had to be made. The external auditor also provided its views on the status and quality of the process. In particular the committee reviewed the double materiality assessment as drawn up by the Board of Management and concurred with its conclusions. It also noted the efforts already being made to implement an internal control framework, and a data process, to further strengthen the reliability of the reported sustainability information in the years ahead. For the 2024 reporting, the external auditor would perform its review of the sustainability statement on a "limited assurance" basis.

The Audit Committee has a specific focus on the effectiveness and outcome of the company's internal control framework and the risk management systems, for which it receives and reviews reports by the internal audit and compliance departments. Each quarter, the Audit Committee also reviews the observations of the external auditor as included in its board report. The audit plans, both for the internal and external auditors, are annually reviewed by the Audit Committee, and are subsequently submitted to the full Supervisory Board for its approval. Throughout the year, the Audit Committee paid specific attention to fraud risk management, also in light of the company's low tolerance to matters of fraud. A full review of both the governance and policies in respect of fraud risk management was performed, and improvements to the execution of periodic fraud risk assessments, related control measures and awareness activities were being implemented under the leadership of the compliance department. As confirmed by the internal audit department, this has further improved the overall maturity level of the company's fraud risk management. Other key aspects of the committee's oversight in this area included regulatory compliance, health and safety and third-party reporting.

Other topics of the committee's review included taxation, treasury and financing, and the company's shareholder remuneration, consisting of both dividends and a share buyback program. In evaluating the proposed shareholder remuneration, the committee balanced this against the anticipated cash flows, expenditures, funding requirements and stakeholder interests, and concluded that it could support the proposals put forward by the Board of Management.

EY was engaged by the Supervisory Board as auditor of KPN on 9 April 2014, as of the audit for the year 2015 and has operated as statutory auditor ever since that date. As of financial year 2025, PwC will take over as KPN's external auditor, as approved by the AGM in April 2024. The Audit Committee and Supervisory Board are grateful to EY for their professionalism and critical butt constructive stance over the past ten years. Their input, both on financial and other aspects, has been highly valuable and has made KPN a better company.

Remuneration Committee

The Remuneration Committee met five times in 2024. Mr. Noteboom serves as chair of this committee. The CEO and Chief People Officer attended the committee meetings. The committee assisted the Supervisory Board in executing and reviewing KPN's remuneration policy and ensuring that members of the Board of Management are compensated consistent with that policy.

For an overview of the activities of the Remuneration Committee in 2024, and further details on the remuneration policy and its application, as well as the review of the remuneration policy, see the remuneration report starting on page 172.

Nomination & Corporate Governance Committee

The Nomination & Corporate Governance Committee met on six occasions in 2024, mostly with the CEO and Chief People Officer attending. Mr. van de Aast chairs the committee.

When Mr. Plater resigned from the Supervisory Board, following the reduction of AMX' shareholding in KPN, the committee considered his potential succession. Following the committee's recommendation, the Supervisory Board concluded that it wished to fill the position with a candidate with specific telco industry expertise. The committee subsequently led the process leading to the nomination and appointment of Mr. Shuter as of 1 October.

At the closing of the AGM in 2025, the terms of appointment for Mr. van de Aast (first term), Mr. Overbeek (second term) and Ms. Sap (third term) will expire. Mr. van de Aast is available for reappointment, and the committee and Supervisory Board intend to nominate him for reappointment. The Supervisory Board is considering the other vacancies by determining the profile for a potential candidate, while aiming for to decrease its membership to eight members (in line with earlier practice).

The committee also evaluated the performance of the Board of Management and its members on key leadership traits as well as operational performance, using a thorough assessment process including views from the Supervisory Board itself, the Board of Management and direct reports to the Board of Management. Finally, the committee steered the annual evaluation of the Supervisory Board itself (see above – 'About the Supervisory Board').

Supervisory Board report

ESG Committee

The ESG Committee met on four occasions in 2024. Ms. Sap chairs the meetings. All meetings were attended by the CEO. Other members of the Board of Management attended the meeting depending on the topics for discussion. The purpose of the ESG Committee is to support the Supervisory Board in overseeing the development and implementation of the company's sustainability strategy and the goals related to this, as part of the company's overall strategy for sustainable long-term value creation.

In its meetings, the ESG Committee took deep-dives into the three main pillars of the company's ESG strategy and manifesto: *responsible*, *inclusive* and *sustainable*. On each of these pillars, it discussed the various underlying goals and targets, achievements to date, key initiatives and dilemmas. Topics discussed included value chain cooperation towards net-zero, the addition of biodiversity as an upcoming strategic topic (despite it not being considered 'material' under the CSRD double materiality assessment), cybersecurity, human rights, social inclusion and digital inclusion, including accessibility. The committee met with various company specialists and members of senior management to discuss how best to integrate sustainability goals in every day company governance.

To ensure full alignment between sustainability strategy and governance (reviewed by the ESG Committee) and sustainability reporting (reviewed by the Audit Committee), the Supervisory Board decided that the chairs of each of these committees would *ex officio* be a member of the other committee. Consequently, Mr. Dijkhuizen joined the ESG Committee.

Financial statements

The financial statements for the year ended 31 December 2024, were prepared by the Board of Management and approved by the Supervisory Board. The Report of the independent auditor, EY Accountants B.V., is included in the section "Other Information" on pages 259 to 274. The Supervisory Board recommends that the AGM adopts these financial statements.

Final remarks

The year behind us showed solid performance, important strategic moves, and a decisive and diverse management team. We are grateful to our employees for their continued dedication and commitment, to our customers for their loyalty and to our shareholders for their support.

We are proud to contribute to a Better Internet.

Gerard van de Aast, Chair

Herman Dijkhuizen

Frank Heemskerk

Marga de Jager

Kitty Koelemeijer

Ben Noteboom

Edzard Overbeek

Jolande Sap

Rob Shuter

Remuneration report

Letter from the Chair of the Remuneration Committee
Dear stakeholders,

On behalf of the Remuneration Committee, I am pleased to report on the activities of the committee in 2024 and present to you the remuneration report for 2024. This remuneration report has been prepared in line with the requirements under Dutch law and the Dutch Corporate Governance Code and will be submitted to the annual general meeting (AGM) for an advisory vote. The remuneration report 2023 was submitted to the AGM for an advisory vote on April 17, 2024, resulting in 96.27% "for" and 3.73% "against". This outcome supports the overall conclusion that KPN's remuneration report is considered to be in line with current best practices. This 2024 remuneration report builds on the same principles and structure.

During the first months of 2024, we finalized our review of the remuneration policy for the Board of Management and Supervisory Board, which was last amended in 2020. A comprehensive evaluation was conducted by the Remuneration Committee, taking into account relevant legal requirements, guidelines set out in the Dutch Corporate Governance Code, and a thorough stakeholder engagement process, which included the Central Works Council. The objective of the remuneration policy is to attract, reward and retain necessary leadership talent, in order to support the execution of the company's strategic objectives. The revised remuneration policy was submitted to the 2024 AGM and was adopted with 96.63% support.

In November 2023, we communicated our Connect, Activate & Grow strategy update for 2024 and through to 2027. During 2024, we continued to execute on this strategy as planned. We are steadily expanding our fiber footprint in the Netherlands, while delivering healthy financial results despite the enhanced competitive environment. In addition, our Connect, Activate & Grow strategy includes an integrated ESG agenda, showing how our company's growth and social progress are intertwined to fit our purpose to connect everyone in the Netherlands to a sustainable future. The Remuneration Committee believes the main principles of the remuneration policy for the members of the Board of Management supports this strategy.

As part of its annually recurring tasks, the committee defined the level of pay-out for individual members of the Board of Management as part of the STI plan 2023 and LTI grant 2021. It also determined the financial and non-financial targets and performance criteria for the STI and LTI plans 2024. The Supervisory Board remains focused on the importance of ESG and our role in Dutch society. To this end, for the LTI plan of 2024, both a gender diversity target and a Scope 3 emissions reduction target will be continued each with an equivalent weighting of 15% on target. During the various Remuneration Committee meetings in the second half of 2024, the committee reviewed anticipated realization levels of the STI 2024 and LTI 2022 plans.

The committee considered whether the remuneration of the members of the Board of Management was still at the overall market-competitive pay-levels, as this had not been changed since 2022. During this process, the committee viewed the remuneration of the Board of Management against the updated employment market peer group, as laid out in the revised remuneration policy, and the development of the general CLA increases for KPN employees. Considering all appropriate factors, the committee decided to increase the base salary of the members of the Board of Management by 3% and that of the Chief Financial Officer by 7%, with effect from June 1, 2024. The committee also reviewed the remuneration of the Supervisory Board against developments in the employment market peer group in line with the revised remuneration policy. It was decided to increase Supervisory Board and committee fees as disclosed in the remuneration policy and the "Supervisory Board" section of this remuneration report.

I trust that this remuneration report provides our stakeholders with the relevant information they need on the implementation of the company's remuneration policy.

Ben Noteboom
Chair of the Remuneration Committee

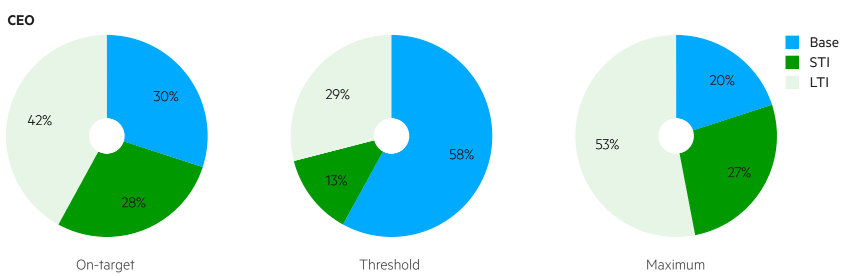
Remuneration report

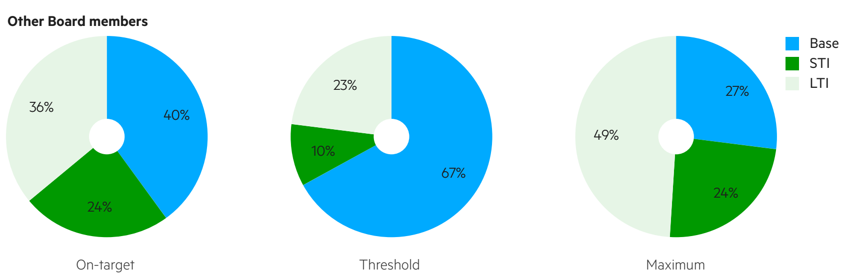
Remuneration policy for the Board of Management

The main principles of KPN's remuneration policy, as described below, are based on a balanced approach between market competitive standards, the ratio between fixed and variable pay and the economic and environmental, social and governance (ESG) contribution of the company linked to the non-financial parameters of their variable pay:

- Paying at market-competitive level (considering all fixed and variable components of the remuneration policy), achieved through benchmarking against an employment market peer group;
- Paying-for-performance by driving financial and non-financial performance that generates long-term sustainable and profitable growth. This target remuneration aims at 30-40% of pay in base pay and 60-70% in variable pay to maintain a strong alignment with the company's financial performance goals and long-term value creation strategy;
- Differentiating through alignment of pay with responsibilities, required competence and performance of individual jobholders while taking into account the shared responsibility of Board of Management members to support the execution of the company's strategic objectives;
- Balancing all stakeholder interests, including the views of shareholders by complying with best practices in corporate governance, defining targets for the variable pay plans based on financial- and non-financial targets and a transparent and clear remuneration policy.

The following pie charts represent the pay mix for both the CEO and the other members of the Board of Management, showing on-target, threshold and maximum performances for their assigned financial and non-financial targets.





Remuneration report

Employment market peer group

The employment market peer group is used as a reference to evaluate the overall market-competitive pay-level for members of the Board of Management and is regularly reviewed by the Supervisory Board to ensure that its composition is still appropriate. The employment market peer group consists of Dutch-listed and European sector-specific companies, based on a mixed set of criteria such as market capitalization, revenue, employees, total assets and strategic importance. Its composition may be adjusted as a result of mergers or other corporate activities. The following table shows the composition of KPN's employment market peer group:

Companies:	
Akzo Nobel	British Telecom[1]
ASM International[1]	Proximus
DSM-Firmenich	Swisscom
IMCD[1]	Telecom Austria
Philips	Telecom Italia
Randstad	Telenor
Signify	Telia Company

1 New as of 2024. The composition is adjusted as a result of mergers, other corporate activities and criteria like market capitalization and revenues. ASML, Ahold Delhaize and Telefonica Deutschland are replaced by ASMI, IMCD and British Telecom based on a review by the Supervisory Board.

Main features of the short-term and long-term incentive plans:

Short-term incentive (STI) plan

Component	Short-term incentives
Form of compensation	Cash, possible pay-out for maximum 50% in shares, if share ownership guideline levels have not yet been reached
Value determination (on-target level)	CEO: 90% of base salary and other members Board of Management: 60% of base salary
Financial- and non-financial targets	Financial (70% weight) and non-financial targets (30% weight), subject to the financial circuit-breaker; linear vesting
Scenario at or below threshold performance	At threshold: 25% of the on-target incentive paid. Below threshold: no pay-out
Scenario on-target performance	100% of the on-target incentive paid
Scenario maximum performance	150% of the on-target incentive paid

Long-term incentive (LTI) plan

Component	Long-term incentives
Form of compensation	Shares
Value determination (on-target level)	CEO: 135% of base salary and other members of the Board of Management: 90% of base salary
Financial- and non-financial targets	Financial (70% weight) and non-financial targets (30% weight); linear vesting
Scenario at or below threshold performance	At threshold: 25% of granted shares vest (TSR 75%, i.e. 50th percentile peer group). Below threshold: no vesting
Scenario on-target performance	100% of the granted shares vest (for TSR linear between 50th percentile and first position peer group)
Scenario maximum performance	200% of the granted shares vest (for TSR first position in the peer group)
Holding period	3 years after vesting

Remuneration of the Board of Management

The actual remuneration of the members of the Board of Management was determined by the Supervisory Board in accordance with the remuneration policy as approved by the AGM.

Remuneration report

Remuneration packages of individual current members of the Board of Management:

Member	Position	Base salary (EUR)[1]	On-target STI (% base salary)	On-target LTI (% base salary)
Joost Farwerck	Chief Executive Officer	919,275	90%	135%
Chris Figee	Chief Financial Officer	738,500	60%	90%
Marieke Snoep	Chief Consumer Market	682,890	60%	90%
Chantal Vergouw	Chief Business Market	682,890	60%	90%
Wouter Stammeijer	Chief Operating Officer	682,890	60%	90%
Hilde Garssen	Chief People Officer	525,300	60%	90%

1 As of 1 June 2024

Annual base salary

The Committee considered possible changes to the base salaries of the members of the Board of Management, which had not been adjusted since 2022. The Supervisory Board decided to increase the base salaries taking into account individual positioning against the employment market peer group, and the base salary increases of the company's employees under the collective labor agreement (5.5% on average in 2024). The base salary levels of the Board of Management were increased by 3% with effect from June 1, 2024. The base salary of the Chief Financial Officer was increased by 7.2% to reflect his forward positioned and exposed role within the Board of Management.

Details actual pay-out level STI

			Bandwidth pay-out level					Outcome		
Plan	Target	Weight	Minimum	On-target	Maximum	Performance	Actual pay-out %	Minimum	On-target	Maximum
STI 2024	**Financials (70% weighting € million):**									
	– Adjusted EBITDA AL	25%	2,464	2,502	2,552	2,508	26.4%			
	– Service revenue	25%	5,099	5,203	5,307	5,215	26.5%			
	– FCF	20%	869	891	980	892	20.1%			
	Non-financials (30% weighting):		25%	100%	150%					
	– NPS NL	15%	11.7	13.7	15.7	11.2	0.0%			
	– Broadband lines	15%	4,369,506	4,413,643	4,457,779	4,316,286	0.0%			
	Total pay-out level	100%					73.0%			

The STI 2024 outcome reflects the fact that we delivered on our financial guidance and ambitions for 2024. KPN is on track with the execution of its strategy while maintaining a robust liquidity position. We delivered adjusted EBITDA after leases and free cash flow growth slightly above guidance, supported by sustainable service revenue growth. The actual performance used for the incentive plans on FCF slightly deviates (positive and negative) from the actual outcomes due to e.g. payments made for 2025 that were not part of the initial plans and targets.

Even though KPN's customer satisfaction remains leading in the Dutch market, the actual performance was below the self-imposed ambitious threshold level mainly due to the rising cost of living impacting consumer sentiment. For broadband lines the actual performance was also below threshold level as we are now reaching urban areas and more complex locations for the fiber rollout. Increased competition and installation costs, as well as limited availability of contractors, also posed challenges in achieving our targets.

Remuneration report

Shareholding guidelines

Members of the Board of Management are encouraged to acquire company shares equal to 250% of base salary for the CEO and 150% of base salary for the other members. To further promote attainment of the anticipated share ownership levels, the STI is paid out, after deduction of taxes, as a maximum 50% in shares if the share ownership guideline levels have not yet been attained.

Details actual pay-out (vesting) level LTI 2022: vesting period 2022-2024

			Bandwidth vesting level					Outcome		
Plan	**Target**	**Weight**	**Minimum**	**On-target**	**Maximum**	**Performance**	**Actual vesting %**	**Minimum**	**On-target**	**Maximum**
LTI 2022	**Financials (70% weighting):**									
	– TSR versus peer group	25%	9th position	Linear vesting	1st position	3rd position	42.2%			
	– FCF (€million)	45%	2,512	2,716	2,920	2,629	30.6%			
	Non-financials (30% weighting):									
	– Scope 3 emissions	15%	-23.5%	-25.0%	-26.5%	-29.2%	30.0%			
	– Diversity PLA	7.5%	31.0%	34.0%	37.0%	29.8%	0.0%			
	– Diversity sub-top	7.5%	33.0%	35.0%	37.0%	33.3%	2.8%			
	Total vesting level	100%					105.6%			

For the LTI plan issued in 2022, the financial targets were based on relative TSR, 25% weighting, FCF, 45% weighting and the non-financial targets Scope 3 emissions and diversity, each with a weighting of 15%. The LTI plan 2022 vests in April 2025 and the final TSR performance was determined in mid-February 2025. The LTI plan vested on the basis of the TSR performance that put KPN in third position in the TSR reference peer group which at measurement date consisted of 18 companies (STOXX 600 Europe Telecom index), supported by KPN's growing dividend and share buyback program. During the vesting period, KPN's results on cumulative free cash flow, supported by a strong cost savings discipline, performed between threshold and on-target level of the bandwidth and contributed to a strong liquidity and balance sheet position at the end of 2024.

Scope 3 emissions reduction was selected as a non-financial target to reflect our long-term ambition on sustainability. We have developed a roadmap for attaining our ambition of achieving a 30% reduction in 2030 in comparison with the baseline (2014). This roadmap is governed by the Energy & Environmental Board. The on-target ambition for the 2022-24 performance period was set versus the year 2014. The actual outcome in the 2022-24 performance period was well above maximum level.

Diversity was selected as a non-financial target to maintain continued focus on our role in Dutch society. The diversity targets relating to the percentage of female employees in senior management positions were selected to focus on the importance of diversity within KPN and the important role played by KPN in Dutch society.

Targets LTI 2024, 2024-26 vesting period

For the LTI plan issued in 2024, the financial targets are based on relative TSR with a 30% weighting, free cash flow with a 20% weighting and the newly introduced return on capital employed (ROCE) with a 20% weighting. Under the LTI plan, the Supervisory Board selects two non-financial targets each year based on a predetermined set of five strategic categories. The non-financial targets for the LTI plan 2024 were determined on the basis of the ESG related targets for Scope 3 emissions reduction and diversity, each with a weighting of 15%.

Scope 3 emissions reduction was selected as a non-financial target to reflect our long-term ambition on sustainability. Diversity was selected as a non- financial target to maintain continued focus on our role in Dutch society. The assigned diversity targets are based on the relative female composition of both the senior management (PLA) population and direct reports to the Board of Management (what we call the "sub-top" in the Netherlands).

Remuneration report

Actual received remuneration of the Board of Management (in thousands of EUR)

See Note 5 for full disclosure of remuneration cost under IFRS principles.

Name current member	Position	Year	Base	STI	Actual vested LTI[1]	Pension benefits	Social security/ other compensation[2]	Total[3]	% Fixed[4]	% Variable[4]
Joost Farwerck	CEO	2024	908	597	1,400	253	33	3,191	31%	69%
		2023	893	741	2,242	218	32	4,126	23%	77%
Chris Figee	CFO	2024	718	314	700	138	40	1,910	41%	59%
		2023	689	381	1,153	132	39	2,394	31%	69%
Marieke Snoep	CCM	2024	675	296	700	131	33	1,835	40%	60%
		2023	663	367	1,110	129	32	2,301	31%	69%
Chantal Vergouw[5]	CBM	2024	675	296	-	107	33	1,111	70%	30%
		2023	387	214	-	61	17	679	64%	36%
Wouter Stammeijer[5]	COO	2024	675	296	100[6]	90	36	1,197	63%	37%
		2023	387	214	222[6]	51	9	883	47%	53%
Hilde Garssen	CPO	2024	519	227	500	100	38	1,384	42%	58%
		2023	510	282	854	91	17	1,754	31%	69%
	Total	2024	4,170	2,026	3,400	819	213	10,628		
	Total	2023	3,529	2,199	5,581	682	146	12,137		

1 The 2024 amounts give an indication of the value of the shares that will vest in April 2025 which relate to the LTI 2022 grant. The 2023 amounts are the actual values of the shares that vested in April 2024and that relate to the LTI 2021 grant.

2 In addition to social security, the stated amounts include allowances that can be considered as indirect remuneration and that relate to the value for the private use of the company car.

3 All remuneration was borne by KPN B.V, please see Note 5 to the consolidated financial statements for the individual pension benefits, on cost and social security.

4 Excluding pension cost, social security and other compensation.

5 Since appointment to the Board of Management in 2023.

6 Relates to vesting of plans granted prior to appointment to the Board of Management.

Remuneration report

Change in remuneration for members of the Board of Management versus company performance and remuneration of an average employee over five years.

Change in remuneration for members of the Board of Management versus company performance over five years and remuneration of average employee.

The table includes the current members of the Board of Management and a comparison is disclosed over the last five years as far as a like-for-like comparison was possible (i.e. full year appointment during the five-year period).

	2020	2021	2022	2023	2024
Remuneration CEO (EUR)	2,301,000	3,051,000	4,157,000	4,126,000	3,191,000
-Year-on-year difference (EUR)	632,000	750,000	1,106,000	-31,000	-935,000
-Year-on-year difference (%)	+38%	+33%	+36%	-1%	-23%
Remuneration CFO (EUR)	1,169,000	1,304,000	2,389,000	2,394,000	1,910,000
-Year-on-year difference (EUR)	-386,000	135,000	1,085,000	5,000	-484,000
-Year-on-year difference (%)	-25%	+12%	+83%[1]	+0%	-20%
Remuneration other current members on average (EUR)	1,112,000	1,684,000	2,241,000	1,404,000	1,382,000
-Year-on-year difference (EUR)	1,019,500	572,000	557,000	-837,000	-22,000
-Year-on-year difference (%)	n/a	+51%	+33%	-37%	-2%
TSR position (part of LTI)					
-Position peer group	6th (75% vesting)	8th (103% vesting)	4th (163% vesting)	3rd (172% vesting)	3rd (169% vesting)
Free cash flow (part of STI/LTI)	Performance:	Performance:	Performance:	Performance:	Performance:
-STI bandwidth pay-out level	Between on-target and maximum	Between on-target and maximum	Between on-target and maximum	Above on-target	Around on-target
-LTI bandwidth pay-out level	Slightly above threshold	Between threshold and on-target	Between threshold and on-target	Between on-target and maximum	Between threshold and on-target
EBITDA (part of STI)	Performance:	Performance:	Performance:	Performance:	Performance:
-Pay-out level STI bandwidth	Above on-target	Around on-target	Around on-target	Around on-target	Around on-target
Average cost per FTE (IFRS, EUR)	84,306	90,869	93,282	98,226	102,635
Pay ratio CEO (IFRS)	30	33	32	31	29

1 Including the first vesting of the LTI award (2020 grant).

The fluctuation in actual pay levels during the five reference years is predominantly the result of the outcome of the STI and LTI combined with the relatively high emphasis on pay-for-performance reflected in the short-term and long-term incentive plans. The STI pay-out (in terms of performance versus the assigned targets) was aligned with the level of pay-out to senior management and the CLA employees as the same financial and non-financial targets were generally applied in these variable pay plans as in the assigned targets of the Board of Management. The average STI pay-out over the five-year period is close to 92% of the on-target level and the LTI plans vested over the five-year period are on average close to 109% of the on-target level, reflecting the realistic targets set for variable incentive plans.

Considering the five-year results, variable pay on financial and non-financial targets is closely linked to KPN's performance against peers (TSR) and to its outcomes on the key metrics Service Revenues, FCF and EBITDA AL ensuring alignment with the financial performance goals and the long-term value creation strategy. Increasing revenues were supported by ongoing savings from the simplification and digitalization of services. KPN is generating growth in FCF which supports a progressive regular dividend and a robust liquidity position, and the company remains committed to an investment grade credit profile.

KPN's internal pay ratio

To ensure transparency and clarity, KPN applies an IFRS-driven methodology to calculate the internal pay ratio. KPN's internal pay ratio compares the total CEO compensation under IFRS principles with the average compensation of employees with an employment contract with KPN (total personnel expenses of KPN employees divided by the average number of KPN FTEs).

Remuneration report

KPN's calculated pay ratio in 2024 was 29 (2023: 31). The outcome is in line with KPN's acceptable bandwidths as described in our remuneration policy. For further details, see Note 5 to the consolidated financial statements.

Number of shares and current share plans for current board members.

	Grant date	Shares held as of 1 January 2024	Vested[1]	Granted, forfeited or sold[2]	As of 31 December 2024	Pre-tax fair value on grant date (EUR)[3]	Pre-tax market value on vesting date in 2024 (EUR)	End of lock-up period
Joost Farwerck	18 April 2024	-	-	367,676	367,676	1,187,593		18 April 2030
	13 April 2023	364,363	-	-	364,363	1,118,594		13 April 2029
	14 April 2022	342,173	-	-	342,173	1,214,714		14 April 2028
	15 April 2021	416,740	-386,688	-30,052	-	1,125,198	2,241,813	15 April 2027
Chris Figee	18 April 2024	-	-	189,091	189,091	610,764		18 April 2030
	13 April 2023	187,387	-	-	187,387	575,278		13 April 2029
	14 April 2022	175,975	-	-	175,975	624,711		14 April 2028
	15 April 2021	214,324	-198,868	-15,456	-	578,675	1,152,934	15 April 2027
Marieke Snoep	18 April 2024	-	-	182,087	182,087	588,141		18 April 2030
	13 April 2023	180,446	-	-	180,446	553,969		13 April 2029
	14 April 2022	169,457	-	-	169,457	601,572		14 April 2028
	15 April 2021	206,386	-191,503	-14,883	-	557,242	1,110,234	15 April 2027
Chantal Vergouw	18 April 2024	-	-	182,087	182,087	588,141		18 April 2030
	01 June 2023	157,891	-	-	157,891	484,725		13 April 2029
Wouter Stammeijer	18 April 2024	-	-	182,087	182,087	588,141		18 April 2030
	01 June 2023	157,891	-	-	157,891	484,725		13 April 2029
	13 April 2023	4,780	-	-	4,780	13,336		cash settled
	14 April 2022	36,629	-	-	36,629	119,411		cash settled
	15 April 2021	43,658	-32,744	-10,915	-	105,216	221,667	cash settled
Hilde Garssen	18 April 2024	-	-	140,067	140,067	452,416		18 April 2030
	13 April 2023	138,805	-		138,805	426,131		13 April 2029
	14 April 2022	130,352	-	-	130,352	462,750		14 April 2028
	15 April 2021	158,758	-147,309	-11,449	-	428,647	854,021	15 April 2027

1 The 2021 share grant vested in April 2024 with a actual vesting percentage of 150% (excluding deferred dividend).

2 The shares granted to the Board of Management represent 40% (2023: 40%) of the total number of shares and share-based awards granted in to all employees. The grant numbers do not include any deferred dividend during the vesting period. The deferred dividend during the vesting period will be additionally granted in shares.

3 Value is calculated by multiplying the number of share awards by the fair value at grant date.

Remuneration report

See the Insider transactions section for stock ownership of the members of the Board of Management and Supervisory Board and Note 5 to the consolidated financial statements for a further description and valuation of the share plans.

Claw-back clause

The claw-back clause was not applied in 2024.

Supervisory Board

The objective of the remuneration policy for the Supervisory Board is to reward the members appropriately for their work based on market-competitive fee levels. To the extent applicable, the same principles of the Board of Management remuneration policy apply to the Supervisory Board remuneration policy.

KPN has a fixed annual fee and annual committee membership fees for the members of the Supervisory Board. The eligibility for committee fees is limited to two committees (i.e. the two highest fees will be applicable).

AEX-listed companies with a two-tier board serve as a reference for determining market-competitive fee levels. Supervisory Board members do not receive any variable compensation and are not granted any shares as a form of pay.

The following table shows the annual fixed fee structure for the members of the Supervisory Board and the members of the committees as approved at the 2024 AGM:

Position	Annual fee in EUR[1]
Chair Supervisory Board	105,000
Vice-chair Supervisory Board	77,500
Member Supervisory Board	62,500
Chair Audit Committee	22,500
Member Audit Committee	12,500
Chair ESG Committee	12,500
Member ESG Committee	10,000
Chair Remuneration Committee	12,500
Member Remuneration Committee	7,500
Chair Nominating & Corporate Governance Committee	12,500
Member Nominating & Corporate Governance Committee	7,500

1 As of April 2024

The following table shows the actual fee for each current member of the Supervisory Board.

Amounts in €		Membership fee 2024	Committee fees 2024	Total 2024	Total 2023	Total 2022	Total 2021	Total 2020
G.J.A. van de Aast	Chair	103,525	18,529	122,055	115,000	103,556	53,334	-
B.J. Noteboom	Vice-chair	75,292	18,529	93,820	60,917	-	-	-
E.J.C. Overbeek	Member	61,762	9,265	71,027	68,917	72,500	72,500	72,500
J.C.M. Sap	Member	61,762	24,264	86,027	80,375	75,000	75,000	75,000
K. Koelemeijer	Member	61,762	13,530	75,292	70,708	51,756	-	-
F. Heemskerk	Member	61,762	16,030	77,792	51,958	-	-	-
M. De Jager	Member	61,762	21,029	82,791	45,208	-	-	-
H.H.J. Dijkhuizen	Member	61,762	26,173	87,936	40,000	-	-	-
R. Shuter[1]	Member	15,625	3,125	18,750	-	-	-	-
A.D. Plater[2]	Former member	8,448	1,408	9,856	72,125	77,500	77,500	23,680
C. Vergouw	Former member	-	-	-	28,542	51,756	-	-
P.F. Hartman	Former member	-	-	-	21,250	75,000	75,000	75,000
C.R.A. Guillouard	Former member	-	-	-	24,792	87,500	84,611	54,896
Total		**573,464**	**151,882**	**725,347**				

1 Since appointment in the Supervisory Board with an effective date of 1 October 2024.

2 Up to 20 February 2024.

Financial statements

Consolidated financial statements

Corporate financial statements

Consolidated financial statements

Consolidated statement of profit or loss

For the year ended 31 December

€ million	Notes	2024	2023
Revenues	[4.1]	5,603	5,439
Other income	[4.2, 21]	31	41
Total revenues and other income		**5,634**	**5,480**
Cost of goods & services		1,428	1,383
Personnel expenses	[5]	849	822
Information technology/Technical infrastructure		312	310
Other operating expenses	[6]	412	416
Depreciation, amortization and impairments	[10, 11, 19]	1,240	1,206
Total operating expenses		**4,242**	**4,137**
Operating profit		**1,392**	**1,342**
Finance income		41	28
Finance costs		-279	-266
Other financial results		-55	-7
Financial income and expenses	**[7, 19]**	**-293**	**-246**
Share of the profit/loss (-) of associates and joint ventures	[12, 21]	-14	-9
Profit before income tax from continuing operations		**1,085**	**1,088**
Income taxes	[8]	-238	-245
Profit for the year from continuing operations		**847**	**843**
Profit/loss (-) for the year from discontinued operations		-	2
Profit for the year		**848**	**844**
Profit attributable to non-controlling interests		-	-
Profit attributable to equity holders of the company		848	844
Earnings per ordinary share after taxes attributable to equity holders of the company for the year in EUR	[9]		
Basic (continuing operations)		0.20	0.20
Diluted (continuing operations)		0.20	0.20
Basic (discontinued operations)		-	-
Diluted (discontinued operations)		-	-
Basic (total, including discontinued operations)		0.20	0.20
Diluted (total, including discontinued operations)		0.20	0.20

Consolidated statement of other comprehensive income

For the year ended 31 December

€ million	Notes	2024	2023
Profit for the year		**848**	**844**
Other comprehensive income, net of tax			
Other comprehensive income to be reclassified subsequently to profit or loss when specific conditions are met:			
Net gain/loss (-) on cash flow hedges	[16]	18	-26
Currency translation differences	[16]	-	-
Net other comprehensive income/loss (-) to be reclassified to profit or loss in subsequent periods		**18**	**-26**
Items of other comprehensive income not to be reclassified subsequently to profit or loss:			
Retirement benefits remeasurements		2	-
Net gain/loss (-) on equity instruments designated at fair value through other comprehensive income	[13.1]	2	11
Net other comprehensive income/loss (-) not to be reclassified to profit or loss in subsequent periods		**3**	**11**
Other comprehensive income/loss (-) for the year, net of tax		**21**	**-15**
Total comprehensive income for the year, net of tax		**869**	**829**
Total comprehensive income for the year, net of tax, attributable to:			
Equity holders of the company		869	828
Non-controlling interests		-	-
		869	**829**
Total comprehensive income/loss (-) attributable to equity holders of the company arises from:			
Continuing operations		869	826
Discontinued operations		-	2

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Consolidated statement of financial position

Assets

€ million	Notes	31 December 2024	31 December 2023
Non-current assets			
Property, plant and equipment	[10]	6,219	5,943
Intangible assets	[11]	2,974	2,809
Right-of-use assets	[19]	750	815
Equity investments accounted for using the equity method	[12]	561	554
Equity investments measured at fair value through other comprehensive income	[13.1]	119	90
Derivative financial instruments	[13.3]	100	65
Other financial asset at fair value through profit or loss	[13.1]	115	147
Deferred income tax assets	[8]	-	111
Trade and other receivables	[14.1]	97	111
Contract assets and contract costs	[14.2]	91	66
		11,026	**10,712**
Current assets			
Inventories		45	43
Trade and other receivables	[14.1]	546	553
Contract assets and contract costs	[14.2]	111	74
Income tax receivables	[8]	17	31
Derivative financial instruments	[13.3]	-	12
Other financial asset at fair value through profit or loss	[13.1]	40	26
Other current financial assets	[13.1]	100	193
Cash and cash equivalents	[15]	662	609
		1,521	**1,541**
Total assets		**12,547**	**12,253**

Consolidated financial statements

Equity and liabilities

€ million	Notes	31 December 2024	31 December 2023
Equity			
Share capital		156	158
Share premium		7,481	7,674
Other reserves		-91	-114
Retained earnings		-5,005	-5,150
Equity attributable to holders of perpetual capital securities		990	990
Equity attributable to equity holders of the company		**3,531**	**3,558**
Non-controlling interests		3	3
Total equity	**[16]**	**3,533**	**3,561**
Non-current liabilities			
Borrowings	[13.2]	5,379	5,397
Lease liabilities	[19]	656	733
Derivative financial instruments	[13.3]	156	256
Deferred income tax liabilities	[8]	10	-
Provisions for retirement benefit obligations	[17]	17	35
Provisions for other liabilities and charges	[18]	105	103
Contract liabilities	[20]	130	119
Other payables	[20]	23	9
		6,476	**6,651**
Current liabilities			
Trade and other payables	[20]	1,278	1,177
Contract liabilities	[20]	164	169
Borrowings	[13.2]	899	497
Lease liabilities	[19]	163	162
Derivative financial instruments	[13.3]	5	5
Provisions for other liabilities and charges	[18]	29	32
		2,538	**2,042**
Total equity and liabilities		**12,547**	**12,253**

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Consolidated statement of changes in equity

€ million, except number of shares	Notes	Subscribed ordinary shares	Share capital	Share premium	Other reserves	Retained earnings	Equity attributable to holders of perpetual capital securities	Equity attributable to equity holders of the company	Non-controlling interests	Total equity
Balance at 1 January 2023		**4,037,319,593**	**161**	**7,960**	**-106**	**-5,356**	**990**	**3,650**	**2**	**3,652**
Profit for the year			-	-	-	844	-	844	-	844
Other comprehensive income for the period			-	-	-26	11	-	-15	-	-15
Total comprehensive income for the period			**-**	**-**	**-26**	**854**	**-**	**828**	**-**	**829**
Share based compensation expense	[5]		-	-	-	5	-	5	-	5
Sold and transferred treasury shares in connection with vesting of equity-settled share plans			-	-	22	-22	-	-	-	-
Treasury shares withdrawn	[16]	-89,901,811	-4	-286	290	-	-	-	-	-
Dividends paid			-	-	-	-587	-	-587	-	-587
Paid coupon perpetual hybrid bond	[13.2]		-	-	-	-40	-	-40	-	-40
Share repurchase	[16]		-	-	-300	-	-	-300	-	-300
Other			-	-	6	-4	-	2	-	2
Total transactions with owners, recognized directly in equity		**-89,901,811**	**-4**	**-286**	**18**	**-647**	**-**	**-919**	**-**	**-919**
Balance at 31 December 2023		**3,947,417,782**	**158**	**7,674**	**-114**	**-5,150**	**990**	**3,558**	**3**	**3,561**
Balance at 1 January 2024		**3,947,417,782**	**158**	**7,674**	**-114**	**-5,150**	**990**	**3,558**	**3**	**3,561**
Profit for the year			-	-	-	848	-	848	-	848
Other comprehensive income for the period			-	-	18	3	-	21	-	21
Total comprehensive income for the period			**-**	**-**	**18**	**851**	**-**	**869**	**-**	**869**
Share based compensation expense	[5]		-	-	-	4	-	4	-	4
Sold and transferred treasury shares in connection with vesting of equity-settled share plans			-	-	11	-11	-	-	-	-
Treasury shares withdrawn	[16]	-58,487,360	-2	-193	195	-	-	-	-	-
Issuance of perpetual hybrid bond	[13.2]		-	-	-	-	496	496	-	496
Repurchase of perpetual hybrid bond	[13.2]		-	-	-	-4	-496	-500	-	-500
Dividends paid			-	-	-	-646	-	-646	-	-646
Paid coupon perpetual hybrid bond	[13.2]		-	-	-	-48	-	-48	-	-48
Share repurchase	[16]		-	-	-200	-	-	-200	-	-200
Other			-	-	-	-1	-	-1	-	-1
Total transactions with owners, recognized directly in equity		**-58,487,360**	**-2**	**-193**	**6**	**-706**	**-**	**-896**	**-**	**-896**
Balance at 31 December 2024		**3,888,930,422**	**156**	**7,481**	**-91**	**-5,005**	**990**	**3,531**	**3**	**3,533**

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Consolidated statement of cash flows

For the year ended 31 December

€ million	Notes	2024	2023
Profit before income tax from continuing operations		1,085	1,088
Adjustments for:			
– Net financial expense	[7]	293	246
– Share-based compensation	[5]	2	5
– Share of the profit/loss (-) of associates and joint ventures		14	9
– Depreciation, amortization and impairments	[10, 11, 19]	1,240	1,206
– Other income and non-cash income and expense	[4.2, 21]	-31	-28
– Changes in provisions (excluding deferred taxes)		-38	-36
Changes in working capital relating to:			
– Current assets		-7	75
– Current liabilities		65	-1
Income taxes paid/received		-147	-110
Interest paid		-242	-224
Interest received		28	12
Net cash flow from operating activities from continuing operations		**2,264**	**2,242**
Net cash flow from operating activities from discontinued operations		**-**	**-**
Net cash flow from operating activities		**2,264**	**2,242**
Acquisition of and investments in subsidiaries, associates and joint ventures (net of acquired cash)	[21]	-213	-118
Disposal of subsidiaries and associates (net of cash)	[21]	26	23
Tax on disposal of subsidiaries and associates	[21]	15	60
Investments in software	[11]	-249	-257
Investments in other intangible assets	[11]	-59	-1
Investments in property, plant and equipment	[10]	-1,006	-991
Acquisitions of subsidiaries and assets that do not constitute a business		-22	-96
Disposals of property, plant and equipment and intangible assets		65	68
Acquisitions of other financial assets	[13.1]	-33	-108
Disposals of other financial assets	[13.1]	95	12
Loans to other parties	[14.1]	-62	-2
Net cash flow from investing activities from continuing operations		**-1,442**	**-1,410**
Net cash flow from investing activities from discontinued operations		**-**	**-16**
Net cash flow from investing activities		**-1,442**	**-1,427**
Dividends paid		-646	-587
Share repurchase	[16]	-200	-300
Paid coupon perpetual hybrid bonds		-48	-40
Issuance of perpetual hybrid bonds		496	-
Repurchase of perpetual hybrid bonds	[13.2]	-277	-
Proceeds from borrowings	[13.2]	996	593
Repayments of borrowings and settlement of derivatives	[13.1, 13.2]	-939	-150
Repayments of lease liabilities	[19]	-143	-124
Other		-7	2
Net cash flow from financing activities from continuing operations		**-769**	**-606**
Net cash flow from financing activities from discontinued operations		**-**	**-**
Net cash flow from financing activities		**-769**	**-606**
Total net cash flow from continuing operations		**53**	**226**
Total net cash flow from discontinued operations		**-**	**-16**
Changes in cash and cash equivalents		**53**	**209**
Net cash and cash equivalents at 1 January		608	399
Net cash and cash equivalents at 31 December		**662**	**608**
Bank overdrafts		-	-
Cash and cash equivalents	**[15]**	**662**	**609**

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General notes to the consolidated financial statements

[1] General information

Koninklijke KPN N.V. (hereafter: "KPN" or "the company") was incorporated in 1989 and is domiciled in the Netherlands. Koninklijke KPN N.V. is registered at the Chamber of Commerce (file no. 02045200). The address of KPN's registered office is Wilhelminakade 123, 3072 AP, Rotterdam, the Netherlands. KPN's shares are listed on Euronext Amsterdam.

KPN is a leading telecommunications and IT provider in the Netherlands, offering fixed and mobile telephony, fixed and mobile broadband internet and TV to retail and business consumers. KPN is market leader in infrastructure and network-related IT solutions to business customers in the Netherlands. KPN also provides wholesale network services to third parties.

The consolidated financial statements were authorized for issue by both the Supervisory Board and the Board of Management on 21 February 2025 and are subject to adoption by the annual general meeting of shareholders (AGM) on 16 April 2025.

[2] Summary of material accounting policies

Basis of preparation

The consolidated financial statements of KPN have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code, under the historical cost convention, except for certain equity investments accounted for using the equity method, and certain equity investments and derivative financial instruments measured at fair value, and on a going-concern basis.

All amounts are presented in millions unless stated otherwise. Certain figures may not tally exactly due to rounding. In addition, certain percentages may have been calculated using rounded figures.

Restatement of comparative financial information

The restatements for 2023 relate only to segment reporting, see Note 3.

Summary of material accounting policies

The general accounting policies as applied are described hereafter. Material accounting policies are described in the notes to the consolidated financial statements.

Changes in accounting policies and disclosures

KPN applies new standards and amendments issued by the International Accounting Standards Board (IASB), when effective and endorsed by the European Union. KPN has not early adopted any standards.

KPN has concluded that the following, endorsed, amendments effective 1 January 2024 did not have a significant impact:
- IAS 1 *Presentation of financial statements*: Classification of liabilities as current or non-current and non-current liabilities with covenants;
- IFRS 16 *Leases*: Measurement of lease liabilities in sale and leaseback transactions; and
- IAS 7 *Statement of cash flows and IFRS 7 Financial instruments*: Disclosure requirements regarding supplier finance arrangements. KPN has added additional disclosures, see Note 20.

Future implications of new and amended standards and interpretations

The IASB has issued several new standards and amendments to existing standards with an effective date of 1 January 2025 or later.

KPN is reviewing the impact of the following endorsed amendment which is effective as of 1 January 2025 (or later):
- Amendments to IAS 21 *The effects of changes in foreign exchange rates*: Lack of Exchangeability.

KPN is reviewing the impact of the following standards and amendments which are effective as of 1 January 2025 (or later) but have not yet been endorsed:
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*;
- IFRS 18 *Presentation and Disclosure in Financial Statements*;
- Amendments to IFRS 7 and IFRS 9: the Classification and Measurement of Financial Instruments;
- Annual improvements to IFRS Accounting Standards- Volume 11; and
- Amendments to IFRS 7 and IFRS 9: Contracts Referencing Nature-dependent Electricity.

Basis of consolidation

KPN's consolidated financial statements include the financial results of its subsidiaries and incorporate KPN's share of the results from associates and joint ventures.

Subsidiaries are all entities directly or indirectly controlled by KPN. "Control" is defined as the power over an entity, i.e. the ability to

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govern the financial and operating policies, resulting in obtaining the variable returns from the entity's activities.

Subsidiaries are fully consolidated from the date on which control is obtained by KPN and are deconsolidated from the date on which KPN's control ceases. All intercompany transactions, balances and unrealized results on transactions with subsidiaries are eliminated.

Changes in ownership interests in subsidiaries without change of control that do not result in loss of control are accounted for as equity transactions. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Foreign currency translation

The consolidated financial statements are presented in euro (EUR), which is KPN's presentation currency as well as functional currency.

Transactions in foreign currencies are translated into euro using the exchange rates applicable at transaction date. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated to euro using the rates at reporting date. Exchange rate differences are recognized in profit or loss — except when these differences are related to qualifying cash flow hedges and qualifying net investment hedges, in which case the exchange rate differences are recorded in other comprehensive income (OCI).

Exchange rate differences on non-monetary assets and liabilities are reported as part of the fair value gain or loss from that asset or liability. Exchange rate differences arising from the translation of the net investment in foreign entities, of borrowings and of other currency instruments designated as hedges of such investments are recognized in OCI.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the reporting date.

Subsidiaries

For consolidation purposes, the results and financial position of subsidiaries are translated into euros at the closing rate on the date of the financial position (assets and liabilities) or at the average exchange rates applicable for the specific reporting period (income and expenses). All resulting exchange differences are recognized in OCI.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. Cash flows denominated in currencies other than euros are translated at average exchange rates. Cash flows relating to interest and taxes on profits and tax deductions relating to interest on perpetual hybrid bonds are included in the cash flow from operating activities. Tax payments directly related to disposal of subsidiaries are presented as part of the cash flows from investing activities when separately identifiable. The consideration paid in cash for acquired subsidiaries is included in the cash flow from investing activities, net of cash acquired. Cash flows resulting from the disposal of subsidiaries are disclosed separately, net of cash sold.

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Significant accounting estimates, judgments and assumptions made by management

Significant accounting estimates, judgments and assumptions made by management are evaluated continuously and are based on historic experience and other factors, including expectations of future events thought to be reasonable under the circumstances. Actual results may deviate from the estimates applied. Estimates are revised when material changes to the underlying assumption occur.

The accounting estimates, judgments and assumptions deemed significant to KPN's consolidated financial statements relate to:

Subjects	Notes
Determination of deferred tax assets for losses carry forward and provisions for tax contingencies	Notes 8 and 22
Determination of value in use of cash-generating units for goodwill impairment testing	Note 11
Assessments of exposure to credit risk and financial markets risk	Note 13.4
Assessment required to determine whether or not to recognize a provision for idle cables, which are part of a public electronic communications network	Notes 18 and 22
The assessment of the lease terms deemed reasonably certain of KPN's lease contracts and the incremental borrowing rate used to measure the lease liabilities	Note 19
Assessments whether revenue for variable consideration is probable or highly probable. This concerns revenue related to disputes and revenue related to VAT regarding unused multipurpose bundles	Note 4 and 20
Several assessments related to KPN's 50% interest in Glaspoort B.V. (classified as a joint venture): - The assessment whether KPN has joint control over Glaspoort; - The assessment whether operational contracts between Glaspoort and KPN are at arm's length; - The valuation of KPN's interest in the joint venture (initially set at fair value, subsequently accounted for using the equity method subject to periodic impairment testing); and - The valuation of the contingent cash consideration (financial asset at fair value through profit or loss).	Notes 12 and 13.1
The purchase price allocation related to the acquisition of the Dutch activities of Youfone	Note 21

In preparing the financial statements, KPN has applied the concept of materiality to the presentation and level of disclosures. Only essential and mandatory information is disclosed that is relevant to a reader's understanding of these financial statements.

Sustainability and climate change

KPN is continuously enhancing, improving and modernizing its network to realize its sustainability goals, which include: providing secure internet access for everyone and stimulate digital inclusion, while building the most efficient network using technology to reduce energy consumption despite higher data usage. Through its sustainability efforts, KPN not only reduces its own energy consumption but also enables its customers to do the same. KPN's increasing fiber footprint and the migration from copper to fiber network contributes to the realization of KPN's sustainability goals. Through participation in its joint venture Glaspoort B.V., KPN is accelerating its nationwide ambitions. In mobile, initiatives include the modernization of broadcasting and customer premises equipment. Other initiatives include the reduction of KPN's leased fleet and replacement of expired vehicle leases with electric vehicles only. The Board of Management has committed to the sustainability goals by adding non-financial sustainability linked targets to the LTI plans, such as the reduction of supply chain emissions (Scope 3) and gender ratio targets.

KPN has analyzed whether the above has had any impact on the valuation of KPN's assets, liabilities and financial results and concluded the impact is limited. The migration to new generation network equipment has resulted in an acceleration of depreciation charges for the assets to be replaced. KPN is also investing in its employees by facilitating suitable solutions to continue working from home.

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[3] Segment reporting

Operating segments are reported in accordance with IFRS 8 'Operating Segments' in a manner consistent with the internal reporting to KPN's CEO, who is the Chief Operating Decision-Maker.

Comparative financial information for 2023 has been restated due to adjustment of smaller expense allocations between various segments and the termination of (intercompany) transactions for traffic between Wholesale, Business and Consumer. As a result, external revenues at Wholesale increased (by EUR 24m) against a corresponding decrease of external revenues at Business and Consumer.

Almost all of KPN's operating activities are in the Netherlands.

Operating segments

KPN's operating segments comprise Consumer, Business, Wholesale and Network, Operations & IT (NOI). For general information on these segments, read more in sections Shareholder value and Customer value.

Other

Other comprises KPN Holding, Corporate Center and eliminations. KPN accounts for its interest in Glaspoort within this segment.

Segment performance

As part of the simplification process, KPN has limited the intercompany charges to charges that are considered relevant for tax purposes.

The EBITDA AL of Consumer, Business and Wholesale represents the contribution margin of these segments while the EBITDA AL of NOI mostly consists of operating expenses. Due to the fact that KPN neither allocates interest expenses to segments nor accounts for taxes in the segments, the disclosure is limited to operating profit for the year.

Investments in property, plant and equipment, and intangible assets (capex) are centrally managed and reported to KPN's Chief Operating Decision-Maker at KPN Group level, not at segment level.

For an explanation of EBITDA, EBITDA AL and incidental transactions included in revenues, other income and EBITDA AL, see Appendix 2.

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Segmentation 2024

€ million	Notes	Consumer	Business	Wholesale	NOI	Other[1]	Total KPN Group
Statement of Profit or Loss							
External revenues[2]		3,035	1,877	657	30	4	5,603
Other income	[4.2]	-	-	-	29	1	31
Inter-division revenues		-	2	-	-	-2	-
Total	**[4]**	**3,035**	**1,880**	**657**	**60**	**2**	**5,634**
Operating expenses		-993	-973	-174	-626	-235	-3,001
EBITDA		**2,042**	**907**	**483**	**-567**	**-233**	**2,632**
DA&I		-163	-55	-9	-965	-48	-1,240
Operating result		**1,879**	**852**	**474**	**-1,532**	**-281**	**1,392**
Share of profit or loss of associates and joint ventures	[12]	-	1	-	-	-15	-14
EBITDA		2,042	907	483	-567	-233	2,632
DA&I right-of-use assets	[19]	-16	-4	-1	-72	-36	-130
Interest lease liabilities	[19]	-2	-	-	-16	-4	-23
EBITDA after lease		**2,023**	**903**	**482**	**-655**	**-273**	**2,479**
Total assets[3]		2,431	1,179	602	7,756	580	12,547
Total liabilities		498	370	111	6,513	1,522	9,014

1 Including eliminations

2 External revenues mainly consist of rendering of services

3 Total assets of Segment Other includes the carrying value of Glaspoort (EUR 544m, see Note 12) and the deferred consideration related to Glaspoort (EUR 155m, see Note 13.1)

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Segmentation 2023 (restated)

€ million	Notes	Consumer	Business	Wholesale	NOI	Other[1]	Total KPN Group
Statement of Profit or Loss							
External revenues[2]		2,882	1,822	695	25	15	5,439
Other income	[4.2]	-	1	-	39	1	41
Inter-division revenues		-	1	-	1	-1	-
Total	**[4]**	**2,882**	**1,824**	**695**	**64**	**15**	**5,480**
Operating expenses		-946	-972	-178	-597	-237	-2,931
EBITDA		**1,936**	**852**	**517**	**-533**	**-222**	**2,548**
DA&I		-145	-47	-9	-954	-51	-1,206
Operating result		**1,790**	**804**	**508**	**-1,487**	**-273**	**1,342**
Share of profit or loss of associates and joint ventures	[12]	-	-	-	-	-9	-9
EBITDA		1,936	852	517	-533	-222	2,548
DA&I right-of-use assets	[19]	-14	-2	-1	-68	-39	-124
Interest lease liabilities	[19]	-2	-	-	-14	-5	-21
EBITDA after lease		**1,920**	**849**	**515**	**-615**	**-266**	**2,403**
Total assets[3]		2,289	1,644	627	7,589	104	12,253
Total liabilities		456	362	92	7,526	257	8,693

1 Including eliminations

2 External revenues mainly consist of rendering of services

3 Total assets of Segment Other includes the carrying value of Glaspoort (EUR 536m, see Note 12) and the deferred consideration related to Glaspoort (EUR 173m, see Note 13.1)

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Notes to the consolidated statement of profit or loss

[4] Revenues and Other income

[4.1] Revenues

€ million	2024	2023
Service revenues	5,215	5,045
Non-service revenues	356	351
Revenues from contracts with customers	**5,571**	**5,396**
Rentals and other revenues	32	43
Revenues	**5,603**	**5,439**

Service revenues are all revenues recognized over time and include fees for usage of KPN's network and facilities, e.g. monthly subscription fees and revenues from customer-specific IT solutions.

Non-service revenues are revenues recognized at a specific point in time and include, for example, sales of handsets and peripheral equipment as well as software licenses sold separately without significant installation or integration with other services.

The application of KPN's accounting policies on revenue recognition, including relevant judgments, and information about KPN's performance obligations is summarized below:

Service revenues

- Network access is considered a separate performance obligation. Revenue is recognized over time during the subscription period. Content, e.g. TV content, is generally bundled with network access and revenue is recognized on a gross basis.
- Revenues for streaming services which are contracted with customers separately, are recognized on a net basis if KPN acts as an agent.
- One-off connection fees are not considerations for separate performance obligations as they are considered to be necessary to get network access. The fees charged to customers are recognized as a contract liability and bundled with the performance obligation for network access.
- Transaction-related dealer fees paid to acquire or retain subscribers are capitalized as contract costs and expensed on a straight-line basis over the contract term of the underlying customer contract.
- Installation services offered to consumers are generally considered a separate performance obligation, as customers can choose to call in an engineer for installation or to install the equipment themselves. Installation services that are treated as a separate performance obligation include installation of customer premises equipment (CPE), e.g. set-top boxes, setting up in-home WiFi, and installation of customers' own devices. Revenue from installation services is recognized as revenue at a point in time (at completion of the installation).
  A contract asset is recognized if the amount of revenue recognized is higher than the amount charged to the customer and the right to payment of the consideration by the customer is conditional. CPE that is considered part of KPN's network is capitalized as part of property, plant and equipment as KPN retains ownership and control over the economic benefits, and is therefore not considered a separate performance obligation nor an identified asset in terms of IFRS 16 (leases).
- Transition and transformation projects for establishing new services to large business customers (for example workspace management services) are considered separate performance obligations if the customer can benefit from the project deliverables on their own and the project deliverables are separately identifiable from other goods or services promised in the contract. An example is the set-up of a new ICT environment with improved functionality for the customer that is separable from the recurring ICT services (no significant integration with KPN systems and transferable to another service provider). If the project deliverables are not sold stand-alone, the transaction price is allocated to both the project deliverables and the recurring services on the basis of costs plus the overall contract margin. This allocation method results in a contract asset (or liability) if the revenue allocated to the project is higher (or lower) than the one-off project fee invoiced to and paid by the customer. Project revenue is recognized over time during the project phase, using the percentage of completion method. After completion of the project, the contract asset or liability is amortized over the remaining minimum contract period of the recurring services, in principle on a linear basis. The project is not considered a separate performance obligation if it has no independent value for the customer and is not separable from the recurring services.
- Sale of peripheral equipment and/or software licenses with significant installation services or integration with other services delivered by KPN, is not considered a separate performance obligation and is recognized as service revenue in the project phase.
- Revenue for licenses combined with ongoing support and/or integrated with recurring workspace services is recognized over time.

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- The Wholesale segment bills customers at (regulated) tariffs that may be disputed by other operators and regulators. KPN only recognizes revenue to the extent that it is highly probable that a subsequent significant reversal will not occur. A liability is recognized if the invoiced revenue is not considered highly probable.

Non-service revenues

- New subscriptions for telecoms services may be bundled with the sale and delivery of peripheral equipment. The peripheral equipment is considered a separate performance obligation and is recognized as revenue at a point in time (upon delivery of the equipment). The total transaction price of the bundled contract is allocated to the peripheral equipment and the subscription, based on their relative standalone selling prices. A contract asset is recognized if the amount of revenue allocated to the peripheral equipment is higher than the amount charged to customers upfront if the payment to be received for the peripheral equipment is conditional on the delivery of telco services, whereas a financial receivable is recognized if the payment to be received is unconditional.
- The handsets sold and delivered by third parties, related to KPN subscription contracts, do not qualify as performance obligations for KPN. Handset-related dealer fees result in an unbilled receivable on the statement of financial position, which is decreased when handset instalments are billed to the end-customer.

Time value and other information

In 2023 and 2024, the financing component was not significant and therefore not recorded.

Generally, the payment term is between 5 days and 30 days.

In 2024, EUR 1m revenue was recognized from variable considerations related to performance obligations satisfied (or partially satisfied) in previous years (2023: EUR 2m).

KPN applies the practical expedients provided in IFRS 15 under which disclosure of amounts of consideration allocated to the remaining performance obligations (unsatisfied or partially satisfied) do not need to be disclosed. This applies to contracts with an original expected duration of less than one year or when KPN bills a fixed amount for network services provided. KPN recognizes revenue from network services in the amount to which KPN has a right to invoice the customer and this amount corresponds directly with the value of KPN's performance completed to date.

Revenues, disaggregated per segment, including interdivision revenues

The disaggregation of the revenues per segment has been restated. The restatement relates mostly to the termination of the intercompany transactions for traffic between the segments (see Note 3).

€ million	2024	2023 (Restated)
Fixed-Mobile service revenues	1,675	1,543
Fixed-only service revenues	731	750
Postpaid-only service revenues	293	249
Legacy/other service revenues	62	72
Consumer service revenues	**2,761**	**2,614**
Non-service revenues[1]	274	268
Total Consumer revenues	**3,035**	**2,882**
Access & connectivity[2]	617	588
IT services[3]	90	62
SME service revenues	**707**	**650**
Access & connectivity[2]	520	521
IT services & Other[3]	248	255
LCE service revenues	**768**	**776**
Access & connectivity[2]	41	57
IT services[3]	46	47
Service management	225	196
Tailored Solutions service revenues	**313**	**300**
Business service revenues	**1,788**	**1,726**
Non-service & other revenues[1]	92	97
Total Business revenues	**1,879**	**1,823**
Mobile service revenues	156	177
Broadband service revenues	316	319
Other service revenues[4]	182	197
Wholesale service revenues	**654**	**693**
Non-service revenues	3	2
Total Wholesale revenues	**657**	**695**
NOI and Other (incl. eliminations)	**32**	**39**
Total	**5,603**	**5,439**

1 Non-service revenues includes the sale of handsets and peripheral equipment and in the business segment also the sale of software licenses

2 Service revenues for among others mobile, broadband & networking, fixed voice and internet of things

3 IT services includes cloud & workspace and cybersecurity

4 Service revenues for among others interconnect traffic, visitor roaming, digital products (messaging, content delivery) and NL-ix (interconnect exchange)

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Accounting policy: Revenues

The core principle is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which KPN expects to be entitled in exchange for those goods or services. Revenue is recognized when it is probable that the economic benefits associated with a transaction will flow to KPN and the amount of revenue and associated costs can be measured reliably.

KPN follows the five-step process of IFRS 15 to recognize revenue. After a contract with a customer has been entered into, the separate performance obligations are identified, which are the distinct goods and services promised to the customer (the customer can benefit from the goods or services either on their own or together with other resources that are readily available to the customer, and the transfer of goods or services to the customer are separately identifiable from other promises in the contract). Next, the transaction price is determined and allocated to the separate performance obligations, based on relative standalone selling prices (based on our price lists if the goods or services are sold separately). The final step is to recognize revenue when a performance obligation is satisfied. Revenue is recognized either at a point in time or over time. In general, telecoms and IT services are delivered over time, whereas handsets and peripheral and network equipment, if considered as separate performance obligations, are delivered at a point in time.

Revenue for variable considerations, including revenue under dispute, is recognized only when the revenue is considered highly probable, which in some cases requires significant judgment.

An adjustment for the time value of money is made to a transaction price for the effects of financing if the time between recognition of revenue and cash receipt is expected to exceed 12 months and this provides the customer or KPN with a significant benefit.

If KPN transfers goods or services to a customer before the customer pays a consideration or before payment is due, a contract asset is recognized in case the earned consideration is conditional. A financial receivable is recognized if KPN's right to an amount of consideration is unconditional (only the passage of time is required before payment of the consideration is due).

KPN recognizes contract liabilities in the statement of financial position for considerations received in respect of unsatisfied performance obligations. Contract liabilities are recognized as revenue when KPN performs under the contract.

In case services or goods are delivered by sub-contractors, KPN determines whether its performance obligation is to provide the specified goods or services itself (KPN acts as a principal) or to arrange for another party to provide those goods or services (KPN acts as an agent), based on the agreed terms and conditions with the customer and the sub-contractor as well as the nature of the goods and services promised to the customer. When KPN acts as an agent, the revenue recognized is not the gross amount but the net amount that KPN is entitled to retain for its services as the agent.

Accounting policy: Costs to obtain and/or fulfill a contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if KPN expects to recover those costs. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer, regardless of whether the contract is obtained or not. Costs to fulfill a contract are recognized as an asset if:

- The costs relate directly to a contract; and
- The costs generate or enhance resources that will be used in satisfying performance obligations in the future; and
- The costs are expected to be recovered.

Capitalized contract costs are amortized on a linear basis over the period in which KPN transfers the related goods or services to the customer. KPN applies the practical expedient to immediately expense contract costs when the asset that would have resulted from capitalizing such costs would have been amortized within one year or less.

Assets recognized for costs to obtain a contract and costs to fulfill a contract are subject to impairment testing.

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[4.2] Other income

€ million	2024	2023
Other income	31	41

Other income in 2024 relates to the book gains realized on the sale of various tangible and intangible (legacy) assets (EUR 30m) and the sale of an associated company (EUR 1m).

Other income in 2023 relates to the book gains realized on the sale of assets to Glaspoort B.V. (EUR 31m), the sale of various tangible and intangible assets (EUR 8m) and the sale of an associated company (EUR 1m).

Accounting policy: Other income
Other income includes net gains on the sale of tangible or intangible assets, net gains on the sale of subsidiaries, and other gains not related to KPN's ordinary operating activities.

[5] Personnel expenses

€ million	2024	2023
Salaries and wages	791	752
Retirement benefits	87	83
Social security contributions	109	96
Share-based payments[1]	11	14
Additional labor capacity	33	46
Own work capitalized	-226	-211
Other (including e.g. training, travel)	44	42
Total personnel expenses	**849**	**822**

1 Refer to the Share Plans paragraph below for details.

Employee redundancy costs of EUR 28m (2023: EUR 38m) are not included in personnel expenses but in other operating expenses (see Note 18).

Number of own personnel (FTE) per segment[1]	31 December 2024	31 December 2023
Consumer	2,931	2,909
Business	2,811	2,777
Wholesale	210	218
NOI	2,772	2,871
Other	939	949
Total FTE	**9,664**	**9,724**
> Of which discontinued operations	0	0

1 All employees were employed in the Netherlands.

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Share plans

KPN has granted shares (equity-settled) and share-based awards (cash-settled) on its shares to members of the Board of Management and senior management. The conditionally granted awards will vest after three years if they are still employed by KPN. Vesting of non-financial targets is subject to achieving a cumulative net profit during the vesting period of three years (a qualifier for vesting). The peer group and the vesting schedule can be found under "Long-term incentives" in the remuneration report.

The targets for the LTI plan are set as follows:

- 70% financial targets, of which 45% (20% as of the 2024 plan) on cumulative free cash flow over the plan period, 25% (30% as of the 2024 plan) on relative total shareholder return (TSR) measured against the STOXX Europe 600 Telecommunications index, and 20% (as of the 2024 plan) on return on capital employed;
- 30% non-financial targets, determined at the start of a new plan from the following categories: (i) sustainability; (ii) reputation; (iii) social; (iv) key business projects; and (v) market share.

The main features of the awards granted to KPN management are summarized in the following table.

	Board of Management	Senior management	Maximum term	Settlement type[1]	Vesting period	Holding period after vesting of/until
2020	X		6 years	Equity[2]	3 years	3 years
		X	3 years	Cash	3 years	–
2021	X		6 years	Equity[2]	3 years	3 years
		X	3 years	Cash	3 years	–
2022	X		6 years	Equity[2]	3 years	3 years
		X	3 years	Cash	3 years	–
2023	X		6 years	Equity[2]	3 years	3 years
		X	3 years	Cash	3 years	–
2024	X		6 years	Equity[2]	3 years	3 years
		X	3 years	Cash	3 years	–

1 The cash-settled share awards will be settled in cash and no holding restrictions apply. An exception to the holding period for equity-settled plans is made with respect to shares that were sold upon vesting to cover the tax obligation on the vested shares. After vesting, the holder is able to sell a number of unconditional granted shares only up to the amount necessary to settle the wage taxes liability relating to the profit made on the stock compensation plan. Wage tax in the Netherlands is generally around 50% of the total vested amount.

2 Including deferred dividend.

The related liability (for cash-settled shares) on 31 December 2024 was EUR 9m (31 December 2023: EUR 10m). This liability is included under other payables. For the 2021 share plan and share-based awards, the service conditions were met in 2024. The intrinsic value at vesting was EUR 15m (2023: EUR 13m).

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The following table presents the number of shares and share-based awards in thousands under the share plans.

	Total 31 Dec 2022	Granted/ additional vesting[1]	Exercised/ Vested	Forfeited	Total 31 Dec 2023	Granted/ additional vesting[2]	Exercised/ Vested[3]	Forfeited	Total 31 Dec 2024[4]	-of which: Non-vested
2020 Share-based awards Sr. man.	2,101	441	-2,542	-	-	-	-	-	-	-
2020 Shares BoM	1,809	380	-2,189	-	-	-	-	-	-	-
2021 Share-based awards Sr. man.	1,679	16	-	-	1,695	848	-2,543	-	-	-
2021 Shares BoM	1,409	-	-	-52	1,357	679	-2,036	-	-	-
2022 Share-based awards Sr. man.	1,652	-	-	-19	1,633	-	-	-	1,633	1,633
2022 Shares BoM	1,157	-	-	-155	1,002	-	-	-	1,002	1,002
2023 Share-based awards Sr. man.	-	1,790	-	-	1,790	58	-	-	1,848	1,848
2023 Shares BoM	-	1,187	-	-	1,187	-	-	-	1,187	1,187
2024 Share-based awards Sr. man.	-	-	-	-	-	1,892	-	-	1,892	1,892
2024 Shares BoM	-	-	-	-	-	1,243	-	-	1,243	1,243

1 On the basis of a 100% grant. The equity-settled share numbers do not include any deferred dividend during the vesting period. The deferred dividend during the vesting period will be granted in additional shares.

2 At grant date, the fair value is calculated using a Monte Carlo Simulation model. In April 2024 the fair value was EUR 2.90 (2023 grant: EUR 2.79) for the 2024 share-based award (cash-settled) and EUR 3.23 (2023 grant: EUR 3.07) for the 2024 equity-settled share grant for the Board of Management (excluding deferred dividend).

3 At the end of 2024, KPN held the 3rd position (TSR) with respect to the 2022 share grant and at the end of 2023, KPN held the 3rd position with respect to the 2021 share grant. This position and the outcomes of the other targets will lead to 106% vesting in April 2025 of the 2022 share grant. Final TSR measurement for the 2021 share grant was conducted in February 2024 which resulted in 150% vesting in April 2024.

4 The fair value of each cash-settled share-based award was measured on 31 December 2024 using recent strategic plans, forecasts and a Monte Carlo Simulation model, based on the most recent available share price of KPN and its performance compared with peer companies at the moment of valuation (i.e. closing share prices as at 31 December 2024). The TSR related fair value on 31 December 2024 was EUR 3.64 (2023: EUR 4.77) for the 2022 share-based award, EUR 2.43 (2022: EUR 2.45) for the 2023 share-based award and EUR 2.40 for the 2024 share-based award.

The fair value of each award at the grant date is determined using the following assumptions:

Assumptions	2024 LTI	2023 LTI
Risk-free interest rate based on euro government bonds for remaining time to maturity of 2.7 years	3.0%	3.3%
Expected dividend for KPN (based on one year's historical daily data preceding the date of award)	4.5%	4.1%
Expected volatility (PSP grant based on 2.7 years' historical daily data) used for TSR	14.5%	20.2%
Share price at date of award (closing at grant date)	€ 3.38	€ 3.31

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The following sections detail the actual remuneration of the Board of Management. See the remuneration report for the executive pay policy. At KPN, key management consists of the members of the Board of Management and the Supervisory Board.

Details of actual remuneration Board of Management

The remuneration of the Board of Management, representing the costs incurred by the company measured under IFRS principles, in EUR, is as follows:

Name current member	Year	Short-term benefits: Salary	Short-term benefits: STI[1]	Share-based: LTI[2]	Post-employment: Pension Cost[3]	Social security and other compensation[4]	Total in EUR
J.F.E. Farwerck	2024	908,119	596,879	1,166,490	253,368	33,124	2,957,980
	2023	892,500	740,597	1,153,237	218,211	32,140	3,036,684
H.C. Figee	2024	717,667	314,467	599,910	138,261	40,359	1,810,665
	2023	688,500	380,878	593,095	131,996	39,278	1,833,747
M.W.M. Snoep	2024	674,603	295,597	577,690	131,000	32,916	1,711,806
	2023	663,000	366,772	571,127	128,979	31,932	1,761,810
C. Vergouw	2024	674,603	295,597	299,782	107,479	32,830	1,410,291
	2023[5]	386,750	213,950	94,203	61,447	16,957	773,307
W. Stammeijer	2024	674,603	295,597	354,288	90,104	35,683	1,450,275
	2023[5]	386,750	213,950	140,466	51,420	9,264	801,851
H. Garssen	2024	518,925	227,383	444,378	99,971	38,394	1,329,050
	2023	510,000	282,132	439,329	91,329	16,690	1,339,480
Total current members	**2024**	**4,168,518**	**2,025,521**	**3,442,539**	**820,182**	**213,307**	**10,670,066**
	2023	**3,527,500**	**2,198,279**	**2,991,457**	**683,382**	**146,261**	**9,546,878**

1 Actual STI relates to performance in the current year but paid out in the following financial year. See the 'Short-term incentives' section in the Remuneration Report for the actual pay-out levels per target.

2 The amounts in the table represent the cost recognized for shares in 2024 and 2023 based on their fair values at grant date. The fair value of the share-based award is recorded as cost over the vesting period. See the 'Long-term incentives' section in the Remuneration Report for a further explanation.

3 The pension costs include the costs for survivor's pension, disability coverage, administration as well as the gross allowances. The fixed gross allowance (for the base pay part above EUR 137,800) in 2024 was, EUR 186,208 for Mr. Farwerck (2023: EUR 162,240), EUR 95,314 for Mr. Figee (2023: EUR 92,258), EUR 90,585 for Ms. Snoep (2023: EUR 90,094), EUR 70,785 for Ms. Vergouw (2023: EUR 41,058), EUR 56,421 for Mr. Stammeijer (2023: EUR 32,719) and EUR 64,999 for Ms. Garssen (2023: EUR 60,611).

4 In addition to social security, the stated amounts include allowances that can be considered as indirect remuneration and relates to the value for the private use of the company car.

5 Since appointment to the Board of Management in 2023

Name former member	Year	Short-term benefits: Salary	Short-term benefits: STI[1]	Share-based: LTI[2]	Post-employment: Pension Cost[3]	Social security and other compensation[4]	Total in EUR
J.P.E. Van Overbeke[5]	2023	221,000	122,257	181,421	54,903	8,979	588,559
B. Fouladi[5]	2023	221,000	122,257	181,421	42,320	4,921	571,919
Total former members	**2023**	**442,000**	**244,514**	**362,842**	**97,223**	**13,899**	**1,160,478**

1 Actual STI relates to performance in 2023 but paid out in the following financial year. See the 'Short-term incentives' section in the Remuneration Report for the actual pay-out levels per target.

2 The amounts in the table represent the cost recognized for shares in 2023 based on their fair values at grant date. The fair value of the share-based award is recorded as cost over the vesting period. See the 'Long-term incentives' section in the Remuneration Report for a further explanation.

3 The pension costs include the costs for survivor's pension, disability coverage, administration as well as the gross allowances. The fixed gross allowance (for the base pay part above EUR 128,810) in 2023 was, EUR 40,310 for Mr. Van Overbeke and EUR 29,338 for Mr. Fouladi.

4 In addition to social security, the stated amounts include allowances that can be considered as indirect remuneration and relates to the value for the private use of the company car.

5 Board of Management member until May 2023. No severance was paid out. An amount of EUR 2m was recorded for so called pseudo final levy (payable by KPN) relating to former board members.

See the remuneration report for the number of shares under the share plans per individual board member.

See the Insider Transactions section for stock ownership of members of the Board of Management and Supervisory Board.

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Supervisory Board and key management totals
See the remuneration report for the actual fees received by each member of the Supervisory Board. The total fees for 2024 amounted to EUR 725,347 (2023: EUR 679,792).

Total key management remuneration amounted to EUR 11m (2023: EUR 11m), of which EUR 7m (2023: EUR 7m) for short-term employee benefits, EUR 1m (2023: EUR 1m) for post-employment benefits and EUR 3m (2023: EUR 3m) for share-based payments.

Accounting policy: Share-based compensation

For equity-settled plans, the fair value of shares granted to employees is measured at grant date. For cash-settled plans, the fair value of the liability for the awards granted is remeasured at each reporting date and at settlement date.

The costs of share-based compensation plans are determined based on the fair value of the shares and the number of shares expected to vest. On each balance date, KPN determines whether it is necessary to revise the expectation of the number of shares that will vest. The fair value is recognized as personnel expense in profit or loss over the vesting period of the shares against an increase in equity in the case of equity-settled share-based compensation plans and against the recognition of a liability in the case of cash-settled share-based compensation plans.

[6] Other operating expenses

Other operating expenses decreased with EUR 4m to EUR 412m. Other operating expenses include a net addition to the restructuring provision (see Note 18).

Auditor's fees
The fees listed below relate to the services provided to KPN and its consolidated group entities by EY Accountants B.V., as well as by other Dutch and foreign-based EY individual partnerships and legal entities, recognized as expenses in the financial year:

€ million	2024	2023
Financial statements audit fees	4.4	4.2
Other assurance fees	1.6	1.3
Total audit fees	**6.0**	**5.5**

The financial statements audit fees include the fees for professional services rendered for the audit of KPN's annual financial statements, and the audit of annual statutory financial statements of subsidiaries or services that are normally provided by the auditor in connection with the audits.

The other assurance fees include the fees for the assurance on KPN's sustainability statement and the fees incurred for assurance and related services that are reasonably related to the performance of the audit or review of KPN's financial statements, such as revenue and IT-related assurance services and regulatory-related assurance services.

Accounting policy: Operating expenses
Operating expenses are divided into direct costs (cost of goods and services) and indirect costs (IT/TI, personnel expenses, other operating expenses and depreciation, amortization and impairments).

Cost of goods and services are costs incurred in the context of a sales transaction and include subscriber acquisition and retention costs and traffic expenses. These costs are expensed as incurred, except handset fees paid to dealers and transaction-related dealer commissions that are capitalized and amortized over the contract term. The cost of a handset is expensed when the handset is sold (as incurred), both as an individual sale or as a component of a transaction in combination with a subscription.

Information technology (IT) expenses relate to KPN's IT environment and include licenses and maintenance expenses for software and/or IT hardware when not directly related to a sales transaction. Technical infrastructure (TI) expenses are expenses related to KPN's fixed and mobile networks.

Personnel expenses are all expenses related to KPN's workforce, both related to own employees and external personnel from employment agencies.

Other operating expenses mainly include expenses related to marketing and communication, billing and collection, housing and facilities.

See Note 10, 11 and 19 for the accounting policy regarding depreciation, amortization and impairments.

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[7] Financial income and expenses

€ million	Notes	2024	2023
Finance income		**41**	**28**
Interest on borrowings		-245	-236
Interest expense lease liability	[19]	-23	-21
Interest on other provisions		-1	-2
Other interest expenses		-9	-7
Finance costs		**-279**	**-266**
Hedge ineffectiveness		-7	4
Amortizable part of hedge reserve		-12	-15
Amortization discontinued fair value hedges		18	16
Derivative financial instruments not qualified for hedge accounting	[13.3]	-7	-9
Exchange rate differences		12	1
Fair value loss on contingent cash receivable Glaspoort	[13.1]	-	-6
Bond tender premiums and charges	[13.2]	-60	-
Other		1	1
Other financial results		**-55**	**-7**
Total		**-293**	**-246**

Net financial income and expenses amounted to EUR -293m (2023: EUR -246m), reflecting an increase in net costs of EUR 47m.

Finance income increased by EUR 13m to EUR 41m, mainly due to higher interest income on excess cash.

Finance costs increased by EUR 13m to EUR 279m, which was mainly related to the interest accrued on the EUR 1bn senior bond issued in February 2024, partly offset by the lower interest expense on tendered bonds and the bond redemption in September. Interest on borrowings included a non-cash amount of EUR 5m (2023: EUR 4m) relating to debt issuance costs including premiums and/or discounts, which are amortized over the remaining life of the respective bonds using the effective interest rate method.

Other financial results (costs) increased by EUR 48m to a net cost of EUR 55m (2023: EUR 7m net cost) which is mainly the result of EUR 60m charges related to the bond tender in February 2024, partly offset by EUR 11m higher positive result on exchange rate differences (USD, GBP) and EUR 6m lower fair value loss on the contingent cash receivable related to Glaspoort. In February 2024, KPN repurchased GBP 150m notional of the GBP 400m 5.00% bonds due in November 2026 and GBP 300m notional of the GBP 850m 5.75% bonds due in September 2029 and partially unwound the associated cross-currency swaps to maintain a fully hedged position on the remaining GBP bonds outstanding. In total these transactions resulted in P&L charges of EUR 60m consisting of a EUR 14m release of hedge reserves on the terminated hedges, EUR 23m accelerated amortization of discontinued hedge reserves, EUR 20m bond premiums as the bonds were repurchased above par at 100.745% and 104.534% respectively, and EUR 3m swap close-out charges and transaction costs.

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[8] Taxation

The Netherlands

The book loss recognized as a result of the sale of E-Plus in 2014, was used to offset KPN's taxable income in the Netherlands in 2014 up to and including 2024, and will be used to offset a part of KPN's taxable income in the Netherlands in the years thereafter.

KPN applies a temporary mandatory relief from deferred tax accounting for the impacts of the new legislation to implement the global minimum tax rate (Pillar Two) and will account for it as a current tax (if any). Based on the transitional safe harbor rules, and the most recent information available regarding the financial performance of the entities in scope, KPN's effective tax rate is above 15% in the Netherlands and has limited substance in all other jurisdictions in which it operates (de minimis test or an immaterial exposure). KPN currently estimates that it is not subject to material Pillar Two "top-up" taxes in 2024. Management does not expect that this estimate might change significantly. See the Appendix 4: GRI index for tax and geographic tax overview.

KPN has a renewed agreement with the Dutch tax authorities with respect to the application of the Dutch innovation box tax regime. This is a facility under Dutch corporate income tax law whereby profits attributable to innovation are taxed at an effective rate of 9.0% (2023: 9.0%). The application of the innovation box resulted in a benefit of EUR 31m in 2024 (2023: EUR 32m).

See Note 21 for the impact of the acquisitions, which are separately liable for income taxes, and disposals of subsidiaries and business units.

Germany

As all relevant tax years have been audited, KPN has dissolved and liquidated the remaining legal entity in Germany.

Income tax expense

€ million	2024	2023
Current tax	-149	-93
Deferred taxes	-89	-152
Income tax (charge)/benefit from continuing operations	**-238**	**-245**

The reconciliation from the Dutch statutory tax of 25.8% (2023: 25.8%) to the effective tax rate (ETR) of 21.7% (2023: 22.3%) is explained in the following table:

	2024		2023	
	€ million	ETR	€ million	ETR
Profit before income tax from continuing operations excluding associates and joint ventures	**1,100**		**1,097**	
Taxes at Dutch statutory tax rates	-284	25.8%	-283	25.8%
Non taxable income, non deductible expenses	-4	0.4%	-6	0.5%
Participation exemption on the sale of subsidiaries	0	0.0%	-2	0.2%
Innovation tax facilities current year	31	-2.8%	32	-2.9%
Deferred tax related to current year	3	-0.3%	2	-0.2%
Tax benefit perpetual hybrid bonds	12	-1.1%	10	-0.9%
Other	3	-0.3%	1	-0.1%
Income tax benefit/(charge) from continuing operations	**-238**	**21.6%**	**-245**	**22.3%**

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Deferred tax positions

Deferred tax assets

€ million	Tax loss & other carry forwards[1]	Bonds & hedges[2]	Property, plant and equipment (PP&E)[3]	Lease Liabilities[4]	Other	Offset against deferred tax liabilities	Total
Balance at 31 December 2022	**293**	**31**	**101**	**219**	**35**	**-417**	**261**
Income statement benefit/(charge)	-	-	-13	-5	-2	-101	-122
Transfer to current tax	-36	-	-	5	-1	-	-32
Tax charged to OCI	-	9	-	-	-	-	9
Other and restate	2	-	-3	-	-2	-2	-5
Balance at 31 December 2023	**259**	**40**	**84**	**218**	**29**	**-520**	**111**
Income statement benefit/(charge)	-	-5	-26	-17	2	-	-47
Transfer to current tax	-73	-	-	-	0	-	-74
Tax charged to OCI	-	-6	-	-	-	-	-6
Other	-	-	-	-	-1	17	16
Balance at 31 December 2024	**185[5]**	**30**	**58**	**201**	**29[6]**	**-503**	**0**

1 Net offsettable losses expected to be recovered within the foreseeable future. KPN has a history of recent profits

2 Amounts relate to capitalized costs for tax purposes, derivative positions adjusted for tax purposes and unrealized FX results included in the hedge reserve

3 Amounts relate to assets depreciated in 5 years for tax purposes and less than 5 years for book purposes and arbitrary depreciation. No DTA is recorded for a taxable amount of EUR 84m (deferred EUR 22m) related to restricted deprecation on real estate

4 For leases, KPN separately recognizes both deferred tax assets and deferred tax liabilities, based on the underlying temporary difference

5 Of which EUR 102m to be recovered within 12 months. Recoverability depending on future taxable results. Based on current projections, KPN expects to fully utilize its losses within the foreseeable future

6 No DTA is recorded for a taxable amount of EUR 15m (deferred EUR 3m) related to the UK pension provision

Deferred tax liabilities

€ million	Software development[1]	Goodwill depreciation[2]	PPA[3]	PP&E: Arbitrary depreciation	Right of use assets[4]	Other	Offset against deferred tax assets	Total
Balance at 31 December 2022	**73**	**117**	**33**	**-**	**195**	**1**	**-417**	**2**
Income statement benefit/(charge)	4	-	-7	111	-7	1	-101	-1
Other	-	-	1	-	-	-	-2	-1
Balance at 31 December 2023	**77**	**117**	**27**	**111**	**187**	**1**	**-520**	**-**
Income statement benefit/(charge)	6	-	-9	-15	-15	-	-	-32
Other	-	-	25	-	-	-	17	42
Balance at 31 December 2024	**83**	**117**	**43**	**96**	**172**	**1**	**-503**	**10**

1 Amounts relate to capitalized software costs which are taken as expenses for tax books

2 Amounts relate to acquired goodwill depreciated for tax purposes (not for book purposes)

3 See Note 21 for the impact of the acquisitions

4 For leases, KPN separately recognizes both deferred tax assets and deferred tax liabilities, based on the underlying temporary difference

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Tax loss carry forward

€ million	31 December 2024 Tax loss carry forward	Maximum deferred tax asset	Recognized deferred tax asset	31 December 2023 Tax loss carry forward	Maximum deferred tax asset	Recognized deferred tax asset
Koninklijke KPN – corporate tax[1]	719	185	185	1,003	259	259
Other	113[2]	24	-	104[2]	22	-
Total KPN Group[3]	**832**	**209**	**185**	**1,107**	**281**	**259**

1 Available losses for the fiscal unity (including pre-acquisition losses). The offset of realized losses with future profits is unlimited

2 Losses relating to foreign jurisdictions that are not expected to materialize in foreseeable future

3 No DTA is recognized to a tax amount of EUR 3m of withholding tax credits as it is not probable that future tax payables will be available to utilize these credits based on current legislation and jurisprudence

Expiration of the available tax loss carry forward and recognized tax assets

€ million	31 December 2024 Tax loss carry forward	Maximum deferred tax asset	Recognized deferred tax asset	31 December 2023 Tax loss carry forward	Maximum deferred tax asset	Recognized deferred tax asset
2025	-	-	-	-	-	-
2026	4	1	-	4	1	-
2027	-	-	-	-	-	-
2028	8	2	-	7	2	-
Later	51	11	-	48	10	-
Unlimited	769	196	185	1,048	268	259
Total	**832**	**209**	**185**	**1,107**	**281**	**259**

Accounting policy: Taxation

Current income tax

The current income tax expense is calculated in accordance with the prevailing tax regulations and rates, taking into account non-taxable income and non-deductible expenses. The current income tax expense reflects the amount for the current reporting period that KPN expects to recover from or pay to the tax authorities. Income tax related to items recognized directly in equity/OCI is recorded in equity/OCI and not in profit or loss, with an exception for perpetual hybrid bonds classified as equity.

KPN's management periodically evaluates positions taken in the tax returns on situations in which uncertainty on a tax position exists over whether the relevant taxation authority will accept the tax treatment under law. These uncertain tax positions ('UTP') will be recognized if the amount can be reliably estimated and when the chance of a cash outflow is estimated as probable. When these criteria are not met, these positions are classified as contingent liabilities, unless the cash outflow is considered remote.

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Deferred income tax

Deferred income tax positions are recognized for temporary differences between the tax basis of assets and liabilities and their carrying values. Deferred tax assets (DTAs) are recognized for deductible temporary differences, the carry forward of unused tax credits, and any unused tax losses. DTAs are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Both the recognized and unrecognized DTAs are reassessed on each reporting date based on available projections. If future taxable profits are insufficiently available, derecognition may become inevitable unless certain exceptions can be applied. DTAs are recorded for deductible temporary differences associated with investments in subsidiaries and associates. They are recorded only to the extent that it is probable that the temporary differences will reverse in the foreseeable future, and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax liabilities (DTLs) are recognized for all taxable temporary differences except when they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the profit or loss reported in the statement of profit or loss nor the taxable profit or loss. Also, no DTLs are recorded for taxable temporary differences associated with investments in subsidiaries and associates when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax positions are stated at nominal value and are measured at the corporate income tax rates KPN expects to be applicable in the year when the asset is realized or liability is settled based on enacted or substantially enacted tax laws.

If a tax provision is recognized for an uncertain tax position (UTP) that relates to deferred taxes, the UTP will be netted against these deferred taxes. DTAs and DTLs are netted if there is a legally enforceable right to offset current tax assets against current tax liabilities and the DTAs/DTLs relate to income taxes levied by the same taxation authority on the same taxable entity or if, in the case of different taxable entities, there is an intention either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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[9] Earnings per share

The following table shows the income and share data used in the calculations of the basic and diluted EPS.

€ million	2024	2023
Profit for the year from continuing operations	847	843
Profit for the year from discontinued operations	0	2
Profit for the year	**848**	**844**
Profit attributable to non-controlling interests	-	-
Deduction for perpetual capital securities	-50	-40
Adjusted profit (loss) attributable to ordinary shareholders of the company	**798**	**804**
Weighted average number of subscribed ordinary shares	**3,897,111,038**	**3,971,627,920**
Dilution effects: non-vested shares	3,345,533	4,454,676
Weighted average number of subscribed ordinary shares including dilution effects	**3,900,456,571**	**3,976,082,596**

Earnings per ordinary share after taxes attributable to equity holders of the company for the year:

€	2024	2023
Basic (continuing operations)	0.20	0.20
Diluted (continuing operations)	0.20	0.20
Basic (discontinued operations)	-	-
Diluted (discontinued operations)	-	-
Basic (total, including discontinued operations)	0.20	0.20
Diluted (total, including discontinued operations)	0.20	0.20

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Non-vested shares are regarded to have potential dilutive effects on the ordinary shares.

Coupons and carrying amount adjustments on the perpetual hybrid bonds were deducted from the profit attributable to equity holders, since the perpetual hybrid bonds represent equity but do not constitute profit attributable to ordinary shareholders.

The total basic earnings per share include EUR 0.06 (2023: EUR 0.06) in tax expenses.

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Notes to the consolidated statement of financial position

[10] Property, plant and equipment

Statement of changes in property, plant and equipment

€ million	Land and buildings	Plant and equipment	Other tangible non-current assets	Assets under construction	Total
Balance at 1 January 2023	**377**	**5,018**	**24**	**148**	**5,568**
Investments	7	4	3	984	998
Transfers from AuC to other PPE	23	855	7	-885	-
Depreciation	-41	-672	-10	-	-723
Impairments and retirements	-2	-9	-	-	-11
Changes in consolidation[1]	-	117	-	-	116
Disposals	-4	-	-	-	-4
Closing net book value	**361**	**5,312**	**24**	**247**	**5,943**
Cost	1,570	9,075	51	247	10,943
Accumulated depreciation/impairments	-1,210	-3,763	-27	-	-5,000
Balance at 31 December 2023	**361**	**5,312**	**24**	**247**	**5,943**
Investments	5	4	1	996	1,007
Transfers from AuC to other PPE	46	1,044	8	-1,098	-
Depreciation	-40	-675	-10	-	-725
Impairments and retirements	-2	-6	-	-2	-10
Changes in consolidation[2]	3	20	-	-	23
Disposals	-2	-18	-	-	-20
Closing net book value	**371**	**5,681**	**23**	**144**	**6,219**
Cost	1,572	9,746	52	144	11,514
Accumulated depreciation/impairments	-1,202	-4,065	-29	-	-5,295
Balance at 31 December 2024	**371**	**5,681**	**23**	**144**	**6,219**

1 Changes in consolidation in 2023 mainly relate to the acquisitions of Primevest (EUR 91m) and Kabeltex (EUR 26m), see also Note 21

2 Changes in consolidation in 2024 mainly relate to the acquisitions of subsidiaries and assets that do not constitute a business, such as fiber networks of Coöperatie Glasvezel Noord (EUR 8m) and Glasvezel Netwerkbedrijf Lochem (EUR 8m), see also Note 21

Estimated useful lives of the principal PPE categories

PPE category	Depreciation period
Land	No depreciation
Buildings	14-33 years
Network equipment	3-7 years
Fiber network infrastructure	30 years
Copper network infrastructure	5-10 years
Office equipment	4-10 years

The assets' residual values and useful lives are reviewed at least annually and adjusted if appropriate.

In early 2020, KPN announced its plans to phase out its copper network after three years starting in early 2023 for existing addresses where fiber service delivery has been available from early 2020, and for the addresses in every then already announced fiber rollout project under construction. Together with the current fiber rollout these overlay addresses receive an announcement that copper will be phased out after three years. The depreciation of this part of the copper network was accelerated for an additional amount of EUR 2m in 2024 (2023: EUR 6m).

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Accounting policy: PPE

PPE are valued at cost less depreciation and impairment. The cost includes direct costs (materials, direct labor and work contracted out) and directly attributable overhead costs.

Asset retirement obligations are capitalized as part of the cost of tangible fixed assets and expensed as either depreciation over the assets' estimated useful life or as impairment charges.

PPE are depreciated using the straight-line method, based on estimated useful life, taking into account residual value. Land is not depreciated. PPE are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the assets concerned may not be recoverable. An impairment loss is recognized for the amount by which the assets' book value exceeds their recoverable amount.

Impairments are reversed if and to the extent that the impairment no longer exists. The recoverable amount is defined as the higher of an assets' fair value less costs of disposal and its value in use.

Interest is capitalized as an increase in PPE if the construction of assets takes a substantial period of time and the amount is material.

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[11] Intangible assets

Statement of changes in intangible assets with finite lives and goodwill

€ million	Goodwill	Customer relationships	Software acquired from third parties	Software internally generated	Software in development	Licenses	Other	Total
Balance at 1 January 2023	**1,439**	**127**	**45**	**278**	**57**	**932**	**5**	**2,884**
Investments	11	-	5	35	218	-	-	269
Transfers from SiD to Software in use	-	-	22	194	-216	-	-	-
Changes in consolidation	-	3	-5	5	-1	-	-	2
Amortization	-	-26	-21	-193	-	-100	-1	-341
Impairments	-	-2	-1	-3	-	-	-	-6
Reclassifications	-	-	16	-16	1	-	-	2
Closing net book value	**1,451**	**103**	**61**	**300**	**59**	**832**	**4**	**2,809**
Cost	2,108	326	104	601	59	1,779	11	4,989
Accumulated amortization/impairments	-657	-223	-44	-301	-	-947	-7	-2,179
Balance at 31 December 2023	**1,451**	**103**	**61**	**300**	**59**	**832**	**4**	**2,809**
Investments	135[1]	-	1	2	246	60[2]	-	445
Transfers from SiD to Software in use	-	-	20	256	-276	-	-	-
Changes in consolidation[3]	-1	90	-	-	-	-	8	98
Amortization	-	-30	-23	-212	-	-102	-	-368
Impairments	-	-2	-	-5	-	-	-	-8
Reclassifications	-	-3	-19	21	-2	-	-	-2
Closing net book value	**1,585**	**158**	**39**	**361**	**28**	**791**	**11**	**2,974**
Cost	2,243	383	92	704	28	1,839	23	5,311
Accumulated amortization/impairments	-657	-225	-53	-343	-	-1,048	-11	-2,336
Balance at 31 December 2024	**1,585**	**158**	**39**	**361**	**28**	**791**	**11**	**2,974**

1 Goodwill increase relates to the acquisition of Youfone (EUR 135m), Coöperatie Glasvezel Noord (EUR 1m) and the disposal of KPN Internedservices (EUR -1m)

2 Investment in Licenses relates to the new 3.5Ghz 5G frequency

3 Changes in consolidation mainly relate to the acquisition of Youfone customer base (EUR 90m) and trade name (EUR 7m)

Goodwill per CGU

€ million	31 December 2024	31 December 2023
Consumer	888[1]	753
Business	662	663
Wholesale	35	35
Total	**1,585**	**1,451**

1 Increase of EUR 135m mainly due to the acquisition of Youfone

Goodwill impairment tests

In accordance with IAS 36, KPN assesses goodwill for impairment at the end of each year and when a triggering event occurs. The annual impairment tests at 31 December 2024 did not indicate that the book value of KPN's goodwill is not recoverable. KPN's market capitalization on 31 December 2024 was higher than the book value of its equity. A test was performed of the recoverable amount of the book value of each cash-generating unit (CGU), based on their value-in-use, which was determined by using the discounted cash flow method.

Key assumptions used in the cash flow projections are estimated EBITDA, capex, change in working capital and pre-tax weighted average cost of capital (WACC). The cash flow projections are management's best estimate based on the updated strategic plan and extrapolation to terminal values for the years after 2034. Personnel expenses are expected to increase (net, after reduction of FTE's) between 1% and 3% in 2025 to 2029. Energy costs are expected to be approximately 15% lower in 2025 compared with 2024 as energy prices have decreased over time and we expect

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that energy costs will decline further with approximately 8% by 2028 due to reduced energy consumption. KPN has outlined a transition plan to address the impact of climate change and other sustainability topics on KPN's business model. For example, the demand for renewable energy exceeds supply and energy storage technology is still developing. Limited power capacity and connections can lead to grid congestion, with the risk of disrupting KPN's networks and services through power outages. Climate change can lead to extreme weather events, such as flooding and heat stress, which could damage KPN's infrastructure and pose risks of temporary or long-term network disruptions. The transition plan is embedded in and aligned with KPN's overall business strategy. More specifically, it is linked to the financial and business planning of our Connect, Activate & Grow strategy and includes capex in the short and long term to, for example, mitigate the impact of climate change.

The WACC is calculated using a capital asset pricing model (CAPM). In 2024, KPN revised the calculation methodology on certain parameters, i.e. de inputs for Equity Risk Premium (ERP) and the introduction of a size premium. This caused a decrease in the WACC. Since 2016, KPN has calculated an implied forward-looking ERP based on Bloomberg German Market Returns and corresponding German Bund yields. This implied ERP is generally higher than the traditional CAPM methodology-based fixed ERP which uses a long-term backward-looking approach. In the past years with lower or even negative interest rates, the implied ERP resulted in more sensible WACC rates. As interest rates have normalized recently, KPN now returns to the “traditional” CAPM methodology using long-term, backward looking ERP data provided by an independent valuation services provider. This long-term, backward looking ERP is based on a regular review of fluctuations in the Eurozone's economic and financial market conditions, followed by periodic reassessment of the ERP. When applying the “traditional” CAPM, it is standard practice to include a size premium which is supported by empirical studies showing that smaller companies tend to have higher average rates of return compared to larger companies. A size premium for KPN and separately for Glaspoort has been applied.

The average terminal growth rate for all three CGU's for the period after 10 years is updated consistently in line with the changes in the risk-free rate used to determine the WACC, and was 1.5% in both 2024 and 2023.

For all three CGUs, the annual impairment tests in 2024 and 2023 resulted in significant positive headroom at 31 December 2024 and 31 December 2023.

Key assumptions in goodwill impairment tests

CGU	EBITDA margin	Capex intensity	Discount rate	Terminal sales growth[1]
Consumer 2024	52% – 54%	18% – 27%	6% – 7%	1.5%
Consumer 2023	51% – 54%	18% – 26%	8% – 9%	1.5%
Business 2024	32% – 37%	10% – 15%	6% – 7%	1.5%
Business 2023	31% – 37%	13% – 18%	8% – 9%	1.5%
Wholesale 2024	67% – 72%	30% – 43%	6% – 7%	1.5%
Wholesale 2023	69% – 74%	27% – 43%	8% – 9%	1.5%

1 Estimates after 10 years

The EBITDA margins and capex intensity shown in the table above are the highest and lowest percentages used to determine the cash flows in the period up to 2034 and used to determine the terminal value. The wide variation in capex intensity is due to high levels of capex in the coming years related to the fiber rollout which will be significantly lower as of 2027. The discount rate shown in the table above is the WACC used to determine the value-in-use at 31 December 2024. The sensitivity analyses on the impairment test, resulting from a change in the key assumptions, showed that the headroom of the CGUs is more than sufficient. The analyses were performed for each key assumption separately. For example, a 1% higher discount rate, a 20% higher capex, a 1% lower terminal growth rate or a 20% lower EBITDA in each of the CGUs would not lead to a goodwill impairment.

Accounting policy: Goodwill and intangibles with finite lives

The excess of the consideration transferred over the fair value of the identifiable net assets acquired in a business combination is recorded as goodwill. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination. Goodwill is carried at cost less accumulated impairment losses and tested for impairment annually or whenever there is an indication that goodwill may be impaired. Goodwill is impaired if the recoverable amount is lower than the book value. The recoverable amount is defined as the higher of the fair value less costs of disposal and the value in use of the CGU concerned. Impairment losses on goodwill are not reversed if circumstances that triggered the impairment have changed.

Licenses and software are valued at cost less amortization and impairment. Amortization is calculated using the straight-line method over the economic useful life and commences at the date that services can be offered (available for use). Internally developed and acquired software which is not an integral part of PPE, is capitalized on the basis of the costs incurred, which includes direct costs and directly attributable overhead costs incurred. Other intangible assets, such as customer relationships and trade names acquired in business combinations, are capitalized at their fair values at acquisition date and are amortized using the straight-line method over the economic useful life.

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. An impairment loss is recognized for the amount by which the book value of the intangible assets exceeds its recoverable amount. Impairments are reversed if and to the extent that the impairment no longer exists. Intangible assets not yet available for use are tested for impairment annually or whenever KPN has an indication that the intangible fixed assets may be impaired. For example, licenses are tested as part of a CGU as licenses do not generate independent cash flows.

The amortization periods of the intangible assets with finite lives are 5-20 years for licenses, 3-5 years for software and 4-20 years for other intangible assets, such as customer relationships.

[12] Equity investments accounted for using the equity method

KPN holds several equity investments accounted for using the equity method of which Glaspoort (see below) is the most significant. Other equity investments, with a combined carrying value at 31 December 2024 of EUR 17m (31 December 2023: EUR 17m) and combined share in their net result of nil in 2024 (2023: nil) are not material, either individually or in aggregate.

Joint venture Glaspoort

Glaspoort is a network company, pursuing an open-access wholesale strategy based on non-discriminatory terms, fostering competition and innovation in the Netherlands.

Glaspoort is classified as a joint venture based on the assessment of ownership and voting power (50/50 with the joint venture partner, Drepana Investment Holding B.V.) and the joint control established through the joint venture agreement between the shareholders. The assessment includes, among others, the following:

- KPN's option to purchase one additional share in Glaspoort. This option is exercisable between the 5th and the 8th anniversary of the transaction (9 June 2021) provided certain criteria are met, and in any case after the 8th anniversary.
- KPN's influence on Glaspoort's relevant activities through KPN's presence in the governance structure.
- KPN is anchor tenant on Glaspoort's network and will also be one of its suppliers through a number of operational contracts between KPN and Glaspoort.

The assessment as to whether joint control remains in place is reviewed annually.

KPN accounts for its interest in Glaspoort using the equity method in the consolidated financial statements with initial recognition at fair value. The initial fair value has been allocated to the equity of Glaspoort, determined under application of KPN's accounting policies and goodwill. In determining equity, intangible assets of EUR 878m have been recognized in the initial balance sheet of Glaspoort, which mostly relate to contractual relationships held by Glaspoort, with - among others - KPN. These intangible assets are amortized over a period of 30 years. At 31 December 2024 these intangibles had a carrying value of EUR 813m (31 December 2023: EUR 833m).

In December 2021, KPN, Drepana and Glaspoort signed an agreement on the sale of additional fiber rollout projects by KPN to Glaspoort for a total consideration of EUR 170m (pre-tax). KPN received an upfront payment of EUR 60m in 2021 and the remainder is being paid in annual installments based on the progress of the rollout. At the start of the related project, KPN recognized 50% of the gain on the sale (as other income) and 50%

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was deferred following the requirements of IAS 28 for downstream transactions. At 31 December 2023, all projects had started so no other income was recognized in 2024 (2023: EUR 23m). At 31 December 2024, the deferred consideration to be received by KPN is EUR 28m, of which EUR 23m current (31 December 2023: EUR 59m, of which EUR 31m current). The payments received are included in the net cash flow from disposals of property, plant and equipment and intangible assets in the consolidated statement of cash flows (2024: EUR 31m, 2023: EUR 51m).

In 2023 KPN contributed in kind an additional share premium of EUR 16m which was passed through to Glasdraad in which Glaspoort has a 50% share. For this transaction KPN recognized in 2023 a gain of EUR 8m as other income, a gain of EUR 4m (pre-tax) as result from joint ventures and a deferred gain of EUR 4m following the requirements of IAS 28 for downstream transactions.

The deferred gains are deducted from the carrying amount of KPN's investment in Glaspoort (EUR 76m at 31 December 2024 and EUR 82m in 2023) and are recognized over time as part of the result from KPN's investment in Glaspoort (EUR 4m in 2024 and EUR 7m in 2023).

During 2024, Glaspoort received additional share premium contributions of EUR 20m per shareholder based on the original agreements. In 2023 KPN contributed EUR 85m (including the contribution in kind). Drepana also contributed EUR 85m in additional share premiums, of which EUR 4m was to be received by Glaspoort at 31 December 2024. KPN added the share premium payments to the carrying value of KPN's interest in the joint venture. Glaspoort used part of these contributions to finance its fiber rollout activities and the acquisition of its 50% share in Glasdraad.

Summarized financial information on the joint venture, based on IFRS as applied by KPN, and reconciliation with the carrying amount of the investment in the consolidated financial statements, is set out below:

Summarized statement of financial position of Glaspoort B.V.

€ million	31 December 2024	31 December 2023
Tangible fixed assets	629	401
Intangible assets	958	990
Right-of-use assets	1	0
Equity investments	98	86
Other non-current assets	29	28
Current assets	31	14
Net cash and cash equivalents	5	14
Non-current liabilities	-445	-268
Current liabilities	-97	-60
Equity	**1,209**	**1,206**
KPN's share in equity	605	603
Goodwill from initial valuation at fair value	15	15
Carrying amount of the investment Equity Method	**620**	**618**
Less: Deferred gain on downstream transactions	-76	-82
Carrying amount of the investment	**544**	**536**

Summarized statement of profit or loss of Glaspoort B.V.

€ million	2024	2023
Revenue	53	30
Operating expenses	-22	-17
Depreciation, amortization & impairment expenses	-50	-34
Net finance result	-27	-20
Result from joint ventures	-1	-1
Profit before tax	**-47**	**-40**
Income tax expense	10	9
Profit for the year	**-37**	**-31**
Total comprehensive income for the year	**-37**	**-31**
KPN's share of profit for the year	**-19**	**-16**
Release deferred gain on downstream transactions (net of tax)	4	7
KPN's total reported result from JV GP	**-14**	**-9**

Both shareholders have committed to additional share premium contributions. On 31 December 2024, the remaining maximum commitment of each shareholder was EUR 255m, payable to Glaspoort based on funding requirements following its annual budget (31 December 2023: EUR 202m). Neither shareholder has additional funding obligations regarding Glaspoort. Glaspoort has entered into funding agreements with financial institutions to cover its financial commitments, which include its fiber roll-out activities. These funding agreements have been entered into on a non-recourse basis without any guarantees from the shareholders.

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For information on transactions between Glaspoort and KPN and unsettled positions between Glaspoort and KPN, see Note 23. Glaspoort may not distribute its profits without the consent of the two joint venture partners and not before 2026. After 2026, Glaspoort may distribute dividends only if specific criteria are met.

Impairment assessment Glaspoort

KPN performed an impairment test and concluded that the fair value less costs of disposal of KPN's investment in Glaspoort is higher than its carrying amount of EUR 544m at 31 December 2024, so no impairment was recognized. The impairment test was based on input obtained from management of Glaspoort, including the long-term business plan and management's estimate of rollout scope and progress. The fair value also depends on assumptions on the WACC (6.0%) and the terminal growth rate (1.5%). In 2024, the methodology to determine the WACC was amended, which led to a WACC decrease (see Note 11).

With all other assumptions unchanged, a 1.0% higher WACC would not lead to an impairment and a 1.25% higher WACC would lead to an estimated impairment of EUR 25m. A 0.0% terminal growth rate would not lead to an impairment, with all other assumptions unchanged.

Accounting policy: Equity investments accounted for using the equity method

Equity investments accounted for using the equity method include associates and joint ventures.

Associates are entities over which KPN has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in KPN's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects KPN's share in the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of KPN's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, KPN recognizes its share of any change, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between KPN and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture through KPN's share in the profit (or loss) of the associate or joint venture.

The aggregate of KPN's share of profit or loss of an associate and a joint venture is shown in the statement of profit or loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as KPN's. When necessary, adjustments are made to bring the accounting policies in line with those of KPN.

After application of the equity method, KPN determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, KPN determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, KPN calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss within 'share of profit/loss (-) of associates and joint ventures' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control, and the fair value of the retained investment and proceeds from disposal, is recognized in profit or loss.

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[13] Financial assets and financial liabilities

Summary of the financial assets and liabilities at carrying amount and fair value, classified per category

		31 December 2024		31 December 2023	
€ million	**Notes**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets at FVPL					
Other financial asset at fair value through profit or loss	[13.1]	155	155	173	173
Other current financial assets	[13.1]	100	100	193	193
Derivatives	[13.3]	101	101	77	77
Cash and cash equivalents	[15]	662	662	609	609
Financial assets at amortized cost					
Trade and other receivables[1]	[14.1]	464	464	459	459
Financial assets at FVOCI					
Financial receivables handsets	[14.1]	82	82	106	106
Equity investments	[13.1]	119	119	90	90
Total financial assets		**1,683**	**1,683**	**1,708**	**1,708**
Financial liabilities FVPL					
Borrowings[2]	[13.2]	1,796	1,779	1,750	1,740
Derivatives	[13.3]	161	161	261	261
Financial liabilities at amortized cost					
Borrowings[2]	[13.2]	4,483	4,523	4,144	4,182
Trade and other payables[3]	[20]	1,076	1,076	981	981
Total financial liabilities[4]		**7,515**	**7,539**	**7,136**	**7,164**

1 Excluding prepayments and the financial receivables handsets measured at FVOCI.

2 Borrowings are measured at amortized cost except when the borrowings are included in a fair value hedge (see Note 13.3). The fair value estimation of borrowings uses valuation techniques based on maximum use of observable market data for all significant inputs (Level 2). The fair value of borrowings included in a fair value hedge is based on market prices (Level 1).

3 Excluding social security and other taxes payable.

4 Excluding lease liabilities.

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Fair value measurement hierarchy at 31 December 2024

€ million	Level 1	Level 2	Level 3	Total
Financial assets at FVPL				
Other financial asset at fair value through profit or loss	-	-	155	155
Other current financial assets	100	-	-	100
Derivatives (cross-currency interest rate swap)	-	96	-	96
Derivatives (interest rate swap) and other	-	5	-	5
Cash and cash equivalents	662	-	-	662
Financial assets at FVOCI				
Financial receivables handsets	-	82	-	82
Equity investments:				
Unlisted securities	-	-	119	119
Total assets	**762**	**183**	**274**	**1,219**
Financial liabilities at FVPL				
Borrowings	1,779	-	-	1,779
Derivatives (cross-currency interest rate swap)	-	20	-	20
Derivatives (interest rate swap)	-	142	-	142
Total liabilities	**1,779**	**161**	**-**	**1,941**

Fair value measurement hierarchy at 31 December 2023

€ million	Level 1	Level 2	Level 3	Total
Financial assets at FVPL				
Other financial asset at fair value through profit or loss	-	-	173	173
Other current financial assets	193	-	-	193
Derivatives (cross-currency interest rate swap)	-	62	-	62
Derivatives (interest rate swap) and other	-	16	-	16
Cash and cash equivalents	609	-	-	609
Financial assets at FVOCI				
Financial receivables handsets	-	106	-	106
Equity investments:				
Unlisted securities	-	-	90	90
Total assets	**802**	**184**	**263**	**1,248**
Financial liabilities at FVPL				
Borrowings	1,740	-	-	1,740
Derivatives (cross-currency interest rate swap)	-	71	-	71
Derivatives (interest rate swap)	-	190	-	190
Total liabilities	**1,740**	**261**	**-**	**2,001**

Fair value estimation

Level 1: Fair value of instruments traded in active markets and based on quoted market prices.
Level 2: Instrument is not traded in an active market and fair value is determined by using valuation techniques based on maximum use of observable market data for all significant inputs.
Level 3: One or more of the significant inputs are not based on observable market data; the fair value is estimated using models and other valuation methods.

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Accounting policy: Financial assets

Financial assets are classified at initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and KPN's business model for managing them.

KPN initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

For the purposes of subsequent measurement, financial assets are classified into four categories:
- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income (OCI) with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

[13.1] Financial assets

Other financial asset at fair value through profit or loss

Upon the sale in 2021 of the 50% interest in Glaspoort B.V. to Drepana Investments Holding B.V., KPN received a cash consideration upon deal close of EUR 233m and a contingent cash receivable of EUR 234m. The contingent cash receivable, to be received in annual installments based on Glaspoort's rollout progress, is classified as a financial asset measured at fair value through profit or loss. The contingent cash receivable was initially valued at EUR 218m. At 31 December 2024, the carrying value was EUR 155m (2023: EUR 173m), of which EUR 40m current (2023: EUR 26m). In 2024, the book value was increased by interest income of EUR 8m (2023: EUR 10m) and decreased by EUR 26m (2023: EUR 29m) due to received payment. The fair value adjustment was nil (2023: EUR 6m loss, recognized in other financial results).

Based on Glaspoort's current rollout plan, KPN expects the final payment in 2027. The fair value of this contingent receivable is deemed equal to the net present value of the full amount of the installments to be received according to the expected rollout schedule as included in Glaspoort's initial business plan. A weighted average discount rate of 5.2% has been used based on the following elements:
- A base-rate using mid-swap rates to account for the time value of money, plus
- A credit spread mark-up to account for the risk of non-payment based on AA-rated credit curves resulting in a weighted average spread of ~0.3% over a 5-year tenor, plus
- A mark-up to reflect the rollout risk (mostly the risk of delay).

Equity investments measured at fair value through OCI

This includes several minority stakes, mainly of KPN Ventures. Additional investments for an amount of EUR 28m were acquired (2023: EUR 28m) and included an investment of EUR 10m in the Townsend Real Estate Fund acquired from the Getronics US pension fund (see Note 17) and EUR 1m in investments were sold (2023: EUR 24m). Additional investments in 2023 and investments sold in 2023 both include a non-cash amount of EUR 11m in shares received which was part of the consideration for one of the sales transactions.

These investments were irrevocably designated at fair value through OCI because KPN believes that the fluctuations in the fair value of these investments do not give a fair view of KPN's performance. In 2024, a fair value net gain of EUR 2m was recognized (2023: EUR 11m net gain).

The fair value of the equity investments of KPN Ventures is based, where applicable, on the price of the last fundraising round of the equity investment, investment valuations or the bid made in mergers and acquisitions transactions. The investment valuations take into account forward-looking estimates and judgments about the underlying business, market conditions and other factors. The fair value of the investment in the Townsend Real Estate Fund (TREF) is based on the most recent available net asset value as reported by TREF less a discount for lack of liquidity.

Other current financial assets

Other current financial assets include investments in short-term money market funds of EUR 100m (2023: EUR 193m), which are held at fair value through profit or loss (FVPL). These funds have a low volatility, with an investment objective of preservation of principal. Fair value is based on quoted market prices.

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[13.2] Financial liabilities

	31 December 2024		31 December 2023	
€ million	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Senior eurobonds EUR	3,976	3,932	3,371	3,290
Senior eurobonds GBP	961	986	1,431	1,497
Senior global bonds USD	631	661	610	638
Subordinated hybrid bonds classified as liability	223	223	-	-
Other borrowings	487	500	483	497
Total borrowings	**6,279**	**6,303**	**5,894**	**5,922**
> of which: current	**899**	**681**	**497**	**497**
> of which: non-current	**5,379**	**5,622**	**5,397**	**5,426**

The fair value for eurobonds, global bonds and hybrid bonds is based on the listed price of the bonds. Other borrowings include commercial paper, cash collateral received on derivatives, bank overdrafts and other loans.

On 20 December 2024, KPN announced to redeem the remaining outstanding principal amount of the perpetual hybrid bond (EUR 219m) issued on 8 November 2019 at its first reset date on 8 February 2025. As a consequence, the perpetual hybrid bond has been reclassified from equity to (short-term) borrowings. This instrument had already been replaced by the issuance of a new EUR 500m perpetual hybrid bond in June 2024.

KPN's weighted average interest rate on senior borrowings on 31 December 2024 was 3.8% after swaps (2023: 4.1%). Including the perpetual hybrid bonds (classified as equity), the weighted average interest rate was 4.0% after swaps (2023: 4.1%).

Senior bonds

million	Nominal	Carrying amount €	Nominal after swap €	Number of bonds
Senior eurobonds EUR	4,150	3,976	4,150	6
Senior eurobonds GBP	800	961	941	2
Senior global bonds USD	595	631	450	1

KPN has a global medium-term notes program that is unlimited in size and is used to meet medium- to long-term funding requirements. As at 31 December 2024, the total amounts outstanding under this program were EUR 4,150m across six bonds (carrying value EUR 3,976m) and GBP 800m across two bonds (carrying value EUR 961m, swapped to EUR 941m nominal). In addition, KPN has a senior global bond with USD 595m outstanding (carrying value EUR 631m, swapped to EUR 450m nominal) which was issued under standalone documentation.

On 16 February 2024, KPN issued a EUR 1,000m 3.875% senior bond maturing on 16 February 2036. Concurrently with this issuance, KPN made a tender offer for its outstanding GBP-denominated bonds. On 19 February 2024, KPN repurchased a notional amount of GBP 150m of its outstanding GBP 400m 5.00% senior bond due in November 2026 and notional amount of GBP 300m of its outstanding GBP 850m 5.75% senior bond due in September 2029. Following this tender offer the remaining principal amounts outstanding on these bonds are GBP 250m (swapped to EUR 305m) and GBP 550m (swapped to EUR 636m) respectively. This tender offer and associated rebalancing of cross-currency hedges resulted in total P&L charges of EUR 60m included in other financial results (see Note 7).

On 30 September 2024, KPN redeemed the remaining outstanding principal amount (EUR 431m) of the EUR 700m 5.625% senior bond at its scheduled maturity date. This bond had been swapped to a fixed interest of 3.427%.

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Perpetual hybrid bonds

€ million	Nominal	Coupon	Classification	Final maturity	First reset date	Credit rating[1]
EUR perpetual hybrid bond	500	6,000%	Equity	Perpetual	21 Dec 2027[2]	BB+/BB+/n.a.
EUR perpetual hybrid bond	500	4,875%	Equity	Perpetual	18 Sep 2029[2]	BB+/BB+/n.a.

1 Credit rating by S&P/Fitch/Moody's.

2 These hybrid bonds are first callable in the three-month period before their respective first reset dates.

On 20 December 2024, KPN announced to redeem the remaining outstanding principal amount (EUR 219m) of the 2.00% EUR perpetual hybrid bond at its first reset date (8 February 2025). As a consequence, this bond has been reclassified from equity to borrowings.

At 31 December 2024, two hybrid bonds were outstanding with an aggregate nominal amount of EUR 1,000m. These hybrid bonds are classified as equity under IFRS and are assigned 50% equity content by credit rating agencies. These bonds are therefore treated 50% as equity and 50% as debt in KPN's gross and net debt definitions.

On 18 June 2024, KPN issued a EUR 500m 4.875% perpetual green hybrid bond with first reset date on 18 September 2029. KPN simultaneously tendered the outstanding EUR 500m 2.00% perpetual hybrid bond and accepted a EUR 281m notional amount for repurchase (book value EUR 278m) . The remaining EUR 219m notional amount (book value EUR 218m) has been called and will be redeemed at par by KPN on 8 February 2025. The remaining notional amount of this perpetual hybrid bond no longer qualifies for 50% equity content at credit rating agencies and is treated 100% as debt in KPN's gross and net debt definitions. This bond has been reclassified to borrowings.

KPN may, at its discretion and subject to certain conditions, elect to defer payments of interest on the hybrid bonds. Arrears of interest must be paid if dividends are paid on ordinary shares, if payments are made on other hybrid bonds or in the event of early redemption. KPN does not recognize accruals for coupon payments on the perpetual hybrid bonds of EUR 59m per annum. If an accrual had been recognized, the amount would have been EUR 12m on 31 December 2024 (2023: EUR 10m).

Other borrowings

KPN has a euro-commercial paper program under which KPN can issue short-term debt instruments for up to EUR 1 billion gross notional outstanding. At 31 December 2024, the outstanding balance of commercial paper amounted to EUR 60m (2023: EUR 60m), issued at an interest rate of 3.06% (2023: 4.03%).

On 31 December 2024, KPN had EUR 300m outstanding under a credit facility from the European Investment Bank. This loan has a floating interest rate referenced to 3-month Euribor and a single repayment on 2 August 2027. The interest for the current interest period was fixed at 3.74% per annum.

At 31 December 2024, other borrowings furthermore included EUR 78m of collateral received as security under derivative financial instruments and EUR 50m borrowings under private placements.

Accounting policy: Hybrid bonds and borrowings

A critical feature in differentiating a financial liability from an equity instrument is the existence of a contractual obligation for KPN to either deliver cash or another financial asset to the holder or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable.

Hybrid bonds are classified as equity if there is no fixed redemption date and coupon payments are discretionary, i.e. KPN has the option to defer interest payments. Measurement of hybrid bonds is based on the net proceeds obtained through the issuance of these instruments. Coupon payments are recognized directly in equity.

After initial recognition, loans and borrowings that are not part of a fair value hedge, are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the P&L over the period of the borrowings using the effective interest method. The amortized cost is calculated by taking into account any discounts or premiums on acquisition or issuance and transaction costs. The effective interest rate amortization is recognized in the P&L as finance costs.

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Changes in liabilities arising from financing activities

€ million	Borrowings	Derivative financial instruments	Net liability	Lease liabilities	Net liability, including lease liabilities
Balance at 1 January 2023	**5,368**	**218**	**5,586**	**923**	**6,509**
Exchange differences	-9	9	-	-	-
Fair value adjustments	103	-66	37	-	37
Other movements[1]	4	-	4	96	100
Movements recorded as net cash flows arising from/used in financing activities:					
Repayments of borrowings and settlement of derivatives and repayments of lease liabilities[2]	-136	23	-113	-124	-238
Issued bonds & loans	593	-	593	-	593
Net receipts (payments) cash collateral	-29	-	-29	-	-29
Balance at 31 December 2023	**5,894**	**184**	**6,078**	**894**	**6,972**
Exchange differences	87	-90	-4	-	-4
Fair value adjustments	26	-	26	-	26
Other movements[1]	504	-	504	67	571
Movements recorded as net cash flows arising from/used in financing activities:					
Repayments of borrowings and settlement of derivatives and repayments of lease liabilities[2]	-955	-33	-988	-143	-1,131
Repurchase of perpetual hybrid bonds	-277		-277		-277
Issued bonds & loans	996	-	996	-	996
Net receipts (payments) cash collateral	5	-	5	-	5
Balance at 31 December 2024	**6,279**	**61**	**6,339**	**818**	**7,157**

1 Other movements in borrowings in 2024 include reclassifications from equity of EUR 500m regarding the 2.00% EUR perpetual hybrid bond of which EUR 277m was repurchased and EUR 223m was outstanding at 31 December 2024. Other movements in the lease liabilities include interest, additions of new contracts, remeasurements and modifications (see Note 19).

2 In the consolidated statement of cash flows, the repayments of borrowings and settlement of derivatives includes (1) a net receipt of EUR 60m in 2024 (2023: EUR 37m net payment) regarding cash collateral on derivatives (presented as non-current other receivables) and energy contracts, (2) tender premiums and fees of EUR 18m and (3) fair value adjustments of EUR 6m. The interest component of the lease payments is presented within cash flow from operating activities.

[13.3] Hedging activities and derivatives

KPN uses derivatives solely for the purpose of hedging underlying exposures. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.

€ million	31 December 2024	31 December 2023
Assets (current and non-current)	101	77
Liabilities (current and non-current)	-161	-261
Total derivatives	**-61**	**-184**
of which: designated in a hedge relationship	**-61**	**-191**
of which: other derivatives not designated in a hedge relationship	**-**	**7**

A total loss of EUR 7m due to hedge ineffectiveness was recognized in the P&L in 2024 (2023: EUR 4m gain). This was mainly due to differences in the valuation of hedging instruments and hedged items due to credit risk and valuation curves in combination with the cumulative change in the fair value of the hedging instrument becoming greater than the change in the fair value of the hedged item. All hedges continue to be highly effective prospectively.

Derivatives positions are reported on a gross basis and include a credit value adjustment attributable to derivative counterparty default risk. At 31 December 2024, the cumulative credit value adjustment amounted to a EUR 2m net asset (2023: EUR 0m). The change in the credit value adjustment was primarily driven by the change in mark-to-market value of interest rate swaps and changes in the CDS curves of counterparties. Part of the derivatives portfolio is subject to master netting agreements that allow netting under certain circumstances.

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If netting had been applied, the total derivatives asset position would be EUR 81m and the total derivatives liability position would be EUR 142m at 31 December 2024 (2023: EUR 29m asset and EUR 212m liability).

Derivatives designated in a hedge relationship

Cash flow hedges

Bonds denominated in foreign currencies are hedged with cross-currency swaps. The currency exposure is hedged by effectively fixing the countervalue in the foreign currency to EUR and by hedging the interest rate exposure by swapping the fixed interest rates in foreign currency to fixed interest rates in EUR. There is an economic relationship between the hedged items and hedging instruments as the terms of the cross-currency swaps match the terms of the associated bonds. KPN has established a hedge ratio of 1:1 for the hedging relationships as the quantity of hedged items equals the notional amount of the cross-currency swaps. The hedges run until maturity of the underlying bonds.

KPN has also designated certain EUR interest rate swaps (IRS) as cash flow hedges, used to re-fix the interest on bonds that had previously been swapped to a floating interest rate using fixed-to-floating IRS. This applies to the EUR 625m bonds maturing in April 2025 and the EUR 625m bonds maturing in September 2028 that were both re-fixed during 2023.

For all of the above hedges, KPN meets the criteria of, and also applies, cash flow hedge accounting. The effectiveness of the hedges is determined at inception and on a quarterly basis. To test hedge effectiveness, KPN uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments with those in the fair value of the hedged items attributable to the hedged risks. If the cumulative change in fair value of the hedging instrument and hedged item are not equal in absolute terms, the difference will be reported in the P&L to the extent that, in absolute terms, the fair value change of the hedging instrument is greater than the fair value change of the hedged item. Hedge ineffectiveness can arise from:

- Different curves linked to hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movement of the hedging instruments and hedged items
- Changes in the terms of the hedged item or hedge instrument and/or novation of swaps to different counterparties

Derivatives designated in cash flow hedge relationships at 31 December 2024 and 31 December 2023

Nominal (receive)	Coupon (receive)	Nominal (pay) (EUR m)	Coupon (pay)	Maturity date	Fair value 2024 (EUR m)	Fair value 2023 (EUR m)
EUR 625m	6-month Euribor (in arrears)	625	3.819% annual	9-4-2025	-3	-10
GBP 250m[1]	5.000% annual	305	3.643% annual	18-11-2026	-9	-29
EUR 625m	6-month Euribor	625	3.136% annual	11-9-2028	-20	-19
GBP 550m[2]	5.750% annual	636	4,998% annual	17-9-2029	-8	-42
USD 595m	8.375% semi-annual	450	8.517% semi-annual	1-10-2030	93	62
Total					**54**	**-38**

1 This cross-currency swap was partially unwound during 2024. At 31 December 2023, the terms were: receive GBP 400m coupon 5.000% annual and pay EUR 480m coupon 4.138% annual.

2 This cross-currency swap was partially unwound during 2024. At 31 December 2023, the terms were: receive GBP 850m coupon 5.750% annual and pay EUR 971m coupon 5.432% annual.

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Impact of the cash flow hedges on the statement of financial position

€ million	Notional amount	Carrying amount	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the period
At 31 December 2024				
Cross-currency swaps GBP	941	-16	Derivatives	54
Cross-currency swaps USD	450	93	Derivatives	31
Interest rate swaps EUR	1,250	-23	Derivatives	6
Total	**2,641**	**54**		**92**
At 31 December 2023				
Cross-currency swaps GBP	1,452	-71	Derivatives	30
Cross-currency swaps USD	450	62	Derivatives	-62
Interest rate swaps EUR	1,250	-29	Derivatives	-29
Total	**3,152**	**-38**		**-61**

During the year the notional amount of the GBP cross-currency swaps has been reduced in relation to the partial repurchase of the hedged GBP bonds through a tender offer. Some of the swaps have been partially or fully unwound to maintain a fully hedged position on the remaining GBP bonds outstanding.

The change in fair value of the associated hedged items attributable to the hedged risks resulted in an ineffectiveness in 2024 of EUR 0m (2023: EUR 3m gain). In total a EUR 90m gain has been reclassified from OCI to profit and loss (2023: EUR 17m loss), offsetting the FX translation effects on the hedged bonds.

Effect of the cash flow hedge in the P&L and OCI

€ million	Total hedging gain/(loss) recognized in OCI	Ineffectiveness recognized as a gain/(loss) in P&L	Line item in P&L	Amount reclassified from OCI as a gain/(loss) in P&L	Line item in P&L
Year ended 31 December 2024					
Cross-currency swaps GBP	-56	-	Other financial results	56	Other financial results
Cross-currency swaps USD	-31	-	Other financial results	34	Other financial results
Interest rate swaps EUR	-6	-	Other financial results	-	Other financial results
Total	**-93**	**-**		**90**	
Year ended 31 December 2023					
Cross-currency swaps GBP	-28	1	Other financial results	27	Other financial results
Cross-currency swaps USD	63	2	Other financial results	-43	Other financial results
Interest rate swaps EUR	29	-	Other financial results	-	Other financial results
Total	**64**	**3**		**-17**	

Fair value hedges

KPN uses receiver interest rate swaps to swap certain fixed rate eurobonds to floating interest rates. Under the receiver swaps, KPN receives fixed rate interest and pays interest at a variable rate equal to six-month Euribor. KPN applies fair value hedge accounting to hedge the exposure to changes in the fair value of these fixed rate eurobonds against changes in the EUR interest curve.

There is an economic relationship between the hedged item and the hedging instrument, as the terms of the interest rate swaps match the terms of the fixed-rate bonds (i.e. notional amount, maturity and payment dates). KPN has established a hedge ratio of 1:1 for the hedging relationships as the quantity of hedged item equals the notional amount of the hedging instrument. For these hedges, KPN meets the criteria of, and also applies, fair value hedge accounting. If the cumulative change in the fair value of the hedging instrument and hedged item are not equal in absolute terms, the difference will be recorded in the P&L. The hedge ineffectiveness can arise from:

- Different curves linked to the hedged items and hedging instruments

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- The counterparties' credit risk differently impacting the fair value movement of the hedging instruments and hedged items
- Changes in the terms of the hedge item or hedge instrument and/or novation of swaps to different counterparties

Derivatives designated in fair value hedge relationships at 31 December 2024 and 31 December 2023

Nominal (receive)	Coupon (receive)	Coupon (pay)	Maturity date	Fair value 2024 (EUR m)	Fair value 2023 (EUR m)
EUR 625	0.920% annual	6-month Euribor (fixed in arrears)	9-4-2025	-2	-12
EUR 625	0.907% annual	6-month Euribor	11-9-2028	-29	-42
EUR 700	0.799% annual	6-month Euribor (fixed in arrears)	15-11-2033	-84	-99
Total				**-115**	**-153**

Impact of the fair value hedges on the statement of financial position

€ million	Notional amount	Carrying amount	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the period
At 31 December 2024				
Interest rate swaps	1,950	-115	Derivatives	38
At 31 December 2023				
Interest rate swaps	1,950	-153	Derivatives	103

Impact of the hedged items on the statement of financial position

€ million	Carrying amount	Change in fair value adjustments	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the period
At 31 December 2024				
Fixed-rate eurobonds 2025, 2028 & 2033	1,796	-38	Borrowings	-45
At 31 December 2023				
Fixed-rate eurobonds 2025, 2028 & 2033	1,745	-103	Borrowings	-101

The ineffectiveness recognized in the P&L for the year ended 31 December 2024 was a loss of EUR 7m (2023: EUR 1m gain).

Derivatives not designated in a hedge relationship

The fixed-rate eurobonds which matured on 30 September 2024 were swapped to a floating interest rate in 2011 using fixed-to-floating interest rate swaps. Subsequently, in May 2015, KPN swapped the floating rate exposure on these bonds to a fixed rate for the remaining maturity of these bonds and discontinued fair value hedge accounting for the fixed-to-floating interest rate swaps. As a result, the cumulative gain until de-designation is amortized to earnings over the remaining maturity of the bond. This is offset by the change in fair value of the outstanding interest rate swaps. The amortization recognized in earnings for 2024 was a gain of EUR 6m (2023: EUR 7m gain) and the change in fair value of the interest rate swaps resulted in a P&L loss of EUR 7m in 2024 (2023: EUR 9m loss). Finally, the net interest income recognized in the P&L on these swaps was a gain of EUR 7m in 2024 (2023: EUR 8m gain). Consequently, the combined result recognized in the P&L from these derivatives amounted to a gain of EUR 6m in 2024 (2023: EUR 6m gain).

At 31 December 2024, there were no derivatives outstanding that are not designated in a hedge relationship.

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Accounting policy: Derivatives and hedging activities

Derivatives are recognized at fair value. Gains and losses arising from changes in fair value are recognized as other financial results during the period in which they arise to the extent that the derivatives have no hedging designation or they are ineffective.

KPN applies IFRS 9 hedge accounting. Derivatives related to loans are designated as either cash flow or fair value hedges.

Offsetting effects are recognized in the P&L.

The hedge documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how KPN assesses whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument;
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that KPN actually hedges and the quantity of the hedging instrument that KPN actually uses to hedge that quantity of hedged item.

Changes in the fair value of an effective derivative, which is designated as a fair value hedge, along with the gain or loss on the hedged item that is attributable to the hedged risk, are recorded in the P&L as other financial results. Changes in the fair value of an effective derivative, which is designated as a cash flow hedge, are recorded in OCI for the effective part, until the P&L is affected by the variability in cash flows of the designated hedged item. The ineffective part of the cash flow hedge is recognized under other financial results. If a hedge relationship ceases to be an effective hedge or in the event of early redemption of the hedged item, hedge accounting is discontinued prospectively, meaning that subsequent changes in fair value are recognized in the P&L and the cumulative amount recorded in OCI is released in the P&L as other financial results.

[13.4] Financial risk management and policies

Financing policy

KPN aims for the right balance between investments in the business, shareholder remuneration and a prudent financing policy. It is KPN's policy to utilize excess cash for operational and financial flexibility and/or shareholder remuneration.

The net debt / EBITDA ratio is one of the drivers for KPN's credit rating. KPN remains committed to an investment-grade credit profile and aims for a net debt / EBITDA ratio of below 2.5x in the medium term.

The difference between the carrying value and nominal value of borrowings amounts to EUR -30m (2023: EUR 73m) and includes: (1) carrying value adjustments resulting from fair value hedges; (2) in the case of foreign currency bonds, the difference between the nominal amount at the prevailing spot rate and the swapped nominal amount in EUR; and (3) amortized debt issuance costs, including premiums and/or discounts.

€ million	31 December 2024	31 December 2023
Borrowings	6,279	5,894
Perpetual hybrid bonds	1,000	1,000
50% equity content for hybrid bonds[1]	-500	-500
Less: Cash collateral paid on derivatives	-27	-83
Difference between carrying value and nominal value	-30	73
Adjusted gross debt	**6,722**	**6,384**
Net cash and cash equivalents	662	609
Short-term investments	100	193
Net debt[2]	5,960	5,582
Adjusted EBITDA AL[3]	2,508	2,420
Net debt / EBITDA[4]	**2.4x**	**2.3x**

1 The EUR 219m perpetual hybrid bond which will be called on its first reset date in February 2025 is not assigned 50% equity content as it has been replaced with a new perpetual hybrid issued in June 2024.

2 Net debt is based on the nominal value of interest-bearing financial liabilities excluding collateral and lease liabilities and taking into account 50% of the nominal value of the hybrid capital instruments, less cash and short-term investments.

3 See Appendix 2, Alternative performance measures.

4 The net debt / EBITDA ratio is net debt divided by 12-month rolling adjusted EBITDA AL.

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In 2024, KPN's adjusted gross debt increased to EUR 6.7bn mainly as a result of the EUR 1.5bn bond issuance (EUR 1.0bn senior bond in February and EUR 0.5bn perpetual green hybrid bond in June), partly offset by EUR 1.2bn in debt redemptions (EUR 518m repurchased GBP senior bonds, EUR 281m repurchased perpetual hybrid bonds and EUR 431m senior bond maturities). The total cash position including short-term investments decreased by EUR 40m to EUR 762m (2023: EUR 802m). As a result, the net debt position increased by EUR 377m to EUR 5.96bn, mainly as a result of acquisitions and other investment activities. Part of the increase in net debt is offset by EUR 88m higher adjusted EBITDA AL, resulting in a net debt / EBITDA ratio of 2.4x (2023: 2.3x).

Financial risk management

KPN is exposed to a variety of financial risks. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on KPN's financial position and performance.

Derivatives are used to hedge certain risk exposures (see Note 13.3).

KPN's key financial risks are:
- Credit and counterparty risk
- Liquidity risk
- Market risk

KPN's Treasury department manages the financial risks according to policies approved by the Board of Management and Supervisory Board. These policies are established to identify and analyze financial risks, set appropriate risk limits and controls, and monitor adherence to those limits.

Geopolitical tensions and the impact of inflation, rising energy and raw material prices, have led to increased volatility in capital markets and periods of deteriorated market liquidity. In addition, central banks' monetary policies led to a significant volatility in (expected) interest rates. KPN's Treasury department continuously monitors conditions in relevant capital markets and the potential impact on KPN's liquidity position, sources of financing and financial counterparties which all remained within acceptable risk limits. KPN did not suffer any material impact on its liquidity reserves and its ability to raise financing remained very strong.

Credit and counterparty risk

Credit risk arises from the possibility of asset impairment occurring when counterparties are unable to meet their obligations in transactions involving financial instruments. KPN's counterparty policy sets limits for the maximum exposure per counterparty, which are primarily based on credit ratings, investment periods and concentration limits. The minimum counterparty credit rating is BBB- for cash balances and BBB+ for entering into new derivative transactions. Capital preservation is KPN's main priority when investing excess cash.

At 31 December 2024, KPN's cash balances and short-term investments were held in bank accounts, bank deposits and money market funds with maturities of up to three months. The majority of cash balances were invested with counterparties with a credit rating equivalent to A- or higher, and the counterparties of outstanding derivatives have a credit rating equivalent to BBB+ or higher.

KPN mitigates credit risk on counterparties arising from derivative financial instruments and energy futures through collateral support agreements, which results in cash being paid or received as security. This cash collateral is released when derivatives are settled and/or mature. In 2024, the net cash collateral movement was EUR 60m received (2023: EUR 37m payment). At 31 December 2024, KPN's net collateral position was EUR 51m received/liability (2023: EUR 9m paid/asset), consisting of EUR 61m net collateral received for derivatives (2023: EUR 26m net received) and EUR 10m net collateral posted for energy contracts (2023: EUR 34m posted).

Collateral position

€ million	31 December 2024	31 December 2023	Net movement (paid)/ received
Collateral received on derivatives (liability)	-78	-74	5
Collateral posted on derivatives (asset)	17	48	31
Collateral posted on energy contracts (asset)	10	34	25
Net collateral asset / (liability)	**-51**	**9**	**60**

Credit risk on trade receivables is controlled using restrictive policies for customer acceptance. Credit management is focused on mobile services. Before accepting certain new customers in this segment, the creditworthiness of prospective clients is checked. In addition, KPN keeps track of the payment performance of customers. If customers fail to meet set criteria, payment issues must be resolved before a new transaction will be entered into.

KPN's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 31 December 2024, KPN had parent guarantees and bank guarantees outstanding to third parties for various wholly-owned Dutch subsidiaries. The carrying amount of financial assets, including cash, and contract assets represents the maximum credit exposure, which amounts to EUR 1,788m at 31 December 2024 (2023: EUR 1,807m). On 31 December 2024, the

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total outstanding bank guarantees amounted to EUR 6m (2023: EUR 6m), which were issued in the ordinary course of business.

See the schedule of the allowances for expected losses in Note 14 for information about credit losses on trade and other receivables. There were no other credit losses.

Maturity analysis of financial liabilities based on the remaining contractual maturities at 31 December 2024

	Borrowings				Derivatives			
€ million	Bonds and loans[1]	Interest on bonds and loans[2]	Lease liabilities (undiscounted)	Other debt and cash collateral[3]	Derivatives inflow (including interest)	Derivatives outflow (including interest)	Trade and other payables[4]	Total
2025	844	188	158	109	-129	153	977	2,300
2026	302	174	146	6	-414	424	-	638
2027	300	162	124	-3	-97	108	-	593
2028	625	168	103	-	-97	108	-	906
2029	663	161	92	-	-755	724	-	885
2030 and beyond	4,523	412	326	-	-643	560	-	5,178
Contractual cash flows	**7,257**	**1,266**	**949**	**111**	**-2,136**	**2,077**	**977**	**10,501**

1 2025 includes the EUR 219 remaining notional on the 2.00% EUR hybrid bond that KPN announced will be called on its first reset date.

2 2025 includes EUR 4m of accrued interest on the 2.00% EUR hybrid bond that KPN announced will be called on its first reset date. No other interest payments on the outstanding perpetual hybrid bonds have been included as KPN may, subject to certain conditions, elect to defer payment of interest on the perpetual hybrid bonds. Any arrears of interest must be paid at the redemption of such instruments, the amount of which cannot be reliably measured because of the duration of the hybrid bonds.

3 Includes commercial paper and assumes settlement of all collateral positions.

4 Excluding accrued interest and social security and other taxes payable.

Liquidity risk

Liquidity risk is the risk that KPN will not be able to meet its financial obligations associated with financial instruments as they become due. KPN's approach to managing liquidity is to ensure sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage. Some of the derivatives contain reset clauses or collateral postings at pre-agreed dates, to mitigate counterparty exposure during the life of the swap. These reset clauses will result in early euro settlement obligations in cash with the swap counterparty, which could lead to additional cash inflows or outflows before maturity. To reduce liquidity risks, the reset clauses or collateral postings are spread over different points in time.

During 2024, KPN received a net amount of EUR 60m in collateral (2023: EUR 37m paid and/or returned) according to pre-agreed settlement schedules and as variation margin for energy futures.

Available financing resources

In addition to the available cash and cash equivalents, short-term investments and cash flows from operations, KPN has the following committed financing resources available:

Revolving credit facility

KPN has a sustainability-linked revolving credit facility for EUR 1.0 billion provided by twelve relationship banks, originally signed in August 2021, with final maturity on 4 August 2028. The facility can be used for general corporate purposes and does not contain any financial covenants. The facility has a mechanism to adjust the margin based on KPN's performance on predefined sustainability targets for the rollout of fiber, reduction in KPN's energy consumption and reduction of carbon emissions in the supply chain. In September 2024, a EUR 75m bilateral revolving credit facility was signed with similar terms to the syndicated credit facility, bringing the total committed credit facilities to EUR 1,075m at 31 December 2024. Neither facility was drawn on during 2023 or 2024.

Capital resources covenants

KPN's existing capital resources contain the following covenants at 31 December 2024, which could trigger additional financial obligations or early redemption of the outstanding debt. All senior bonds issued after 1 January 2006 (EUR 5.1bn outstanding at 31 December 2024) contain a change of control clause. KPN may be required to early redeem if certain changes of control occur and within this change of control period (maximum of 90 days) a rating downgrade to sub-investment grade occurs. The perpetual hybrid bonds also contain a change of control clause whereby a 5% interest step-up is triggered if a rating downgrade occurs during the change of control period. In such an event, KPN has the possibility to repurchase the perpetual hybrid bonds at par. In addition, many of KPN's capital resources contain a covenant prohibiting KPN from entering into any amalgamation, demerger,

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merger, corporate restructuring or reorganization, unless prior written consent has been given by a majority of the lenders or bondholders or the resulting company assumes all of the rights and obligations with respect to the loans or bonds.

Market risk

KPN is exposed to various kinds of market risks in the ordinary course of business. These include foreign currency exchange rate risk and interest rate risk.

Foreign currency exchange rate risk

Foreign currency risks mainly result from settlement of international telecommunications traffic and purchase of assets and primarily consist of GBP and USD exposure. Foreign currency exchange rate risks related to bonds that are not denominated in EUR are hedged to EUR in line with KPN's hedging policies. Group companies and business operations are obliged to hedge their firm commitments and highly predictable anticipated transactions in non-functional currencies by forward exchange contracts.

Accordingly, KPN's Treasury department matches and manages the intercompany and external exposures using forward exchange contracts. No hedge accounting is applied for these hedge instruments.

At 31 December 2024, more than 97% (2023: more than 97%) of cash and cash equivalents was denominated in the functional currency of the related entities. More than 99% of the net amount of trade receivables and more than 96% of the amount of trade payables was outstanding in the functional currency of the related entities at 31 December 2024 (2023: more than 99% and 96% respectively).

Interest rate risk and interest rate profile

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Borrowings, derivatives, cash and cash equivalents are subject to interest rate risk. With regard to interest rate risk exposure, KPN periodically evaluates the desired mix of fixed and floating interest rate liabilities, balancing the benefit of lower interest costs vs. the variability of cash flows. Any interest rate risk exposure longer than one year is considered to be fixed. KPN may use derivative financial instruments to adjust the desired interest rate risk exposure.

At 31 December 2024, 85% of KPN's interest-bearing gross debt (after swaps, excluding bank overdrafts) was at fixed interest rates (2023: 85%).

With a view to the existing and forecasted debt structure, KPN could enter into additional future derivatives to further adjust the mix of fixed and floating interest rate liabilities.

A sensitivity analysis at 31 December 2024 with regard to interest rate risk on floating interest-bearing liabilities showed that, all else equal, each adverse change of 100 bps in Euribor would hypothetically result in EUR 10m higher interest costs per annum (2023: EUR 10m).

Sensitivity analysis derivatives

KPN carried out a sensitivity analysis on the fair value changes of cross-currency and interest rate swaps resulting from changes in interest rates and currency exchange rates. With all other variables held constant, KPN calculated the hypothetical change in the fair value of derivatives based on a +/- 100 bps change in interest rates and a +/- 10% change in the EUR/USD and EUR/GBP exchange rates. A change in the fair value of derivatives would hypothetically result in a higher or lower value of the hedge reserve (included in equity attributable to equity holders). The results of the analysis are shown in the table below, indicating the hypothetical impact on the fair value of the cross-currency swaps and EUR interest rate swaps excluding the partially offsetting impact on the hedged items. Prospective effectiveness testing indicates that all hedges are expected to be highly effective. Consequently, the expected impact on the P&L is immaterial.

Sensitivity analysis of the change in the fair value of derivatives to a change in interest and exchange rates

		GBP-swaps		USD-swaps		EUR-swaps		Total	
€ million (before tax)	**Change**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Change in interest rate	+1%-point	2	3	-3	-2	-49	-52	-51	-51
	-1%-point	-2	-3	4	2	54	57	55	56
Change in FX rate	+10%-points	4	11	11	14	n/a	n/a	15	24
	-10%-points	-4	-13	-14	-17	n/a	n/a	-18	-29

For the sensitivity analysis on interest rate risk regarding pensions, see Note 17.

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Offsetting financial assets and financial liabilities

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

€ million	Gross amount	Financial liabilities offset	Net amount in balance sheet	Not offset: financial instruments/ cash collateral	Net amount
31 December 2024					
Cash and cash equivalents	662	-	662	-	662
Collateral[1]	17	-	17	-17	-
Derivatives[2]	100	-	100	-93	7
Total	**779**	**-**	**779**	**-110**	**669**
31 December 2023					
Cash and cash equivalents	609	-	609	-	609
Collateral[1]	48	-	48	-48	-
Derivatives	77	-	77	-77	-
Total	**734**	**-**	**734**	**-125**	**609**

1 Included in non-current Trade and other receivables. Cash collateral on energy futures is excluded.

2 Excluding FX contracts.

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

€ million	Gross amount	Financial assets offset	Net amount in balance sheet	Not offset: financial instruments/ cash collateral	Net amount
31 December 2024					
Collateral[1]	78	-	78	-74	5
Derivatives[2]	161	-	161	-36	125
Total	**240**	**-**	**240**	**-110**	**130**
31 December 2023					
Collateral[1]	74	-	74	-52	22
Derivatives	261	-	261	-74	187
Total	**335**	**-**	**335**	**-125**	**209**

1 Included in non-current Borrowings.

2 Excluding FX contracts.

For the financial assets and liabilities summarized above, each agreement between KPN and the counterparty allows for net settlement of the relevant financial assets and liabilities when both parties elect to settle on a net basis.

Accounting policy: Offsetting financial assets and liabilities

Financial assets and liabilities are offset and reported on a net basis on the balance sheet only when there is a current legally enforceable right to offset the recognized amounts, and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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[14] Trade and other receivables, contract assets and contract costs

[14.1] Trade and other receivables

	31 December 2024		31 December 2023	
€ million	Current	Non-current	Current	Non-current
Trade receivables	247	-	241	-
Financial receivables handsets	103	-	123	-
Sales to be invoiced	106	-	103	-
Interest to be received	6	-	8	-
Prepayments	79	15	66	21
Accruals and other receivables	5	30	10	88
Loans granted to third parties	-	49	-	2
Loans to associates and joint ventures	-	3	-	-
Total	**546**	**97**	**553**	**111**

The financial receivables handsets consist of not yet invoiced installment payments on the handset loans, mainly issued by KPN Finance B.V. A handset sale combined with a postpaid subscription is treated as a consumer loan under the Dutch Financial Supervision Act (Wet op het financieel toezicht, Wft) if the consumer customer repays the handset in monthly installments and the credit amount is above EUR 250. These handset installment payments are not conditional on the delivery of the telco's services. Therefore, a financial receivable is recognized for the installments to be received.

In 2024, KPN Finance assigned EUR 129m in outstanding financial receivables handsets to a bank (2023: EUR 85m) and removed these receivables from the balance sheet as the transfer of the receivables is characterized as a sale because the risks and rewards of ownership of the receivables have been substantially transferred. KPN has provided an indemnity to the bank in case the realized losses on the transferred receivables are exceptionally high. At 31 December 2024, the financial receivables handsets of KPN Finance (EUR 82m) are measured at FVOCI (2023: EUR 106m). The fair value is the amount at which these receivables could be assigned to the bank (nominal value less deductions for interest and credit risk as agreed).

Of the non-current other receivables, EUR 27m relates to cash collateral received on derivatives and energy contracts (2023: EUR 83m).

Sales to be invoiced include accrued income related to usage of KPN's network, which is invoiced monthly in arrears.

The fee for projects to be invoiced is accounted for as accrued income if the right to invoice is unconditional and not dependent on the provision of future recurring services.

Loans granted to third parties includes a loan granted in 2024 for a nominal amount of EUR 60m. The loan is provided to extend a contract with a customer. The loan bears interest of Euribor + 0.25% and must be repaid, including accrued interest, no later than in November 2032. The carrying amount at 31 December 2024 was EUR 44m (amortized cost) and the interest income in 2024 was less than EUR 1m. The difference of EUR 16m between the nominal amount and the carrying amount at inception has been recognized as cost to obtain a contract.

The carrying amounts of trade and other receivables approximate their fair value. Trade and other receivables are non-interest bearing. Trade receivables are generally on payment terms of 5-30 days.

The aging profile of the gross trade receivables is as follows:

€ million	31 December 2024	31 December 2023
Trade receivables gross		
Amounts undue	207	183
Past due 0–90 days	48	45
Past due 91–360 days	13	19
More than one year	4	10
Total trade receivables gross	**271**	**258**
Provision for credit risk exposure	-24	-16
Total trade receivables net	**247**	**241**

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[14.2] Contract assets and contract costs

€ million	31 December 2024 Current	31 December 2024 Non-current	31 December 2023 Current	31 December 2023 Non-current
Contract assets	79	27	68	32
Costs to obtain a contract	31	65	6	35
Costs to fulfill a contract	1	-	1	-
Total	**111**	**91**	**74**	**66**

Contract assets

A contract asset is recognized if the earned consideration is conditional. This includes:

- Deferred discounts invoiced to customers if the discount is only granted in the first period of the service contract and the discount is recognized on a straight-line basis over the contract term.
- The consideration to be received regarding those additional scope projects sold to Glaspoort B.V. in December 2021 of which the rollout activities have started, at which point other income is recognized. KPN has received 35% of the total consideration in cash upon closing of the transaction and the remaining amount is to be received based on the rollout progress (see Note 12 for the sale to Glaspoort of additional scope projects).
- Installation services and hardware delivered at the start of the contract if the amount of revenue recognized is higher than the amounts charged upfront.
- Transition projects for business customers when the revenue recognized is higher than the amounts invoiced for the transition phase.

Upon invoicing of contract assets, the invoiced amounts are reclassified to trade receivables.

Contract costs

The costs to be capitalized as costs to obtain or fulfill a contract are the costs that relate directly to a contract, provided it is probable that these costs will be recovered. Contract costs include:

- Transaction-related dealer fees paid to acquire or retain mobile subscribers.
- Transaction-related fees for door-to-door sales of subscriptions fixed.
- Costs incurred during the transition phase of projects for business customers to be able to deliver recurring services that are not treated as a separate performance obligation. These costs are capitalized as costs to fulfill a contract and expensed in principle on a straight-line basis over the remaining contract term in which the recurring services are delivered.

[14.3] Allowances for expected credit losses

Movement schedule of the allowances for expected credit losses:

€ million	Trade receivables
Balance at 1 January 2023	**17**
Additions/releases P&L	10
Usage	-11
Balance at 31 December 2023	**16**
Additions/releases P&L	17
Usage	-10
Balance at 31 December 2024	**24**

The allowance for expected credit losses for trade receivables is based on the aging of the gross amounts and historic losses. For the largest customers, an assessment is done as to whether an additional allowance needs to be recognized.

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Accounting policy: Trade and other receivables, contract assets and contract costs

Trade and other receivables and contract assets classify as financial assets and are measured at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method less provisions for impairment. An allowance for expected credit losses is recorded for all financial assets and contract assets at initial recognition. The allowance (or day-one impairment) is based on historical credit loss experience. Expected deterioration or improvement of credit losses based on reasonable and supportable information including forecasts of future economic conditions is taken into account as well. A matrix is used to determine the allowance for expected credit losses based on aging of the trade receivables. The matrix is determined for a group of trade receivables with the same payment pattern. For large (corporate) customers, the allowance is based on a matrix and completed by an (individual) assessment. The allowance rates are regularly updated.

A financial asset is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated, like significant financial difficulty of the obligor or a breach of contract.

The amortized cost is calculated by taking into account any discounts or premiums on acquisition and transactions costs.

The effective interest rate amortization is recognized under finance income or finance costs.

If a financial asset is held within a business model with the objective of both collecting contractual cash flows and selling the financial asset, the financial asset is measured at fair value through other comprehensive income (FVOCI).

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or KPN has transferred the rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (1) KPN has transferred substantially all the risk and rewards of the asset, or (2) KPN has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When KPN has transferred the rights to receive cash flows from an asset or has entered into a pass-through arrangement, KPN evaluates if, and to what extent, KPN has retained the risks and rewards of ownership. The risks and rewards are substantially transferred if more than 90% of the variability of the cash flows with respect to an asset is transferred.

See Note 4 for the accounting policy regarding contract costs.

[15] Cash and cash equivalents

Cash and cash equivalents consist of highly liquid instruments with initial maturities of three months or less, including balances on bank accounts, bank deposits and prime money market funds.

€ million	31 December 2024	31 December 2023
Cash	151	96
Short-term bank deposits and money market funds	511	512
Total cash and cash equivalents	**662**	**609**

The increase in cash and cash equivalents was mainly the result of EUR 900m free cash flow, EUR 277m net funding, EUR 93m proceeds from sale of short-term investments and EUR 60m net inflow of cash collateral on derivatives. This was partly offset by EUR 646m in dividends paid, EUR 200m in net share repurchases, EUR 257m in M&A and Glaspoort-related payments, EUR 58m in spectrum payments, EUR 48m in coupon payments on perpetual hybrid bonds and EUR 67m on other cash outflows.

Accounting policy: Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, AAA-rated prime money market funds, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included in borrowings in current liabilities.

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[16] Equity

Limitations in distribution of shareholders' equity

Total distributable reserves at 31 December 2024 amounted to EUR 2,721m, which includes the perpetual hybrid bonds (2023: EUR 2,739m). For further details on non-distributable reserves, see Note C to the corporate financial statements.

Share capital

Authorized capital stock totals EUR 720m divided into nine billion ordinary shares of EUR 4ct each and nine billion preference shares B of EUR 4ct each. At 31 December 2024, a total of 3,888,930,422 ordinary shares were outstanding and fully paid-in. Dutch law prohibits KPN from casting a vote on shares KPN holds (treasury shares). The ordinary shares and preference shares B carry the right to cast one vote each. The ordinary shares are registered or payable to the bearer.

Shareholders may request the company to convert their registered shares to bearer shares, but not vice versa.

Share buyback

In 2024, KPN repurchased 59,987,360 ordinary shares at an average price of EUR 3.33. Of these shares, 58,487,360 were canceled in 2024, reducing the number of outstanding shares to 3,888,930,422.

At the 17 April 2024 AGM, shareholders granted the Board of Management the authority to acquire the company's own ordinary shares for a period of 18 months - starting on 17 April 2024 and ending on 17 October 2025. The number of ordinary shares to be acquired is limited to a maximum of 10% of the issued capital as at 17 April 2024. The shares may be acquired, by or on behalf of the company, on the stock exchange or through other means at a price per share of at least the par value and at most the quoted share price plus 10%. The quoted share price is defined as the average of the closing prices of KPN shares as reported in the official price list of Euronext Amsterdam over the five trading days prior to the acquisition date. Resolutions by the Board of Management to acquire the company's own shares are subject to the approval of the Supervisory Board.

Ordinary shares purchased by the company will either be canceled or held in treasury. At the 17 April 2024 AGM, shareholders granted the Board of Management the authority to reduce the issued capital by canceling own shares with the approval of the Supervisory Board. The number of shares that may be canceled is restricted to a maximum of 10% of the issued capital as at 17 April 2024 and these may, if desired, be canceled in one or more phases.

Other reserves

€ million, unless indicated otherwise	Number of treasury shares	Treasury shares reserve	Hedge reserve	Currency translation reserve	Total Other reserves
Balance at 1 January 2023	**3,622,014**	**-37**	**-86**	**17**	**-106**
Movements recorded in OCI (net)	-	-	-26	-	-26
Share buyback	92,401,811	-300	-	-	-300
Shares canceled	-89,901,811	290	-	-	290
Treasury shares sold and transferred	-2,611,126	22	-	-	22
Other	-	8	-2	-	6
Balance at 31 December 2023	**3,510,888**	**-17**	**-114**	**17**	**-114**
Movements recorded in OCI (net)	-	-	18	-	18
Share buyback	59,987,360	-200	-	-	-200
Shares canceled	-58,487,360	195	-	-	195
Treasury shares sold and transferred	-2,359,506	11	-	-	11
Other	-	-		-	-
Balance at 31 December 2024	**2,651,382**	**-11**	**-96**	**17**	**-90**

The additional paid-in capital is exempt from Dutch tax up to an amount of EUR 8,311m at 31 December 2024 (2023: EUR 8,518m).

Movements in the hedge reserve recorded in OCI are net of a tax loss of EUR 6m in 2024 (2023: EUR 9m gain) and no tax on the movement in the currency translation reserve (2023: nil).

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Hedge reserve

€ million	31 December 2024	31 December 2023
Effective portion cash flow hedges[1]	-76	-73
Amortizable part[2]	-53	-81
Hedge reserve	**-129**	**-154**
Tax effect	33	40
Hedge reserve, net of tax	**-96**	**-114**

1 The effective portion of cash flow hedges will be recognized in the P&L in line with the maturities of the related derivatives (see Note 13.3)

2 The amortizable part of the hedge reserve is amortized over the remaining life of the related bonds (between 2016 and 2030). The impact on the P&L will be EUR 13m in 2025

Treasury shares reserve

KPN purchased shares in its own capital for delivery upon vesting of equity-settled share plans for management (see Note 5). Votes on purchased shares may not be cast and do not count in determining the number of votes required at a general meeting of shareholders. In 2024, 1.5 million shares were purchased for the equity-settled share plans (2023: 2.5 million). In 2024, 2.4 million shares were sold and transferred in connection with vesting of these plans (2023: 2.6 million).

Treasury shares are accounted for at cost, representing the market price on the acquisition date. The proceeds on delivery of the treasury shares are recognized directly in the other reserves.

Equity attributable to holders of perpetual hybrid bonds

On 21 September 2022, KPN issued a EUR 500m hybrid bond with a 6.00% coupon and on 18 June 2024 a EUR 500m hybrid bond with a 4.875% coupon, both with a perpetual maturity. These bonds are classified as equity in the consolidated statement of financial position and valued at net proceeds (see Note 13.2). On 20 June 2024, the hybrid bond with a 2.00% coupon issued in 2019 was partially repurchased for a principal amount of EUR 281m and on 20 December 2024 KPN announced to redeem the remaining outstanding principal amount (EUR 219m) at its first reset date (8 February 2025). As a consequence, the remaining outstanding amount of this bond has been reclassified from equity to borrowings as of the date of the announcement.

Foundation Preference Shares B KPN

KPN has granted a call option, which is not limited in time, to the Foundation Preference Shares B KPN (the Foundation) to acquire preference shares B. For further information about the Foundation, see section 'Corporate governance'.

In KPN's opinion, the call option does not represent a significant fair value due to the fact that the preference shares B, issued after exercise of the call option, bear interest linked to Euribor.

Dividend per share

At the AGM of shareholders on 28 April 2025, a final dividend of EUR 10.2ct per share will be proposed in respect of 2024. In August 2024, KPN paid an interim dividend in respect of 2024 of EUR 6.8ct per share, in total EUR 264m, bringing the total regular dividend in respect of 2024 to EUR 17.0ct per share (in total EUR 661m based on the number of outstanding shares at 31 December 2024 less Treasury shares held by KPN).

These financial statements do not reflect the proposal for the remaining dividend payable. In April 2024, KPN paid a final dividend of EUR 9.8ct per share in respect of 2023, in total EUR 382m. The total dividend in respect of 2023 was EUR 15.0ct per ordinary share.

[17] Retirement benefits

Retirement benefits are provided through a number of defined contribution plans and funded and unfunded defined benefit plans. The most significant plans are described hereafter.

KPN's main pension plan

KPN's main pension plan covers employees in the Netherlands who are subject to KPN's collective labor agreement and employees with an individual labor agreement, and is externally funded through Stichting Pensioenfonds KPN. This plan is a collective defined contribution pension plan. It is accounted for as a defined contribution plan because KPN has no other obligation than to pay the annual contribution. This is a fixed percentage of the pensionable base for a period of three years. After this three-year period the annual contribution is reassessed based on a fixed and agreed method in which no reflection of past service or the funded status of the fund is included. As of 1 January 2023, a new three-year period has become effective.

On 30 May 2023, the Dutch Senate adopted the new Dutch Pension Act to reform the Dutch pension system. This will impact every employer with a pension scheme in place. In practice, all pension arrangements with employees and contracts with pension providers will need to be renewed. It is expected that the new pension plan will continue to be accounted for as a defined contribution plan. The deadline for transition is 1 January 2028.

Getronics UK

The Getronics UK operations were divested in 2012. The closed and frozen pension plan of the former UK operations remained with KPN. The plan consists of a defined benefit section and a smaller defined contribution section with a Guaranteed Minimum Pension (GMP) underpin. The assets in the plan are held separately from KPN in an independently administered fund. The UK plan operates under the regulations of the UK Pensions Regulator. The deficit in the plan's funding must be recovered by

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the investment returns of the plan assets and contributions by KPN. The pension plan exposes KPN to a number of risks, which could have an impact on the future contributions by KPN and the liability recorded in its balance sheet. The most significant risks are summarized below:

- Asset volatility risk: the pension plan's assets are partially invested in equity securities and other return-seeking assets, so the plan's funding levels are exposed to equity market risks. For example, geographic conflicts and interest rate fluctuations could cause significant volatility.
- Interest rate risk: a decrease in interest rates will increase the plan's liabilities, although this will be largely offset by an increase in the value of the plan's liability-driven investments.
- Inflation risk: the indexation of part of the plan's accrued benefits is based on a combination of consumer and retail price indices, so the plan is exposed to inflation risk although the indexation is capped and this risk is largely hedged with inflation-linked bonds.
- Life expectancy risk: the plan provides benefits for the life of the participants, so increases in life expectancy will result in an increase in the plan's liabilities.

GMP is a portion of pension that was accrued by individuals who were contracted out of the additional state pension prior to 6 April 1997. At present there is an inequality of benefits between male and female members who have GMP. The UK High Court ruled in 2018 that equalization will be required for affected defined benefit pension schemes. A number of options can be used to equalize, which had not been finalized at 31 December 2024. In 2018, an amount of EUR 6m was recognized as past service cost for the estimated cost of equalization. The final cost to the UK plan for equalizing heavily depends on a complex interaction between the benefit design and membership profile as well as on the method used to equalize, which must be determined by the trustees.

Getronics US

The Getronics US operations were divested in 2008. The closed and frozen pension plan of the former US operations remained with KPN and was accounted for as a defined benefit plan. The assets of the plans were held separately from KPN in independently administered funds. The plan operates under the provisions of the Employee Retirement Income Security Act (ERISA). In 2022, a voluntary contribution of EUR 23m into the US plan was made. At the end of 2023, KPN started the process to terminate the plan and settle all of the plan's liabilities. In the course of 2024, participants were offered a lumpsum payment and subsequently annuities were purchased from an insurance company for the remaining participants. KPN acquired from the plan it's investment in the Townsend Real Estate Fund at fair market value (EUR 10m, see Note 13.1) and made a final contribution to the plan of EUR 2m to fully fund the plan. The plan termination process is expected to be completed in the course of 2025, subject to, among other factors, IRS review and Pension Benefit Guarantee Corporation audit.

Other

KPN has a number of other funded (insured) plans in the Netherlands which are all closed to new entrants. Under Dutch law, KPN could be required to make contributions if participants of these plans require a value transfer to another pension fund or insurer. However, the risk related to these value transfers is limited and therefore no provision has been recognized for these plans. KPN is not entitled to any excess profits.

In 2022, a new early retirement plan was implemented for a limited group of employees for which an expense of EUR 1m was recorded in 2024 and in 2023.

Provisions for retirement benefit obligations

The provisions for retirement benefit obligations consist of the net defined benefit liability regarding pension plans and early retirement plans, which are accounted for as defined benefit plans as described above. See the table below for a specification of the balance sheet position.

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€ million	Defined benefit obligation[1]		Fair value of assets		Net defined benefit liability (asset)	
	2024	2023	2024	2023	2024	2023
Balance at 1 January	**386**	**380**	**-353**	**-330**	**33**	**49**
Included in profit or loss						
Operating expense[2]	-92	1	96	2	4	3
Interest expense (income)	16	18	-14	-16	2	2
Included in OCI						
Remeasurements loss (gain):						
Actuarial loss (gain)[3]	-20	12	-	-	-20	12
Return on plan assets excluding interest income	-	-	16	-12	16	-12
Effect of movements in exchange rates	14	1	-12	-1	2	-
Total	**-6**	**13**	**4**	**-13**	**-2**	**-**
Other						
Employer's contribution	-	-	-20	-22	-20	-22
Benefits paid	-24	-26	24	26	-	-
Balance at 31 December	**280**	**386**	**-263**	**-353**	**17**	**33**[4]

1 The measurement date for all defined benefit plans is 31 December

2 Service costs were EUR 2m (including EUR 1m past service costs) in 2024 and EUR 1m in 2023 and administrative costs were EUR 3m in in 2024 and EUR 2m in 2023. Operating expense in 2024 includes a settlement gain of EUR 1m which is the transfer of retiree pension liabilities of the US pension fund to an insurance company

3 The actuarial loss (gain) in 2024 and 2023 consists of demographic assumptions (EUR 5m and EUR -1m), financial assumptions (EUR -28m and EUR 10m) and experience adjustments (EUR 3m and EUR 3m)

4 Of which EUR 2m is a net defined benefit asset included in other financial assets (non-current)

Defined benefit obligations

Actuarial assumptions

The key actuarial assumptions used in the calculation of the defined benefit obligations are as follows:

	31 December 2024			31 December 2023		
	Getronics UK	Getronics US	Other	Getronics UK	Getronics US	Other
Discount rate (%)	5.5	N/a	3.4	4.5	4.7	3.3
Expected salary increases (%)	N/a	N/a	2.0	N/a	N/a	2.1
Expected benefit increases/indexation (%)	2.4-2.9	N/a	0.0	2.4-2.9	N/a	0.0
Life expectancy for pensioners at retirement age:						
Male	21.7	N/a	21.8	21.9	20.7	21.7
Female	23.8	N/a	23.8	24.0	22.7	23.8

The discount rate is based on yield curves of AA corporate bonds with maturities equal to the duration of the benefit obligations and in the applicable currency. At 31 December 2024, the (weighted) average duration of the defined benefit obligation was 10 years.

Assumptions regarding life expectancy are based on published statistics and mortality tables that include allowances for future improvement in mortality. The mortality table used in the Netherlands is the projected table AG 2024, which includes projected improvement rates varying by year of birth, adjusted for fund-specific circumstances. The mortality tables used in the UK are the 97% for males and 102% for females of the SAPS S3PXA tables with CMI 2023 projection with a 1.0% long-term improvement. The life expectancy in the UK at the age of 65 is expected to increase in the next 20 years by between 1 and 2 years.

Sensitivity analysis

The following table shows the approximate impact on the defined benefit obligation of a change in the key actuarial assumptions of 0.5% and of a change in life expectancy of one year.

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€ million	31 December 2024 Increase	31 December 2024 Decrease	31 December 2023 Increase	31 December 2023 Decrease
Discount rate	-14	15	-18	19
Expected salary increases	-	-	-	-
Expected benefit increases	7	-7	8	-8
Life expectancy	11	-11	13	-13

Plan assets

The assets of all defined benefit pension plans at 31 December 2024 and 2023 comprise:

	31 December 2024	31 December 2023
Quoted in active markets:		
Equity securities	17%	18%
Fixed-income securities	50%	49%
Real estate[1]	2%	2%
Other	0%	3%
Other:		
Fixed-income securities	13%	8%
Real estate[1]	0%	4%
Other[2]	18%	16%

1 As at 31 December 2024, none of the investments in real estate were located in Europe

2 Mainly hedge funds, insurance contracts and cash and in 2023 also sub-investment grade corporate credit funds

Strategic investment policies

The strategic asset allocations of the defined benefit plans at year-end 2024 were as follows:

€ million	Getronics UK	Other plans
Equity securities	20%	0%
Fixed-income securities (including inflation-linked bonds)	60%	0%
Other	20%	100%
Total	**100%**	**100%**

In 2023, the trustee of the Getronics UK pension fund decided to change the asset allocation to a traditional strategic asset allocation replacing the former allocation based on a return seeking portfolio. The Getronics UK pension fund maintains liability hedge ratios on a technical provision basis of 100% of assets for both interest rate and inflation exposure, resulting in higher hedge ratios as the funded status improves. The Getronics US pension fund used its funds in 2024 to purchase annuities in connection with the termination of the plan. As the UK pension fund invests in global investment funds, a minimal part of these investments could be related to KPN equities. The pension funds do not have direct investments in KPN equities.

Expected contributions and benefits

In 2024, the total employer's contributions and benefit payments for all defined benefit and defined contribution plans amounted to EUR 106m, consisting of EUR 86m in employer's premiums for defined contribution plans, EUR 19m in contributions for funded defined benefit plans and EUR 1m in payments for unfunded plans.

The amount of employer's contributions in 2025 for remaining defined benefit pension plans is estimated to be EUR 10m for the funded plan (UK pension plan) and EUR 1m for the unfunded plan (early retirement plan). The total amount of employer's premiums to be paid in 2025 for the defined contribution plans is estimated to be EUR 89m.

Accounting policy: Provisions for retirement benefit obligations (pension obligations)

The liability recognized in respect of all pension and early retirement plans that qualify as a defined benefit obligation is the present value of the defined benefit obligation less the fair value of plan assets. KPN uses actuarial calculations (projected unit credit method) to measure the obligations and the costs. For the calculation, actuarial assumptions are made about demographic variables (such as employee turnover and mortality) and financial variables (such as future indexation and the discount rate). The discount rate is determined by reference to market rates. These are interest rates of high-quality corporate bonds that are denominated in the currency in which the benefit will be paid and that have terms to maturity approximating the terms of the related liability. A net defined benefit asset may arise where a defined benefit plan has been overfunded. KPN recognizes a net defined benefit asset in such a case only when future economic benefits are available to KPN in the form of a reduction in future contributions or a cash refund. Actuarial gains and losses are recognized immediately in OCI.

Past service costs, curtailments and settlements are recognized immediately in the P&L.

The amount of pension costs included in operating expenses with respect to defined benefit plans consists of service cost, past service costs, curtailments and settlements, and administration costs. Net interest on the net defined benefit liability is presented as part of finance costs.

For pension plans that qualify as a defined contribution plan, KPN recognizes contributions as an expense when an employee has rendered service in exchange for those contributions.

[18] Provisions for other liabilities and charges

€ million	31 December 2024	31 December 2023
Restructuring provision	19	24
Asset retirement obligations	77	75
Other provisions	38	36
Total provisions for other liabilities and charges	**134**	**135**
of which: non-current	105	103
of which: current	**29**	**32**

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Statement of changes in provisions

€ million	Personnel	Contractual	Total restructuring	Asset retirement obligation	Other provisions	Total provisions
Balance at 1 January 2023	**11**	**2**	**13**	**75**	**66**	**154**
of which: current portion	**11**	**-**	**12**	**3**	**8**	**23**
Additions	38	-	39	5	4	47
Releases	-	-	-	-2	-8	-10
Usage	-27	-	-28	-2	-8	-37
Other movements, incl. discontinued operations	-	-	-	-	-18	-18
Balance at 31 December 2023	**22**	**2**	**24**	**75**	**36**	**135**
of which: current portion	**22**	**1**	**23**	**4**	**5**	**32**
Additions	28	-	28	6	9	43
Releases	-	-	-	-1	-1	-2
Usage	-33	-1	-34	-3	-6	-42
Balance at 31 December 2024	**17**	**1**	**19**	**77**	**38**	**134**
< 1 year	**17**	**1**	**18**	**4**	**7**	**29**
1-5 years	**-**	**1**	**1**	**-**	**9**	**10**
> 5 years	**-**	**-**	**-**	**73**	**22**	**95**

Restructuring provisions

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts redundancy in exchange for these benefits.

Termination benefits are recognized when KPN is demonstrably committed either to terminating the employment according to a detailed formal plan without the possibility of withdrawal or to providing termination benefits as a result of an individual and accepted offer. Benefits falling due more than 12 months after 31 December are discounted to present value.

Asset retirement obligations

The provision for asset retirement obligations (ARO) relates to radio sites and leased buildings and is based on assumptions of the estimated costs of removal, discount rate and estimated period of removal, which vary per type of asset. In 2024, EUR 6m was added to the ARO provision (2023: EUR 5m) and EUR 1m was released (2023: EUR 2m). Of the addition to the ARO provision in 2024, EUR 5m was recognized as an increase in the carrying value of the activated asset retirement costs (ARC), which is included in plant and equipment (2023: EUR 4m).

As defined in the Telecommunications Act, the obligation for landlords to tolerate cables terminates as soon as those cables have been idle for a continuous period of 10 years. The covenant the telco sector concluded with a representation of landlords ("Uitvoeringsafspraken Verwijderen Ongebruikte Telecomkabels") states there must be a clear usefulness and necessity to remove the copper cables, also taking into account the expected costs of the removal operation. There are major uncertainties as to (1) whether and when landlords will place a reasonable request for removal of idle cables that meet the conditions of the covenant and (2) the amount and timing of any outflow. In our opinion, it is therefore not possible to make a reliable estimate of the amount that is required to meet the obligation and therefore no provision was recognized at 31 December 2024 nor at 31 December 2023.

Other provisions

This includes provisions for claims and litigations, onerous contracts and warranties and provisions for long-term obligations to employees related to jubilee or other long-service employee benefits, long-term disability benefits and, if they are not fully payable within 12 months after the end of the period, bonuses and deferred compensation. The expected costs of these benefits are accrued over the period of employment using an accounting method similar to that for defined benefit pension plans, except that actuarial gains and losses and past-service costs are recognized immediately in the P&L.

In 2023, EUR 18m was released from the other provisions for "pilon" taxes in Belgium. This relates to discontinued operations and is included in other movements.

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Accounting policy: Provisions for other liabilities and charges

Provisions for asset retirement obligations, restructuring costs and legal claims are recognized when KPN has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. When these criteria are not met, these positions are classified as contingent liabilities, unless the cash outflow is considered remote.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

[19] Leasing

Right-of-use assets

€ million	Mobile network	Fixed network & data centers	Real estate	Vehicles	Other	Total
Accumulated cost	1,060	76	472	111	19	1,737
Accumulated depreciation & impairment	-451	-61	-303	-66	-7	-889
Balance as at 1 January 2023	**608**	**14**	**169**	**45**	**11**	**848**
Additions	14	1	3	26	9	53
Remeasurement & lease modifications	23	4	12	1	2	43
Change in consolidation	-	-	-	-	-	-
Depreciation	-65	-7	-30	-21	-3	-126
Impairments	-	-	-2	-	-	-2
Closing net book value	**580**	**13**	**152**	**51**	**19**	**815**
Accumulated cost	1,065	77	484	104	30	1,760
Accumulated depreciation & impairment	-485	-64	-332	-53	-11	-945
Balance as at 31 December 2023	**580**	**13**	**152**	**51**	**19**	**815**
Additions	19	-	1	47	3	71
Remeasurement & lease modifications	-5	-	3	-3	2	-3
Change in consolidation	-	-	-	-	-	-
Depreciation	-65	-6	-31	-24	-7	-132
Impairments	-	-	-	-	-	-
Closing net book value	**529**	**7**	**125**	**71**	**17**	**750**
Accumulated cost	1,051	37	484	121	34	1,727
Accumulated depreciation & impairment	-522	-30	-359	-50	-17	-977
Balance as at 31 December 2024	**529**	**7**	**125**	**72**	**17**	**750**
Total estimated lease term at commencement of a lease (in years)	5-15	5-20	5-20	5-7	<5	

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Lease liabilities

€ million	Mobile network	Fixed network & data centers	Real estate	Vehicles	Other	Total
Non-current lease liability	551	10	174	27	8	770
Current lease liability	97	6	31	16	3	153
Balance as at 1 January 2023	**649**	**16**	**205**	**43**	**11**	**923**
Additions	14	5	3	26	9	57
Remeasurement & lease modifications	19	4	12	2	3	40
Change in consolidation	-	-	-	-	-	-
Interest	14	-	5	1	-	21
Redemptions	-72	-7	-41	-22	-5	-147
Closing net book value	**624**	**19**	**184**	**49**	**19**	**894**
Non-current lease liability	522	11	151	34	14	733
Current lease liability	101	7	33	15	5	162
Balance as at 31 December 2023	**624**	**19**	**184**	**49**	**19**	**894**
Additions	19	2	1	47	3	73
Remeasurement & lease modifications	-7	-	3	-3	2	-4
Change in consolidation	-	-	-	-	-	-
Interest	15	-	4	3	-	23
Redemptions	-83	-8	-39	-25	-12	-166
Closing net book value	**569**	**14**	**153**	**71**	**11**	**818**
Non-current lease liability	467	10	117	52	10	656
Current lease liability	102	4	36	19	1	163
Balance as at 31 December 2024	**569**	**14**	**153**	**71**	**11**	**818**

The redemptions reflect the total payments made during the year for the lease fees included in the lease liability. The redemption consists of the repayments of the lease liabilities which are presented in the cash flow from financing activities (2024: EUR 143m, 2023: EUR 124m) and the interest paid during the year (2024: EUR 23m, 2023: EUR 21m), which is part of the cash flow from operating activities.

For the maturity analysis of the lease liabilities, see Note 13.4.

KPN's lease portfolio consists of mobile network (mostly site rentals and mobile towers), fixed network and data centers (technical buildings), real estate (offices and shops), vehicles and other leased assets.

The following amounts are recognized in the profit or loss:

€ million	2024	2023
Depreciation right-of-use assets	-132	-126
Impairment (-) or impairment reversal right-of-use assets	-	-2
Gain or loss (-) on early terminations	2	4
Total depreciation & impairments presented in the P&L	**-130**	**-124**
Interest on lease liabilities	-23	-21
Total amount recognized in profit or loss	**-153**	**-145**

In 2024, KPN entered into sale and leaseback transactions for some of its technical buildings. The transactions resulted in a gain of EUR 8m, included in Other income (2023: EUR 5m). The leaseback periods are limited to a period of five years. The impact on the lease liability and right-of-use asset (fixed network) was limited in both years.

The expenses related to short-term vehicle leases (included in Personnel expenses) are not material. KPN does not apply the low-value exemption and does not have contracts with variable lease payments other than variable lease payments dependent on an index or a rate.

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Most of KPN's lease contracts include extension (renewal) or termination options. KPN exercises significant judgment in determining whether these options are reasonably certain to be exercised (see Note 2). The assessments are updated annually or when a significant change in economic circumstances occurs. Periods covered by renewal options deemed reasonably certain or early termination options that are reasonably certain not to be exercised are included in the total lease liability.

A significant number of KPN's contracts have an unlimited number of extension options. Only those deemed reasonably certain are included in the lease term and therefore the lease liability. A reliable estimate of the potential future lease payments related to periods beyond the lease terms reflected on the balance sheet cannot be provided. This affects mostly the mobile and fixed network, as well as real estate. Vehicles are generally returned by the end of their term.

KPN as lessor

KPN acts as a lessor in a limited number of real estate locations and some specific types of customer premises equipment, all classified as operating leases. These lessor contracts are not material to KPN Group, either individually or in aggregate. The terms are 1-10 years. Leases generally include a clause to enable upward revision of the lease fees (annual indexation). Rental income recognized in 2024 amounted to EUR 2m (2023: EUR 2m). The amount of future minimum lease receivable under the non-cancelable operating leases at 31 December 2024 is EUR 9m (31 December 2023: EUR 4m).

Accounting policy: Leases

KPN as lessee

Lease liabilities

At the commencement date of a lease (i.e. the date on which the underlying asset of the lease is available for use by KPN), KPN recognizes a lease liability measured at the present value of future lease payments to be made over the term of the lease. This includes fixed fees (including in-substance fixed payments), lease incentives (such as rent-free periods or fee discounts), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. KPN does not have purchase options to be taken into account. Penalties for early termination of a lease are not included when KPN is reasonably certain that the related early termination will not take place.

All KPN contracts that contain variable lease payments depend on a consumer price index or a rate. However, should other types of fees occur, these variable fees will be accounted for in the operating expenses.

After the commencement date, the lease liabilities increase due to the accrual of interest and decrease due to the payments of fees due. The lease liabilities are remeasured when a change occurs in fees due, the lease term is deemed reasonably certain and/or there are changes to the scope of a lease. Upon remeasurement of the lease liability of a contract, the applied discount rate (incremental borrowing rate) is revised unless the remeasurement relates to a fee change following a change in the consumer price index or rate.

The total lease liability recognized is split into a non-current and a current portion. The current lease liabilities reflect only the part of the payments due within one year related to the repayment of the total lease liabilities.

Lease term

KPN determined the lease term as the non-cancellable term of a contract together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

KPN applies judgment when assessing if the use of an option is reasonably certain. Factors included are KPN's asset and network strategy, technological developments, and other circumstances that may impose an economic incentive affecting the expected use of an underlying asset. For vehicles, renewal options are not included in the initial assessment of the lease term as KPN's policy prescribes the return of vehicles to the lessor at the end of the lease term.

After the commencement of a lease, KPN reassesses the lease term if there is a significant event or change in circumstances that is within KPN's control and effects KPN's ability to exercise or not to exercise the option to renew or to terminate a lease.

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Incremental borrowing rate
The implicit discount rates of KPN's leases are not readily available, with the exception of vehicles. KPN applies its applicable incremental borrowing rate to determine the discounted value of the lease liabilities. Upon modification of a lease, the lease liability is remeasured using the applicable discount rate at the date of the remeasurement. KPN's incremental borrowing rates are mainly determined using a risk-free rate combined with a spread reflecting KPN's credit risk. The applicable rate per contract is primarily dependent on the total expected term of a lease at its commencement date (new leases) or the total expected remaining lease term in the event of a remeasurement of a lease.

Right-of-use assets
Right-of-use assets are recognized at commencement date of a lease as counterpart to the lease liabilities. The right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement in the corresponding lease liabilities. The cost of the right-of-use assets includes the initially recognized amount of the corresponding lease liabilities, initial direct costs incurred in obtaining the lease (if any) and lease payments made at or before commencement of the lease. Lease incentives received are deducted from the carrying value of the right-of-use assets.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life of the underlying asset and the lease term. Right-of-use assets are subject to impairment.

Short-term leases and leases of low-value assets
KPN does not apply the practical expedients for low-value leases (leases of an underlying asset with a value of less than EUR 5,000) and short-term leases (leases with a total expected term of less than 12 months) except for short-term rental vehicles.

For vehicle leases, KPN applies the practical expedient not to separate non-lease components from lease components. Therefore, the full monthly lease fees are reflected in KPN's statement of financial position. For all types of leased assets, electricity and fuel-related expenses remain part of operating expenses.

KPN as lessor
Leases where KPN as lessor retains a significant portion of the risk and rewards of ownership of the lease asset are classified as operating leases. The assets remain on the balance sheet and are depreciated over the assets' useful life.

Lease payments received from lessees are recognized as revenue on a straight-line basis over the lease period.

If KPN acts as a lessor in a finance lease, the transaction is accounted for as a normal sale and the present value of the lease payments to be received is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is deferred and recognized as interest over the lease term.

[20] Contract liabilities, trade and other payables

Trade and other payables

€ million	31 December 2024 Current	31 December 2024 Non-current	31 December 2023 Current	31 December 2023 Non-current
Trade payables	600	-	537	-
Accrued interest	99	-	79	-
Accrued expenses	341	-	345	-
Social security and other taxes payable	217	-	195	-
Other payables	22	23	20	9
Total	**1,278**	**23**	**1,177**	**9**

Some of KPN's suppliers participate in Supplier Finance Programs giving suppliers the opportunity to receive earlier payment (from a financial institution), without modifying KPN's payment terms, or providing KPN an extended payment period. As the payment terms under these programs do not materially deviate from customary payment terms in the industry or from the terms agreed with suppliers who do not participate in these programs, the relating liabilities are classified as trade and other payables, and payments are classified as operating cash flow. The Supplier Finance Programs do not impact covenants or KPN's access to (future) borrowings from financial institutions.

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€ million	31 December 2024	31 December 2023
Carrying amount of liabilities that are part of supplier finance arrangements		
Presented within trade payables	264	242
Of which suppliers have been paid by finance providers	215	223
Range of payment due dates (days after the invoice date)		
Liabilities that are part of the arrangements	30-90 days	30-90 days
Comparable trade payables that are not part of the arrangements	30-90 days	30-90 days

Contract liabilities

	31 December 2024		31 December 2023	
€ million	Current	Non-current	Current	Non-current
Contract liabilities	164	130	169	119
Of which variable considerations	-	100	-	96

The contract liabilities primarily relate to the consideration received from customers before satisfying performance obligations, such as advances for subscriptions and airtime. KPN recognizes a contract liability for postpaid and prepaid bundled minutes and data increasingly based on the passage of time of these bundles per proposition. The utilization percentage is the actual pro-rata period as a percentage of total credits granted for that period.

A contract liability is also recognized for:
- Mobile connection fees charged to the customer if the connection is not treated as a separate performance obligation.
- Fees invoiced for transition projects for business customers if the project is not treated as a separate performance obligation. If the transition project is treated as a separate performance obligation, a contract liability is recognized if the amount invoiced is higher than the amount of revenue allocated to the project.

Contract liabilities are recognized for variable considerations which are not deemed highly probable. The introduction of new mobile consumer propositions in August 2016 caused a change in the VAT calculation methodology, which resulted in a lower remittance of VAT from August 2016 until December 2018. KPN's view is not shared by the Dutch tax authorities. KPN has concluded, based on the applicable regulations, that a positive outcome of this dispute is not highly probable and has therefore recorded a contract liability for the VAT amount. Additionally, an amount for the corresponding interest amount has been accounted for. A potential final negative outcome of the current court proceedings will lead to cash outflow for an amount up to the non-current variable considerations which includes accrued interest.

The year's revenues include the current portion of the contract liability balance at the beginning of the year.

Accounting policy: Contract liabilities, trade and other payables

Trade and other payables are classified as 'borrowings' within KPN's financial liabilities. For the accounting policy, see Note 13.

For the accounting policy regarding contract liabilities, see Note 4.

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Other notes to the consolidated financial statements

[21] Business combinations

Changes in consolidation: Acquisitions classified as business combinations

€ million	2024	2023
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Intangible assets	99	4
Property, plant and equipment	9	26
Trade and other receivables, prepayments and accrued income	9	3
Net cash and cash equivalents	17	-
Non-current liabilities	-	-
Deferred tax liability	-25	-4
Trade and other payables and accrued expenses	-19	-1
Total net assets	**91**	**28**
Total transaction costs	**1**	**-**
Cash consideration	217	37
Contingent cash consideration	9	-
Total consideration	**226**	**37**
Goodwill	**135**	**10**

Youfone (2024)

On 4 April 2024, KPN acquired 100% of the shares in Youfone Nederland B.V. and Youfone Zakelijk B.V. (together referred to as 'Youfone').

Youfone is a fast-growing telecom operator, which is already active on KPN's network. With this acquisition, KPN strengthens its position in the mobile and broadband markets, especially in the faster-growing no-frills segments. Youfone Nederland is included in KPN's B2C segment and added approximately 499,000 postpaid and 56,000 broadband customers. Youfone Zakelijk B.V. is included in KPN's B2B segment and added approximately 42,000 customers to the SME customer base.

KPN and Youfone expect to achieve further growth in the coming years by continuing the efficient operating model that Youfone has been able to successfully implement. The goodwill relates to these expected future benefits.

The transaction resulted in a net cash outflow of EUR 190m in Q2 2024, classified as cash flow from investing activities in the consolidated statement of cash flows. This amount consists of the cash consideration paid for the shares (EUR 207m) less cash acquired (EUR 17m). The transaction costs amount to less than EUR 1m and were recognized in the P&L.

The purchase price allocation resulted in the recognition of customer bases (EUR 90m), trade names (EUR 7m), a deferred tax liability (EUR 25m), an earn-out provision (EUR 9m) and goodwill (EUR 134m). The amount of goodwill deductible for tax purposes is EUR 0.2m.

The acquisition had a net impact of EUR 24m on KPN's Group revenues (the increase of EUR 67m at B2C and EUR 6m at B2B was partly offset by the decrease of approximately EUR 49m at WHS). The net impact on EBITDA AL was EUR 13m. If the acquisition had taken place at the beginning of the year, the net impact on KPN's Group revenues would have been approximately EUR 33m and on EBITDA AL approximately EUR 17m.

Fiber networks of Coöperatie Glasvezel Noord U.A. (2024)

On 11 January 2024, KPN purchased the fiber networks of Coöperatie Glasvezel Noord U.A.. These networks, located in the northern part of the Netherlands added approximately 3,700 Homes Passed to KPN's fiber footprint. The net assets and activities were added to KPN's segment Networks, Operations & IT (NOI).

The transaction resulted in a net cash outflow of EUR 10m in Q1 2024, classified as cash flow from investing activities in the consolidated statement of cash flows. The transaction costs amounted to EUR nil.

The transaction was classified as a business combination. The purchase price allocation resulted in the recognition of tangible fixed assets (fiber networks, EUR 8m), a customer base (EUR 1m), and goodwill (EUR 1m).

The impact of the acquisition on KPN's Group revenues and EBITDA AL is negligible.

Kabeltex (2023)

On 30 November 2023, KPN purchased 100% of the shares in Kabeltex. Kabeltex owns fiber networks and an internet service provider on Texel and in the north of North Holland. Kabeltex' fiber networks include approximately 18,000 Homes Passed. KPN will add Kabeltex' fiber networks to its existing offering of wholesale fiberservices. The transaction is accounted for as a business combination because the assets acquired and liabilities assumed

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constitute a business. The purchase price allocation resulted in a goodwill of EUR 10m.

The impact of the acquisition on KPN's Group revenues and EBITDA AL in 2023 is negligible. If the acquisition had taken place at the beginning of the year 2023, Kabeltex would have contributed approximately EUR 5m in revenues and EUR 1m in EBITDA AL.

Changes in consolidation: Disposals

€ million	2024	2023
Amount of assets and liabilities in the subsidiaries or businesses over which control is lost:		
Intangible assets	-	2
Other non-current assets	-	3
Trade and other receivables, prepayments and accrued income	-	7
Other non-current liabilities	-	-2
Trade and other payables and accrued expenses	-	-6
Total net assets	**-**	**5**
Transaction costs	-	-
Allocation of goodwill upon loss of control over a business	-	-
Total costs	-	-
Payment to buyer	-	-8
Total consideration	**-**	**-8**
Book loss before income tax	**-**	**-13**
Income taxes	-	-
Book loss after income tax	**-**	**-13**

During 2024, no subsidiaries were sold. On 29 December 2023, KPN sold 100% of the shares of its subsidiary CAM IT to ITQ. The transaction resulted in a net loss of EUR 13m recognized in other operating expenses.

Other changes in consolidation
Acquisitions not classifying as Business Combinations

€ million	2024	2023
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Intangible assets	-	2
Property, plant and equipment	8	91
Deferred tax asset	-	1
Trade and other receivables, prepayments and accrued income	-	3
Net cash and cash equivalents	-	2
Trade and other payables and accrued expenses	-	-2
Total net assets	**8**	**97**
Total transaction costs	**-**	**-**
Cash consideration	8	97
Contingent cash consideration	-	-
Total consideration	**8**	**97**

Fiber networks of GNB Lochem B.V. (2024)
On 3 July 2024, KPN purchased the fiber networks of GNB Lochem B.V.. These networks added approximately 4,071 Homes Passed to KPN's own fiber footprint. As the assets acquired and liabilities assumed do not constitute a business, the transaction has been accounted for as an asset acquisition and no goodwill has been recognized. The total consideration paid (EUR 8m) has been allocated to the assets acquired and liabilities assumed on a relative fair value basis.

Primevest Capital Partners (2023)
On 3 July 2023, KPN purchased the fiber networks of Primevest Capital Partners. These networks, located in The Hague, Rotterdam and Eindhoven added approximately 127,000 Homes Passed to KPN's fiber footprint. The transaction resulted in consolidation of the three legal entities involved. As the assets acquired and liabilities assumed do not constitute a business, the transaction has been accounted for as an asset acquisition and no goodwill has been recognized. The total consideration paid (EUR 97m) has been allocated to the assets acquired and liabilities assumed on a relative fair value basis. The table above indicates the impact of this asset acquisition on KPN's statement of financial position.

Impact on cash flow from investing activities
The net cash outflow related to acquisition of and investments in subsidiaries, associates and joint ventures (net of acquired cash) was EUR 213m in 2024 (2023: EUR 118m). This amount includes the net cash consideration related to the acquisition of Youfone (EUR 190m), additional share premium contributions to Glaspoort (EUR 20m, see Note 12) and payments related to acquisitions of smaller investments in associates. The net cash outflow of 2023 (EUR 118m) included among others the net cash consideration

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related to the acquisition of Kabeltex (EUR 36m) and additional share premium contributions to Glaspoort (EUR 70m).

The net cash inflow from disposal of subsidiaries and associates was EUR 26m in 2024 (2023: EUR 23m). This mainly consists of the received deferred payment of EUR 26m related to Glaspoort (2023: EUR 29m, see Note 13.1). In 2023 the received deferred payment of EUR 29m was partly offset by the EUR 8m payment made to the buyer of CAM IT.

Accounting policy: Business combinations
KPN uses the acquisition method to account for business combinations. The consideration paid is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange.

Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date. When a business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the P&L.

Contingent considerations are recognized at fair value at acquisition date and subsequent changes to the fair value are recognized in the P&L. Contingent considerations classified as equity are not remeasured and subsequent settlement is counted for within equity.

For each business combination, KPN elects to recognize any non-controlling interest in the acquiree either at fair value or at the proportionate share in the acquiree's net assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration paid, non-controlling interests recognized and the acquisition date fair value of any previous equity interests in the acquiree over the fair value of KPN's share of the net assets acquired is recorded as goodwill. If negative goodwill occurs (bargain purchase), the difference is recognized directly in the P&L.

[22] Commitments, contingencies and legal proceedings

Commitments

€ million	Less than 1 year	1-5 years	More than 5 years	Total 31 December 2024	Total 31 December 2023
Capital and purchase commitments	1,094	519	59	1,672	1,686
Guarantees and other	-	-	139	139	129
Total commitments	**1,094**	**519**	**198**	**1,811**	**1,816**

The capital and purchase commitments mainly relate to minimum contractual obligations with regard to network operations, mobile handsets, telco services and lease contracts that have not yet commenced.

Guarantees consist of financial obligations of group companies under certain contracts guaranteed by KPN. A total amount of EUR 134m relates to parent guarantees (2023: EUR 129m). The table presented above does not include KPN's commitment on share premium contributions regarding Glaspoort of EUR 255m (31 December 2023: EUR 202m). See Note 12.

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Contingent assets and liabilities

KPN is involved in a number of legal and tax proceedings that have arisen in the ordinary course of its business and in discontinued operations, including commercial, regulatory or other proceedings. KPN periodically carefully assesses the likelihood that legal and tax proceedings may lead to a cash in- or outflow. KPN recognizes provisions in case of a cash outflow if and when the chance is estimated as probable and a reliable estimate of the cash outflow can be made. KPN recognizes the assets in case of a cash inflow if and when the chance is estimated as virtually certain. When these criteria are not met, such matters are classified as contingent assets or liabilities, unless the cash inflow is considered possible or the cash outflow is considered remote.

However, the outcome of such proceedings can be difficult to predict with certainty and KPN can offer no assurances in this regard. In some cases, the impact of a legal proceeding may be more strategic than financial and such impact cannot properly be quantified. A description is given below of legal-related contingent assets and liabilities that could have a material impact for KPN.

Samsung

In May 2024, the 71st District Court of Texas, awarded KPN a material amount in damages for a breach by Samsung of a prior agreement between the parties. Samsung has appealed and the final outcome is still uncertain. Since it is not deemed virtually certain that this amount will be received, no amounts have been recorded.

Idle cables

See Note 18 for a contingent liability related to idle cables and the accounting policy for provisions.

Indemnification

In KPN's Articles of Association and in a further decision by the Board of Management, which was approved by the Supervisory Board, KPN has indemnified the members and former members of KPN's Board of Management and Supervisory Board, as well as a number of KPN's officers and directors and former officers and directors, against liabilities, claims, judgments, fines and penalties incurred by such officers or directors as a result of any threatened, pending or completed action, investigation or proceeding (whether civil, criminal or administrative) brought by a third party in relation to acts or omissions in or related to their capacity as officer or director.

The indemnification does not apply to claims and expenses reimbursed by insurers nor to an officer or a director adjudged to be liable for willful misconduct ('opzet') or intentional recklessness ('bewuste roekeloosheid').

[23] Related-party transactions

KPN considers none of the related-party transactions to be material on an individual basis. Transactions between group companies are not included in the description below as these are eliminated in the consolidated financial statements.

Transactions with shareholders

On 12 February 2024, América Móvil, S.A.B. de C.V. (AMX) notified the AFM that it held less than 3% of the shares and voting rights related to KPN's ordinary share capital. All transactions in 2024 and 2023 with AMX and its subsidiaries and associated companies were in the ordinary course of business and not significant.

Shareholdings equaling or exceeding 3% of the issued capital:

- On 24 September 2024, Canada Pension Plan Investment Board notified the AFM that it held 3.00% of the shares and voting rights related to KPN's ordinary share capital.
- On 6 September 2024, JP Morgan Asset Management Holdings, Inc. notified the AFM that it held 3.59% of the shares and 3.08% of the voting rights related to KPN's ordinary share capital.
- On 7 August 2024, Amundi Asset Management notified the AFM that it held 3.15% of the shares and voting rights related to KPN's ordinary share capital.
- On 9 February 2024, BlackRock, Inc. notified the AFM that it held 6.44% of the shares and 7.70% of the voting rights related to KPN's ordinary share capital.
- On 2 August 2022, Capital Research and Management Company notified the AFM that it held 9.70% of the voting rights related to KPN's ordinary share capital.
- On 2 June 2022, The Income Fund of America notified the AFM that it held 4.97% of the shares and voting rights to KPN's ordinary share capital.

To KPN's knowledge, no other shareholder owned 3% or more of KPN's issued share capital at 31 December 2024. KPN did not enter into agreements with AMX or other shareholders that could have a material impact on KPN's financial statements.

Transactions with associated companies and joint ventures

On 9 June 2021, KPN sold 50% of the shares of its subsidiary Glaspoort B.V. and entered into a joint venture agreement with ABP (see Note 12). As of 9 June 2021, KPN's remaining 50% interest in Glaspoort is classified as a joint venture and accounted for using the equity method. KPN is the anchor tenant on the network of Glaspoort and also supplies services to Glaspoort. In 2024, KPN and ABP agreed on an adjustment to the Glaspoort demarcation which was part of the joint venture agreement in 2021. The transaction is an exchange of areas between KPN and Glaspoort which will be used by KPN and Glaspoort for similar purposes and have comparable risk profiles and fair values. Other than the settlement of costs already incurred by KPN (EUR 19m), there is no other financial compensation.

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The value of the services delivered to and acquired from Glaspoort, and its joint venture Glasdraad, amounted to EUR 17m and EUR 49m respectively in 2024 (2023: EUR 16m and EUR 23m respectively). Furthermore, in December 2021, KPN, ABP and Glaspoort signed an agreement to extend the scope of the fiber rollout of Glaspoort. It was agreed that KPN will receive EUR 170m (pre-tax) from Glaspoort for the sale of the additional scope projects in annual installments based on the fiber rollout starting in 2023. As at 31 December 2024, KPN has received EUR 142m of the total consideration agreed upon (EUR 60m in cash upon closing of the transaction in 2021, EUR 51m during 2023 and EUR 31m during 2024). During 2024, Glaspoort received additional share premium contributions from its shareholders. KPN contributed EUR 20m. Trade and other receivables with respect to Glaspoort at 31 December 2024 amounted to EUR 18m (2023: EUR 2m), trade and other payables to EUR 13m (2023: EUR 5m), non-current contract assets to EUR 5m (2023: EUR 28m), and current contract assets to EUR 23m (2023: EUR 31m); there were no current contract liabilities.

The following table shows the total value of the transactions by KPN with other associated and non-consolidated companies for the relevant year:

€ million	2024	2023
Sales in the year	14	16
Purchases in the year	17	8
Trade receivables at 31 December	<1	<1
Trade payables at 31 December	<1	<1

Transactions with directors and related parties

For details of the relationship between directors and the company, see the Remuneration Report section of this integrated annual report. Directors in this respect are defined as key management and relate to those having authority and responsibility for planning, directing, and controlling the activities of an entity, either directly or indirectly. At KPN, key management consists of the members of the Board of Management and the Supervisory Board.

The members of KPN's Board of Management and Supervisory Board or close members of their families are also members of supervisory boards or management boards of other companies or are shareholders of other companies, without having (joint) control, with which KPN maintains relations in the ordinary course of business. All transactions with these companies are carried out on an arm's length basis.

[24] Legal structure

Name of significant subsidiaries and other principal interests	Country of incorporation
KPN B.V.	
- Broadband Hosting B.V.	Netherlands
- E-Zorg B.V.	Netherlands
- Glaspoort B.V.	Netherlands
- GroupIT B.V.	Netherlands
- RoutIT B.V.	Netherlands
- Inspark Holding B.V.	Netherlands
- InSpark B.V.	Netherlands
- KPN Finance B.V.	Netherlands
- Reggefiber Group B.V.	Netherlands
- Reggefiber Operator B.V.	Netherlands
- Reggefiber ttH B.V.	Netherlands
- Netwerk Exploitatiemaatschappij B.V.	Netherlands
- Solcon Internetdiensten B.V.	Netherlands
- Youfone Nederland B.V.	Netherlands
- Youfone Zakelijk B.V.	Netherlands
KPN Mobile N.V.	Netherlands
KPN Ventures B.V.	Netherlands
Getronics B.V.	Netherlands
- Getronics Finance Holdings B.V.	Netherlands
- Getronics Pensions UK Ltd.	UK
- Getronics US Operations, Inc.	US
KPN Insurance Company DAC	Ireland

The percentage ownership/voting interest of these entities is 100%, except for the joint venture Glaspoort B.V. in which KPN has an interest of 50%.

[25] Proposed appropriation of result

On outstanding Class B preferred shares, a dividend is paid out equal to the average of the 12-month Euribor plus 1%. If the 12-month Euribor is no longer determined, the dividend on preference shares will be calculated based on the yield on state loans. Subsequently, subject to the approval of the Supervisory Board, the Board of Management will determine what proportion of net income remaining after payment of the dividend on any Class B preferred shares will be appropriated to the reserves. The part of the profit remaining after the appropriation to the reserves shall be at the disposal of the AGM. No Class B preferred shares were outstanding on 31 December 2024.

The profit of the financial year 2024 attributable to equity holders of the company amounted to EUR 848m. On 1 August 2024, a regular interim dividend of EUR 6.8ct per ordinary share was paid (total amount of EUR 264m). On 21 February 2025, the Board of Management, with the approval of the Supervisory Board, appropriated EUR 187m of the profit 2024 to the other reserves. Taking into account the interim dividend that was paid in August 2024, the remaining part of the profit is available for payment of a final dividend in respect of 2024. The Board of Management, with the approval of the Supervisory Board, will propose to the AGM to pay a final regular dividend of EUR 10.2ct per ordinary share in respect of 2024 (in total EUR 396m based on the number of outstanding shares at 31 December 2024 less Treasury shares held by KPN).

[26] Subsequent events

Bonds

The remaining outstanding principal amount (EUR 219m) of the 2.00% EUR perpetual hybrid bond has been redeemed on 10 February 2025.

On 17 February 2025, KPN successfully issued a 3.375% EUR 800m senior unsecured bond maturing on 17 February 2035. The proceeds will be used for general corporate purposes, including refinancing of existing debt.

KPN and ABP start new tower company Althio

On 13 February 2025, KPN and ABP completed the transaction resulting in the creation of a new open tower company, named Althio B.V. ('Althio'). The transaction was approved by the ACM on 6 February 2025. KPN holds 51% of the shares of Althio, the remaining 49% shares are owned by Stichting Depositary APG Infrastructure Pool 2016, an investment entity managed by ABP.

Following the transaction, Althio holds the combined passive mobile infrastructure of KPN as well as those of NOVEC and OTC (portfolio companies previously owned by TenneT and ABP respectively). This combined portfolio comprises of approximately 3,800 towers and rooftops throughout the Netherlands. This strategic partnership is in line with KPN's Connect, Activate & Grow strategy to optimize the value of its passive infrastructure assets and retain strategic flexibility. Through the creation of Althio, KPN gains higher flexibility over a substantial part of its mobile sites, enabling strategic synergies regarding the deployment, maintenance, and optimization of the network infrastructure. As part of the transaction some existing lease conditions have been reset. Althio and KPN have entered into a long-term master service agreement, stipulating the terms under which KPN will continue to be a tenant of Althio for an initial period of 20 years. Althio also holds a built-to-suit commitment for the next 10 years from KPN.

The total consideration comprises the transfer of KPN's passive mobile infrastructure activities and a cash consideration of EUR 113m. Part of the cash consideration paid will be allocated to the settlement of pre-existing relations between KPN Group and Althio. Due to the timing of the transaction and applicable regulatory restrictions on the exchange of information prior to the transaction, KPN has not been able to prepare the purchase price allocations and related disclosures as prescribed by IFRS 3 per the date of approval of these financial statements. KPN is currently in the process of preparing the purchase price allocations which will be included in the 30 June 2025 interim financial statements.

After assessing the relevant agreements, including the rights both shareholders have in the situations described therein, KPN concluded it has control over Althio after the transaction. Therefore, KPN will consolidate Althio in full as of 13 February 2025.

On a pro forma full year basis, the consolidated impact of the transaction on KPN's 2025 adjusted EBITDA AL is estimated at EUR ~30m; on a similar basis, the impact on KPN's operating free cash flow would be EUR ~20m.

Corporate financial statements

Corporate statement of profit or loss

For the year ended 31 December

€ million	Notes	2024	2023
Total revenues and other income		**-**	**-**
Other operating expenses		-5	-5
Total operating expenses		**-5**	**-5**
Operating profit		**-5**	**-5**
Finance income		31	16
Finance costs		-251	-240
Other financial results		-54	-4
Intercompany interest (net)		10	-95
Financial income and expenses	**[A]**	**-264**	**-323**
Income from subsidiaries		1,033	1,075
Profit before income tax		**764**	**747**
Income taxes	[B]	84	97
Profit for the year		**848**	**844**

Corporate financial statements

Corporate statement of financial position

Before appropriation of current year result

Assets

€ million	Notes	31 December 2024	31 December 2023
Non-current assets			
Financial fixed assets			
Investments in subsidiaries		8,801	12,647
Derivatives		100	65
Deferred taxes		215	299
Other fixed financial assets		72	84
Total non-current assets	**[B]**	**9,188**	**13,095**
Current assets			
Accounts receivable from subsidiaries	[F]	1,364	1,425
Other receivables and accrued income		6	9
Derivatives		-	12
Income tax receivable		17	30
Other current financial assets		101	194
Cash and cash equivalents		587	525
Total current assets		**2,075**	**2,195**
Total assets		**11,263**	**15,290**

Corporate financial statements

Equity and liabilities

€ million	Notes	31 December 2024	31 December 2023
Equity			
Subscribed capital stock		156	158
Additional paid-in capital		7,481	7,674
Treasury shares reserve		-11	-17
Legal reserves	[C]	558	547
Retained earnings	[C]	-6,490	-6,637
Equity attributable to holders of perpetual hybrid bonds		990	990
Profit (loss) current year		848	844
Total equity attributable to equity holders		**3,531**	**3,558**
Provisions			
Provisions for retirement benefit obligations		1	2
Other provisions		20	18
Total provisions	**[D]**	**21**	**20**
Non-current liabilities			
Loans from subsidiaries	[E]	25	50
Borrowings	[E]	4,952	4,974
Derivative financial instruments		156	256
Other non-current liabilities	[G]	431	426
Total non-current liabilities		**5,564**	**5,706**
Current liabilities			
Accounts payable to subsidiaries	[F]	1,026	5,308
Borrowings	[E]	899	497
Derivative financial instruments		5	5
Income tax payable		-	-
Other current liabilities	[G]	119	117
Accruals and deferred income		99	79
Total current liabilities		**2,148**	**6,006**
Total equity and liabilities		**11,263**	**15,290**

Corporate financial statements

Notes to the corporate financial statements

The principles for the recognition and measurement of assets and liabilities and determination of the result (hereafter referred to as 'accounting policies') of the corporate financial statements of Koninklijke KPN N.V. are the same as those applied to the consolidated financial statements under IFRS (applying the option provided in Article 362 sub 8, Part 9, Book 2 of the Dutch Civil Code). The consolidated financial statements have been prepared in accordance with the IFRS (see notes to the consolidated financial statements).

Investments in consolidated subsidiaries are measured at net equity value (equity of the subsidiaries based on the equity method and goodwill). The equity method measures assets, provisions and liabilities, and determines profit of the subsidiaries based on the principles applied in the consolidated financial statements.

Expected credit losses, if any, with respect to loans granted to and receivables from consolidated subsidiaries are not recognized in these corporate financial statements.

Directors' remuneration

See Note 5 Personnel expenses to the consolidated financial statements.

[A] Financial income and expenses

€ million	2024	2023
Finance income	**31**	**16**
Interest on borrowings	-245	-236
Other	-6	-4
Finance costs	**-251**	**-240**
Amortizable part of hedge reserve	-12	-15
Amortization discontinued fair value hedges	18	16
Derivative financial instruments not qualified for hedge accounting	-7	-9
Hedge ineffectiveness	-7	4
Exchange rate differences	13	1
Bond tender premiums and charges (see Note 7)	-60	-
Other	1	-1
Other financial results	**-54**	**-4**
Intercompany interest (net)	**10**	**-95**
Total	**-264**	**-323**

The increase in finance costs is mainly related to the interest accrued on the EUR 1 billion senior bond issued in February 2024, partly offset by the lower interest expense on tendered bonds and the bond redemption in September. Intercompany interest amounted to a net income of EUR 10m in 2024 and a net cost of EUR 95m in 2023. As of 1 January 2024, interest is no longer charged on most current accounts between group companies.

Corporate financial statements

[B] Non-current assets

€ million	Investments in subsidiaries companies	Derivatives	Deferred taxes	Other financial fixed assets[1]	Total
Balance at 1 January 2023	**10,785**	**125**	**326**	**76**	**11,313**
Exchange rate differences	-2	-	-	-	-2
Income from group companies after taxes	1,075	-	-	-	1,075
Increase due to waivers[2]	778	-	-	-	778
Movements paid collaterals	-	-	-	8	8
Capital contributions	1	-	-	-	1
Fair value adjustments	-	-60	-	-	-60
Use of tax loss carry forward	-	-	-34	-	-34
Other	10	-	7	-	17
Total changes	**1,862**	**-60**	**-27**	**8**	**1,782**
Balance at 31 December 2023	**12,647**	**65**	**299**	**84**	**13,095**
Exchange rate differences	-7	-	-	-	-7
Income from group companies after taxes	1,033	-	-	-	1,033
Decrease due to waivers[3]	-4,849	-	-	-	-4,849
Movements paid collaterals	-	-	-	-56	-56
Loan granted to a third party	-	-	-	44	44
Capital contributions	1	-	-	-	1
Received dividends	-25	-	-	-	-25
Fair value adjustments	-	35	-	-	35
Use of tax loss carry forward	-	-	-73	-	-73
Other	1	-	-11	-	-10
Total changes	**-3,846**	**35**	**-84**	**-12**	**-3,907**
Balance at 31 December 2024	**8,801**	**100**	**215**	**72**	**9,188**

1 Other financial fixed assets mainly includes paid collaterals regarding derivative financial instruments and energy contracts and in 2024 also a loan granted to a third party with a carrying amount of EUR 44m (see Note 14.1 for more details)

2 Increase mainly relates to the waiver of the loan payable by KPN Mobile N.V. (see Note F)

3 Decrease mainly relates to the waiver of the loan payable to KPN B.V. (see Note F)

Taxation

The corporate financial statements on behalf of Koninklijke KPN N.V. are prepared as if the company is independently subject to corporate income tax, so excluding the offset of profits within the tax group, of which the entity is the parent.

As a result, the company reports a tax benefit for the tax-deductible interest and no tax on the result of consolidated entities as the tax of these entities is booked at the level of the entity itself.

The company's deferred tax asset represents the future tax relief on taxable profits (within the tax group) due to available losses and is higher than reported at the consolidated level, since the asset can be offset against deferred tax liabilities reported in other entities that are part of the same tax group.

[C] Equity attributable to equity holders

For a breakdown of equity attributable to equity holders, see the consolidated statement of changes in equity and related Notes. On 21 September 2022, KPN issued a EUR 500m hybrid bond with a 6.00% coupon and on 18 June 2024 a EUR 500m hybrid bond with a 4.875% coupon, all with a perpetual maturity. These bonds are classified as equity and valued at net proceeds (see Note 13.2). On 20 June 2024, the EUR 500m hybrid bond with a 2.00% coupon issued on 8 November 2019 was partially repurchased for a principal amount of EUR 281m and on 20 December 2024 KPN announced to redeem the remaining outstanding principal amount (EUR 219m) at its first reset date (8 February 2025). As a consequence, the remaining outstanding amount of this bond has been reclassified from equity to borrowings as of the date of the announcement.

Corporate financial statements

Legal reserves (net of tax)

€ million	Revaluation reserve equity investment in Glaspoort (see Note 21)	Hedge reserve (net of tax)	Capitalized software development costs	Revaluation reserve property, plant and equipment	Cumulative translation adjustments	Fair value reserve equity investments	Solvency capital requirement[1]	Total
Balance at 1 January 2023	**347**	**-86**	**248**	**11**	**17**	**27**	**20**	**584**
Addition/release (-) retained earnings	-11	-26	18	-2	-	-14	-	-35
Other	-	-2	-	-	-	-	-	-2
Balance at 31 December 2023	**336**	**-114**	**266**	**9**	**17**	**13**	**20**	**547**
Addition/release (-) retained earnings	-15	18	14	-3	-	2	-5	12
Balance at 31 December 2024	**321**	**-96**	**280**	**7**	**17**	**15**	**15**	**558**

1 This is the amount of funds that KPN Insurance Company DAC is required to hold under the European Union's Solvency II directive

Pursuant to Dutch law, there are limitations on the distribution of equity attributable to equity holders. Such limitations relate to the subscribed capital stock as well as to legal reserves required by Dutch law as presented above. Negative legal reserves are also deducted to determine the amount for distribution. Dutch law also requires that in determining the amount for distribution, the company's ability to continue to pay its debt must be taken into account. The total distributable reserves, which include the perpetual hybrid bonds, amounted to EUR 2,721m at 31 December 2024 (2023: EUR 2,739m).

Retained earnings

Movements in retained earnings

€ million	2024	2023
Balance at 1 January	**-6,637**	**-6,769**
Profit of previous year	844	760
Coupon perpetual hybrid bonds	-48	-40
Dividend ordinary shares	-646	-587
Actuarial gain/loss pensions and other post-employment plans (net of tax)	2	-
Fair value adjustment equity investments	2	11
Release/addition legal reserves (except cumulative translation adjustments)	6	9
Share-based compensation	-8	-17
Reclassifications	-4	-4
Balance at 31 December	**-6,490**	**-6,637**

Retained earnings reconciled with the consolidated statement of financial position

€ million	2024	2023
Retained earnings as per Consolidated Statement of Financial Position	**-5,005**	**-5,150**
Revaluation reserve equity investement in Glaspoort	-321	-336
Revaluation reserve property, plant and equipment	-7	-9
Capitalized software development costs	-280	-266
Fair value reserve equity investments	-15	-13
Other non-distributable reserves	-14	-20
Profit for the year	-848	-844
Retained earnings as per Corporate Statement of Financial Position	**-6,490**	**-6,637**

[D] Provisions

Movements in provisions

€ million	Retirement benefit obligations	Other provisions	Total
Balance at 1 January 2023	**1**	**20**	**21**
Additions/releases to income	1	3	4
Usage	-1	-4	-5
Balance at 31 December 2023	**2**	**18**	**20**
Additions/releases to income	1	4	5
Usage	-2	-3	-5
Balance at 31 December 2024	**1**	**20**	**21**

Corporate financial statements

The provisions for retirement benefit obligations relate to an early retirement plan (see Note 17 to the consolidated financial statements). Other includes provisions for long-term employee obligations related to jubilee or other long-service employee benefits and long-term disability benefits.

[E] Loans from subsidiaries and borrowings

The balance of Loans from subsidiaries as at 31 December 2024 (EUR 25m) and 2023 (EUR 50m) consists of a short-term roll-over loan from KPN Insurance Company DAC, which bears an interest of 6-month Euribor plus 0.3%.

Non-current borrowings as at 31 December 2024 include senior bonds outstanding for EUR 4,952m (2023: EUR 4,975m). Current borrowings as at 31 December 2024 include senior bonds outstanding for EUR 839m (2023: 437). On 16 February 2024, KPN issued a EUR 1,000m 3.875% senior bond maturing on 16 February 2036. Concurrently to this issuance, KPN made a tender offer for its outstanding GBP denominated bonds. On 19 February 2024, KPN repurchased a GBP 150m notional amount of its outstanding GBP 400m 5.00% senior bond due in November 2026 and a GBP 300m notional amount of its outstanding GBP 850m 5.75% senior bond due in September 2029. On 30 September 2024, KPN redeemed the remaining outstanding principal amount (EUR 431m) of the EUR 700m 5.625% senior bond at its scheduled maturity date. Borrowings increased by EUR 86m due to exchange differences and by EUR 26m due to fair value adjustments. See Note 13.2 to the consolidated financial statements for further information about KPN's senior and hybrid bonds outstanding.

KPN has set up a Euro-Commercial Paper Program under which KPN can issue short-term debt instruments for up to EUR 1 billion gross notional outstanding. At 31 December 2024, current borrowings included the outstanding balance of commercial paper of EUR 60m (2023: EUR 60m). In addition, total committed credit facilities of EUR 1,075m were available at 31 December 2024 which were not drawn during 2023 and 2024.

[F] Accounts receivable from and accounts payable to subsidiaries

Koninklijke KPN N.V. operates a cash pool for the KPN Group, which leads to accounts receivable from and accounts payable to subsidiaries. In 2024, accounts receivable from subsidiaries increased due to capex and other investments made by subsidiaries and decreased due to waivers for an amount of EUR 1,116m. Accounts payable to subsidiaries increased, mainly due to cash flows from operating activities generated by subsidiaries and decreased in 2024 due to waivers for an amount of EUR 5,965m of which
EUR 5,197m is the current account payable to KPN B.V. These waivers are accounted for as informal capital contributions or informal dividend distributions, respectively. Accounts receivable from subsidiaries (net) at 31 December 2024 includes a current income tax position of the subsidiaries which are included in the fiscal unity of Koninklijke KPN N.V. of EUR 205m. Accounts payable to subsidiaries (net) at 31 December 2024 is offset by a current income tax position of the subsidiaries, which are included in the fiscal unity of Koninklijke KPN N.V. of EUR 101m.

Most of these current accounts have an indefinite duration. As of 1 January 2024, interest is no longer charged on most current accounts between group companies. In sofar as applicable, interest is determined annually and based on the 12-month Euribor plus 0.15% and a risk premium attached by the market to the specific KPN credit risk.

[G] Other non-current and current liabilities

Other non-current liabilities includes a EUR 300m credit facility from the European Investment Bank, which KPN had fully drawn at year-end 2024 and 2023. This loan has a floating interest rate referenced to 3-month Euribor and a single repayment on 2 August 2027. The interest for the current interest period was fixed at 3.74% per annum. Also included at 31 December 2024 is EUR 78m of collateral received (2023: EUR 74m) as security under derivative financial instruments and EUR 49m of borrowings under private placements (2023: EUR 49m).

Other current liabilities consists of VAT payable of the KPN fiscal unity.

Corporate financial statements

[H] Commitments and contingencies

Commitments by virtue of guarantees amounted to EUR 139m (2023: EUR 129m).

KPN has issued several declarations of joint and several liabilities for various group companies in compliance with Article 403, Book 2 of the Dutch Civil Code. These declarations of joint and several liabilities for group companies are included in a complete list of subsidiaries and participating interests, which is available at the offices of the Chamber of Commerce in Rotterdam.

Rotterdam, 21 February 2025

Board of Management	Supervisory Board
Joost Farwerck	Gerard van de Aast
Chris Figee	Herman Dijkhuizen
Marieke Snoep	Frank Heemskerk
Chantal Vergouw	Marga de Jager
Wouter Stammeijer	Kitty Koelemeijer
Hilde Garssen	Ben Noteboom
	Edzard Overbeek
	Jolande Sap
	Rob Shuter

Other information

Statutory provisions on allocation of profit

Under Article 31 of the Articles of Association of KPN, a dividend shall first be paid oud on outstanding (if any) Class B preferred shares, equal to the average of the 12-month Euribor increased by 1%. Subsequently, subject to the approval of the Supervisory Board, the Board of Management will determine what proportion of net income remaining after payment of the dividend on any Class B preferred shares will be appropriated to the reserves. The part of the profit remaining after the appropriation to the reserves shall be at the disposal of the AGM. The Board of Management, subject to the approval of the Supervisory Board, shall make a proposal to the AGM for the dividend to be paid. The Board of Management, subject to the approval of the Supervisory Board, may also resolve to distribute an interim dividend. The relevant provisions of Dutch law remain applicable.

Other information

Limited assurance report of the independent auditor on the sustainability statement

To: the shareholders and Supervisory Board of Koninklijke KPN N.V.

Our conclusions

We have performed a limited assurance engagement on the consolidated sustainability statement for 2024 of Koninklijke KPN N.V. based in Rotterdam (hereinafter: KPN or the company) in section Sustainability statement of the accompanying Report by the Board of Management including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- Prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and compliant with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Our conclusion has been formed on the basis of the matters outlined in this limited assurance report.

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, "Assurance-opdrachten inzake duurzaamheidsverslaggeving" (Assurance engagements relating to sustainability reporting), which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance engagements other than audits or reviews of historical financial information".

Our assurance engagement was aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities in this regard are further described in the section Our responsibilities for the limited assurance engagement on the sustainability statement of our report.

We are independent of KPN in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement and we are not involved in the preparation of the sustainability statement, as doing so may compromise our independence. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants). The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code) as relevant to limited assurance engagements on sustainability statements of public interest entities in the European Union.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

The sustainability statement has been prepared in a context of new sustainability reporting standards, requiring entity-specific interpretations and addressing inherent measurement or evaluation uncertainties. In this context, we want to emphasize the following matters:

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section Estimations and uncertainty in metrics on pages 47 and 48 in the sustainability statement that identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS. The significant uncertainties relate to estimates and assumptions

Other information

used and reliance on third-party evidence in the metrics “Scope 3 GHG emissions” and “Reuse and recycling”.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Emphasis on the double materiality assessment process

We draw attention to section Other DMA information on page 66 in the sustainability statement. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the company’s strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process requires the company to make key judgments and use thresholds and may also be impacted in time by sector-specific standards to be adopted. Therefore, the sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of these matters.

Limitation to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the Board of Management describes the underlying assumptions and methods of producing the information, as well as other factors that provide evidence that it reflects the actual plans or decisions made by the company (actions). Forward-looking information relates to events and actions that have not yet occurred and may never occur. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. We do not provide assurance on the achievability of forward-looking information.

Our conclusion is not modified in respect of this matter.

Responsibilities of the Board of Management and the Supervisory Board for the sustainability statement

The Board of Management is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, the Board of Management is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

The Board of Management is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company’s sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the Board of Management is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

We apply the applicable quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included amongst others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS
- Obtaining through inquiries a general understanding of the internal control environment, the company’s processes for gathering and reporting entity-related and value chain information, the information systems and the company’s risk assessment process relevant to the preparation of the sustainability statement and for identifying the company’s activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without

Other information

obtaining assurance information about the implementation or testing the operating effectiveness of controls
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise (selected disclosures). Designing and performing further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis
- Considering whether the description of the double materiality assessment process in the sustainability statement made by the Board of Management appears consistent with the process carried out by the company
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Board of Management's estimates
- Analyzing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures
- Reading the other information in the integrated annual report to identify material inconsistencies, if any, with the sustainability statement
- Considering whether the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company and are consistent or coherent with the sustainability statement, appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met, and whether the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework, and comply with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented
- Considering the overall presentation, structure and fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
- Considering, based on our limited assurance procedures and evaluation of the evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS

Communication
We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Additional reasonable assurance report on selected sustainability information
We have performed additional assurance procedures aimed to obtain reasonable assurance on selected sustainability information included as part of the sustainability statement (the selected sustainability information). The selected sustainability information consists of the gross Scope 1 and 2 GHG emissions as included in table "Gross Scope 1, 2, 3 and total GHG emissions" on page 92 in the sustainability statement.

In our opinion, the sustainability information is prepared, in all material respects, in accordance with the requirements in Disclosure Requirement E1-6 of ESRS E1 relating to gross Scope 1 and 2 GHG emissions.

The Board of Management is responsible for the preparation of the selected sustainability information in accordance with the applicable criteria. The Board of Management is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of the intended users and compliant with the applicable ESRS requirements.

Our responsibility is to obtain sufficient and appropriate evidence for our opinion. In addition to the procedures performed for our limited assurance engagement on the sustainability statement, our reasonable assurance procedures on the selected sustainability information included among others:
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures on the selected sustainability information. This includes the evaluation of the reasonableness of estimates made by the Board of Management
- Identifying and assessing the risks that the selected sustainability information contains material misstatements, whether due to fraud or error, designing and performing further assurance procedures responsive to those risks, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of the systems and processes for collecting, reporting, and consolidating the selected sustainability information, including obtaining an

Other information

understanding of the internal control environment relevant to our assurance engagement, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Obtaining assurance evidence that the selected sustainability information reconciles with underlying records of the company
- Evaluating, on a sample basis, relevant internal and external documentation to determine the reliability of the selected sustainability information
- Evaluating the data and trends
- Evaluating whether the selected sustainability information is presented and disclosed free from material misstatement in accordance with the criteria applied

Eindhoven, 21 February 2025

EY Accountants B.V.

signed by A.B.E. Laan

Other information

Independent auditor’s report on the audit of the country-by-country reporting included in the integrated annual report 2024

To: the Board of Management of Koninklijke KPN N.V.

Our opinion

We have audited the country-by-country reporting of Koninklijke KPN N.V. based in Rotterdam, the Netherlands (hereinafter: KPN or the company) included in the integrated annual report in Appendix 4: Geographic tax overview (‘the country-by-country reporting’).

In our opinion the country-by-country reporting 2024 of KPN is prepared, in all material respects, in accordance with the reporting requirements under Disclosure 207-4 of Standard 207: Tax of the Global Reporting Initiative (GRI) as issued by the Global Sustainability Standards Board.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of country-by-country reporting of our report.

We are independent of KPN in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of the basis of accounting

We draw attention to paragraph "Tax profile"of the "Tax governance" section of the integrated annual report, which describes the basis of accounting of the country-by-country reporting. The country-by-country reporting is intended for the company’s stakeholders and is prepared in accordance with Disclosure 207-4 of GRI 207: Tax. As a result, the country-by-country reporting may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Report on other information included in the integrated annual report

The integrated annual report contains other information in addition to the country-by-country reporting and our auditor’s report thereon.

Based on the following procedures performed, we conclude that the other information inherent to GRI 207: Tax (as referred to in section GRI 207: Tax 2019 included in paragraph ‘Tax governance’):

- Is consistent with the country-by-country reporting and does not contain material misstatements
- Contains the information as required under Disclosure 207-1, Disclosure 207-2 and Disclosure 207-3 of GRI 207: Tax

We have read the other information. Based on our knowledge and understanding obtained through our audit of the country-by-country reporting or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the country-by-country reporting.

The Board of Management is responsible for the preparation of the other information, including the management approach disclosures in accordance with the reporting requirements under Disclosure 207-1, Disclosure 207-2 and Disclosure 207-3 of GRI 207: Tax.

Description of responsibilities for the country-by-country reporting

Responsibilities of the Board of Management for the country-by-country reporting

The Board of Management is responsible for the preparation and fair presentation of the country-by-country reporting in accordance with the reporting requirements under Disclosure 207-4 of GRI 207: Tax. Furthermore, the Board of Management is responsible for such internal control as the Board of Management determines is necessary to enable the preparation of the country-by-country reporting free from material misstatement, whether due to fraud or error.

Our responsibilities for the audit of the country-by-country reporting

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the country-by-country reporting. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Identifying and assessing the risks of material misstatement of the country-by-country reporting, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management
- Evaluating the overall presentation, structure and content of the country-by-country reporting, including the disclosures
- Evaluating whether the country-by-country reporting represents the underlying transactions and events from material misstatement.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Communication

We communicate with the Board of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 21 February 2025

EY Accountants B.V.

Signed by S.C.G. Mom

Other information

Independent auditor’s report: Report on the audit of the financial statements 2024 included in the integrated annual report 2024

To: the shareholders and Supervisory Board of Koninklijke KPN N.V.

Our opinion

We have audited the financial statements 2024 of Koninklijke KPN N.V. based in Rotterdam, the Netherlands (hereinafter: KPN or the company). The financial statements comprise the consolidated financial statements and the corporate financial statements.

In our opinion:

- The consolidated financial statements give a true and fair view of the financial position of KPN as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The corporate financial statements give a true and fair view of the financial position of KPN as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2024
- The following statements for 2024: the consolidated statement of profit or loss, the consolidated statements of other comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

The corporate financial statements comprise:

- The corporate statement of financial position as at 31 December 2024
- The corporate statement of profit or loss for 2024
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the "financial statements" section of our report.

We are independent of KPN in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

KPN is a telecommunications and IT provider in the Netherlands, offering fixed and mobile telephony, fixed and mobile broadband internet and TV to retail and business customers. KPN offers in the Netherlands infrastructure and network-related IT solutions to business customers. KPN also provides wholesale network services to third parties. KPN is head of a group of entities of which almost all operating activities are located in the Netherlands. We have tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Other information

Materiality

Materiality	€45,000,000 (2023: €45,000,000)
Benchmark applied	2.0% of adjusted earnings before interest, tax, depreciation and amortization after lease (EBITDA AL).
Explanation	We considered that users of the financial statements of a for-profit entity typically focus on operating performance, particularly profit before tax. Furthermore, we note that in KPN's external communications, EBITDA AL is commonly used to report on its financial performance. Considering these aspects, we have concluded that EBITDA AL is the most appropriate and stable benchmark for KPN to base our materiality upon. We determined materiality consistent with last year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of €2.25 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

KPN is at the head of a group of entities. The financial information of this group is included in the financial statements.

We are responsible for planning and performing the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

Based on our understanding of the group and its environment, the applicable financial framework and the group's system of internal control, we identified and assessed risks of material misstatement of the financial statements and the significant accounts and disclosures. Based on this risk assessment, we determined the nature, timing and extent of audit work performed, including the entities or business units within the group (components) at which to perform audit work. For this determination we considered the nature of the relevant events and conditions underlying the identified risks of material misstatements for the financial statements, the association of these risks to components and the materiality or financial size of the components relative to the group. We performed the work ourselves.

This resulted in a coverage of 100% of the profit before tax, 100% of revenue and 95% of total assets. For other components, we performed analytical procedures to corroborate that our risk assessment and scoping remained appropriate throughout the audit.

By performing the audit work mentioned above at the entities or business units within the group, together with additional work at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Teaming, use of specialists and internal audit

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the telecom industry. We included specialists in the areas of IT audit, forensics, treasury, pensions and income tax and have made use of our own valuation experts in the areas of derivatives, impairment testing, purchase price allocation and actuaries for pensions.

We performed our audit in cooperation with Internal Audit of KPN, leveraging their in-depth knowledge of KPN and work performed. We agreed on the joint coordination of the audit planning, the nature and scope of the work to be performed, reporting and documentation. We evaluated and tested the relevant work performed by Internal Audit to satisfy ourselves that the work was adequate for our purposes and established what work had to be performed by our own professionals.

Our focus on climate-related risks and the energy transition

Climate change and the energy transition are high on the public agenda. Issues such as CO_2e reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets (stranded assets) and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO_2e footprint.

The Board of Management summarized the KPN's commitments and obligations, and reported in the "Sustainability statement" and section "Sustainable value" in the Report by the Board of Management how KPN is addressing climate-related and environmental risks. As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the company's commitments and (constructive) obligations, are taken into account in estimates and significant assumptions as well as in the design of relevant internal control measures. Furthermore, we read the Report by the Board of Management and considered whether there is any material inconsistency between the included non-financial information and the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the financial reporting judgements, estimates or significant assumptions as at 31 December 2024.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility
Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the Board of Management's (hereinafter: management) process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to section "Compliance and risk" (Governance) of the Report by the Board of Management for management's fraud risk assessment and section "Audit Committee" of the "Report by the Supervisory Board" in which the Supervisory Board reflects on the fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration.

We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close cooperation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in section "Significant accounting estimates, judgments and assumptions made by management" of Note 2 to the financial statements, including with respect to goodwill and the joint venture Glaspoort. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

Other information

Presumed risks of fraud in revenue recognition

Fraud risk	We presumed that there are risks of fraud in revenue recognition, including risk of management override of controls. We evaluated that the revenue cycle with respect to large corporate customers with integrated solutions within the business segment in particular give rise to such risks. This revenue cycle consists of large KPN clients that acquire several types of different services. These clients generally have separate contracts per type of services, however they receive one monthly invoice. This requires, a partially manually, assessment on both occurrence and completeness of the invoicing of these services and recording of these revenues. As such there is a higher risk of manipulation in preparing these invoices and deriving related contract liability positions. These revenues are disclosed in Note 4.1 to the financial statements.
Our audit approach	We involved forensic specialists and performed among others the following audit procedures, directed specifically to this fraud risk: • We updated our understanding of the revenue recognition process, including the company's accounting policies and practices for revenue recognition in accordance with IFRS 15, Revenue from Contracts with Customers, performed walkthroughs of the revenue classes of transactions and evaluated the design of controls in this area. • We tested the effectiveness of the control framework (e.g. quality assurance office) as implemented by KPN by reviewing the procedures performed by KPN Risk Management and KPN Audit and we conducted re-performance and independent testing as well. • We performed additional detailed substantive procedures amongst others, reconciliation of services delivered with invoices and contracts, substantive analytical procedures and cut-off testing.

We considered available information and made enquiries of relevant executives, directors (including the CFO, KPN Audit, KPN Risk Management, legal, compliance, human resources and segment management) and the Supervisory Board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with management, reading minutes, inspection of internal audit and compliance reports and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section "Basis of preparation" in Note 2 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

In comparison with previous year, the nature of our key audit matters did not change.

Other information

Valuation of goodwill

Risk	Under IFRS, it is required to annually test the amount of goodwill for impairment. KPN's disclosures about goodwill valuation are included in Note 11. No impairments of goodwill were recorded during 2024. The valuation of goodwill is considered a key audit matter as the related asset amounts are significant (€1,585 million as per December 2024) and the assessment process itself is complex and requires judgment. The impairment test includes assumptions about future market and economic conditions and were important for our audit.
Our audit approach	As part of our audit of the impairment test prepared by KPN we compared forecasted revenue and profit margins for all (groups of) cash generating units with the approved KPN strategic plan. We also verified the key assumptions used to which the outcome of the impairment test is most sensitive and reviewed the company's statement that the headroom of the (groups of) CGU's is more than sufficient and therefore no sensitivity analysis needs to be disclosed. Our audit procedures included, among others, using EY valuation specialists to assist us in verifying the assumptions and methodologies used by KPN and evaluating the historical accuracy of management's estimates that drive the assessment, such as strategic plans and expected growth rates.
Key observations	We concur with management that there is no need for impairments of goodwill and we agree with the disclosures.

Valuation Joint Venture Glaspoort

Risk	On 9 June 2021 the transaction with Drepana Investments Holding B.V., an investment entity managed by ABP, was closed which related to the participation in a joint venture, Glaspoort B.V., to roll out a fiber network in specifically identified areas in the Netherlands. The goodwill and intangibles relating to Glaspoort B.V. are included in the carrying amount of Glaspoort of €544 million as per 31 December 2024. As disclosed in Note 12, KPN determines whether objective evidence exists that the investment in the joint venture is impaired and subsequently determines whether the recoverable amount is lower than the carrying amount. The valuation is based on the successful rollout of the fiber networks for wholesale customers. The Dutch fiber market is facing more challenging conditions due to both competition and the continuous risk of overbuild. There might be delays in rollout and higher capex compared to the business plan due to increases in accompanying costs but also due to i.e. resource constraints. Incorrect application of valuation models and/or key assumptions, like the WACC and the terminal growth rate, when determining the valuation may result in significant misstatements in the valuation of the joint venture and resulting impairment losses, if any. Therefore, valuation of the joint venture Glaspoort is considered a key audit matter.
Our audit approach	As part of our audit of the impairment test prepared by KPN we compared forecasted revenue and profit margins for Glaspoort within the different scenarios of the business plan of Glaspoort. We also challenged the key assumptions to which the outcome of the impairment test is most sensitive and verified that the sensitivity analysis relating to these key assumptions is properly disclosed. Our audit procedures included, among others, using EY valuation specialists to assist us in verifying the assumptions and methodologies used by Glaspoort and KPN and evaluating the historical accuracy of management's estimates that drive the assessment, such as strategic plans and expected growth rates.
Key observations	The headroom increased compared to previous year and is sensitive to key assumptions used in the valuation. We refer to the sensitivity analysis as included in Note 12. We concur with the valuation of the joint venture by management and we agree with the disclosures.

Other information

Reliability of IT systems, including security, cybercrime and data privacy

Risk	The reliability of IT systems, including security, cyber risk management and data privacy is considered a key audit matter as it is pervasive for KPN's activities and financial reporting. At KPN, processes are highly automated and KPN continuously invests in simplification and improvement of IT systems. Reliability and security of IT systems are thereby high on the agenda of KPN and for that purpose KPN's internal control framework includes several controls to ensure proper access and change management of its IT systems.
Our audit approach	As part of our audit, we have evaluated the controls in and around KPN's IT systems, to express an opinion on the financial statements. With respect to our IT general control testing around the Identity & Access Management (IAM) process and the IT Change Management process, we identified deficiencies in both processes. With respect to the IAM process and IT Change Management, we performed various additional IT substantive procedures to be able to conclude that these processes are reliable except for two applications in scope. For these applications we were not able to rely on the IAM process and we changed the audit approach from an IT control reliance approach to a substantive approach. With respect to security, we obtained an understanding of KPN's security and privacy organization as well as cyber risk management in relation to KPN's cyber threat landscape. For this purpose, we performed our own procedures and reviewed the work done by KPN Risk Management and KPN Audit. Since this is highly specialized work, our audit team included IT specialists.
Key observations	We identified deficiencies in IAM & IT Change Management process, which resulted in a change of our audit approach. We obtained sufficient audit evidence with our procedures.

Report on other information included in the integrated annual report

The integrated annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub–section 2 of the Dutch Civil Code for the "remuneration report"

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. The Board of Management and the Supervisory Board are responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub–section 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by Supervisory Board as auditor of KPN on 9 April 2014, as of the audit for the year 2015 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

KPN has prepared the integrated annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the integrated annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by KPN, complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the integrated annual report, including the financial statements, in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Other information

Our responsibility is to obtain reasonable assurance for our opinion whether the integrated annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:
- Obtaining an understanding of KPN's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Management and the Supervisory Board for the financial statements

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Management is responsible for such internal control as the Board of Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board of Management should prepare the financial statements using the going concern basis of accounting unless the Board of Management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:
- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Other information

Communication

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of the Supervisory Board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 21 February 2025

EY Accountants B.V.

Signed by S.C.G. Mom

Appendices

Appendices

Appendix 1: About this report

Scope

This integrated annual report was published on 24 February 2025.

The scope of the information in this report covers the KPN Group and subsidiaries in which KPN has a majority shareholding. This scope is the same as the previous year's report. Unless stated otherwise, references to KPN should be read as referring to the KPN Group. The entities that KPN reports on financially are the same as those it reports on non-financially, unless indicated otherwise. A full list of entities included in KPN's integrated annual report can be found in this appendix.

The data in this report refers to KPN's performance and not to that of our subcontractors, unless stated otherwise. The full scope of the financial information is reported in the Financial statements (p. 182). The reporting frequency of this report, in which KPN's financial and non-financial reporting are merged, is annual and the current period runs from 1 January 2024 to 31 December 2024. The report specifically reviews developments and performance in 2024 and is based on topics identified as material for KPN. The described scope applies to all material topics.

The report of the Board of Management comprises p. 4 to 162. For a list of top risks see Appendix 3.

Reporting criteria

The purpose of this report is to inform stakeholders about KPN's role in society, in connection with our main strategic objectives and targets. Stakeholders are defined as all people, organizations and silent stakeholders affected by KPN's operations, such as employees, governments and regulators, the investor community, suppliers, customers, society and nature. The section "Interests and views of stakeholders" provides more information on the stakeholder approach for specific stakeholder groups.

In preparing this integrated annual report, we have taken the principles of the International Integrated Reporting Council (IIRC) into account. We comply with the Corporate Sustainability Reporting Directive (CSRD). For the tax information included in this report, KPN follows the Global Reporting Initiative (GRI) Standards using the option "in accordance with", Regulation (EU) 2020/852 as supplemented with Commission Delegated Regulations (EU) 2021/2139, 2021/2178, 2023/2485 and 2023/2486 (hereinafter: the EU taxonomy) and self-developed reporting criteria as disclosed in Appendix 1: About this report and Appendix 6: Glossary.

The process for defining the material sustainability matters and related impacts, risks and opportunities, and report content, is described in Description of the process to identify and assess material impacts, risks and opportunities, on p. 63. The results of this assessment determine which ESRS standards are set out in our sustainability statement.

Quantitative data concerning the workforce and financial results set out in this report have been collected using our financial data management system. The remaining data has been collected using a standardized questionnaire that was completed with data from information management systems by the responsible business units. The Internal Audit and Corporate Control departments used the consistency and availability of supporting evidence as the basis for their assessment of the data reported at Group level. Validation criteria set out in advance were also used to assess the data.

External assurance

The Audit Committee approved the audit engagement of the country-by-country reporting and the assurance engagement on the sustainability statement of the external auditor, after pre-approval by the internal auditor, in order to avoid potential breaches of the external auditor's independence. For the auditor reports we refer to "Independent auditor's Report on the audit of the financial statements 2024", "Independent auditor's report on the audit of the country-by-country reporting" and the "Limited assurance report of the independent auditor on the sustainability statement".

EY was engaged as an independent assurance provider to perform an assurance engagement with the aim of obtaining reasonable assurance on 2024 CO_2e emission data (Scope 1 and 2) of our own operations in the Netherlands and the underlying energy data presented in this report, as well as KPN's country-by-country reporting (Appendix 4) and limited assurance on the sustainability statement as disclosed in the "Report by the Board of Management".

KPN adheres to several reporting benchmarks, such as MSCI, Sustainalytics and CDP. In this way, our performance and way of reporting can be compared with those peers and against expectations of the industry and other stakeholders. Besides meeting all legal reporting requirements such as the CSRD, our reporting ambitions for the coming years are: to keep reporting in line with the IIRC framework; to keep reporting on material topics; to report more on qualitative and quantitative value creation for society; and to maintain a leading position in several benchmarks such as the MSCI, Sustainalytics and CDP.

Appendices

KPN subsidiaries and significant participations as at 31-12-2024

Information incorporated by reference

The following table is also part of the sustainability statement, as it is incorporated by reference, and therefore in scope of the independent auditor's assurance report.

LEGAL ENTITY NAME	COUNTRY OF RESIDENCE	(ultimate) OWNERSHIP (%)	TYPE	NUMBER OF OWN PERSONNEL (FTE)
KPN B.V.	Netherlands	100%	Operational company	5,001-10,000
Broadband Hosting B.V.	Netherlands	100%	Operational company	11-100
Axoft IT & Telecom B.V.	Netherlands	15%	Operational company	11-100
BSU.Groep B.V.	Netherlands	15%	Operational company	-
BSU.IT B.V.	Netherlands	15%	Operational company	11-100
CBG Connect B.V.	Netherlands	10%	Operational company	<10
Cloud EEN Holding B.V.	Netherlands	20%	Holding company	-
Cloud EEN B.V.	Netherlands	20%	Operational company	11-100
cNect Holding B.V.	Netherlands	35%	Operational company	11-100
Digitenne B.V.	Netherlands	100%	Operational company	-
E-Zorg B.V.	Netherlands	100%	Operational company	-
Getronics PinkRoccade Overheidspersoneel B.V.	Netherlands	100%	Operational company	<10
GroupIT B.V.	Netherlands	100%	Holding company	-
Inspark Holding B.V.	Netherlands	100%	Holding company	-
InSpark B.V.	Netherlands	100%	Operational company	101-500
IS Group LLC	US	100%	Dormant	-
Itzos B.V.	Netherlands	100%	Operational company	-
KPN Finance B.V.	Netherlands	100%	Finance / Insurance company	-
M2C Telecom B.V.	Netherlands	10%	Operational company	<10
Radon Holding B.V.	Netherlands	35%	Operational company	-
Guide IT B.V.	Netherlands	35%	Operational company	11-100
Routit B.V.	Netherlands	100%	Operational company	-
Solcon Internetdiensten B.V.	Netherlands	100%	Operational company	11-100
SuperVision B.V.	Netherlands	51%	Operational company	-
Talk & Vision Holding B.V.	Netherlands	100%	Holding company	-
Talk & Vision B.V.	Netherlands	100%	Operational company	-
Talos Labs B.V.	Netherlands	100%	Operational company	-
Youfone Nederland B.V.	Netherlands	100%	Operational company	11-100
Youfone Zakelijk B.V.	Netherlands	100%	Operational company	<10
Reggefiber Group B.V.	Netherlands	100%	Holding company	-
Reggefiber Operator B.V.	Netherlands	100%	Operational company	-
Reggefiber ttH B.V.	Netherlands	100%	Operational company	-
Netwerk Exploitatiemaatschappij B.V.	Netherlands	100%	Operational company	-
Kabeltex B.V.	Netherlands	100%	Operational company	11-100
Glasvezelnetwerk Hollands Kroon B.V.	Netherlands	100%	Operational company	-
Glasvezelnetwerk Noordkop B.V.	Netherlands	100%	Operational company	-
Glasvezelnetwerk Texel B.V.	Netherlands	100%	Operational company	-
Netwerk Exploitatiemaatschappij Nuenen B.V.	Netherlands	5%	Operational company	-
Glaspoort B.V.	Netherlands	50%	Operational company	11-100
GlasDraad B.V.	Netherlands	25%	Operational company	-

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LEGAL ENTITY NAME	COUNTRY OF RESIDENCE	(ultimate) OWNERSHIP (%)	TYPE	NUMBER OF OWN PERSONNEL (FTE)
Getronics B.V.	Netherlands	100%	Holding company	-
Getronics Finance Holdings B.V.	Netherlands	100%	Holding company	-
Getronics Pensions UK Ltd	UK	100%	Pension company	-
Getronics Pensions UK Trustee Ltd	UK	100%	Pension company	-
Getronics US Services, Inc.	US	100%	Holding company	-
Getronics US Operations, Inc.	US	100%	Pension company	-
KPN Insurance Company DAC	Ireland	100%	Finance / Insurance company	-
KPN Mobile Holding B.V.	Netherlands	100%	Holding company	-
KPN Mobile N.V.	Netherlands	100%	Holding company	-
KPN Mobile Germany III B.V.	Netherlands	100%	Holding company	-
KPN Ventures B.V.	Netherlands	100%	Holding company	-

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Appendix 2: Alternative performance measures

In the discussion of KPN's financial results, a number of alternative performance measures (non-GAAP figures) are used to provide readers with additional financial information that is regularly reviewed by management. These non-GAAP figures should not be viewed as a substitute for KPN's financial results as determined in accordance with IFRS, which are presented in KPN's consolidated financial statements. Also, the additional information presented is not uniformly defined by all companies, including KPN's peers. For these reasons, the non-GAAP figures presented may not be comparable with similarly named numbers and disclosures by other companies. In addition, readers should be aware that certain information presented is derived from amounts determined under IFRS, but is not in itself an expressly defined GAAP measure. Such non-GAAP measures should not be viewed in isolation or as an alternative to an equivalent GAAP measure.

KPN's management considers these non-GAAP figures, combined with GAAP performance measures and in conjunction with each other, the most appropriate to measure the performance of the Group and its segments. The non-GAAP figures are used by management for planning, reporting (internal and external) and incentive purposes.

All non-GAAP figures are based on continuing operations unless stated otherwise. KPN's main non-GAAP figures are explained below.

EBITDA

KPN defines EBITDA as operating result before depreciation (including impairments) of PP&E and amortization (including impairments) of intangible assets. Note that KPN's definition of EBITDA deviates from the literal definition of earnings before interest, taxes, depreciation and amortization and should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS as adopted by the European Union.

€ million	2024	2023 (restated)
Total revenues and other income	**5,634**	**5,480**
Cost of goods & services	-1,428	-1,383
Personnel expenses	-849	-822
Information technology/Technical infrastructure	-312	-310
Other operating expenses	-412	-416
Total operating expenses (excl. D&A)	**-3,001**	**-2,931**
EBITDA	**2,632**	**2,548**

Adjusted revenues and adjusted EBITDA after leases (adjusted EBITDA AL)

Adjusted revenues are derived from revenues (including other income), adjusted for the impact of incidentals. Incidentals are non-recurring transactions which are not directly related to day-to-day operational activities at or over €5m, unless significant for the specific reportable segment.

Adjusted EBITDA AL is derived from EBITDA, adjusted for the impact of restructuring costs and incidentals ("adjusted") and for lease-related expenses ("after leases" or "AL"). Lease-related expenses in this definition are the depreciation and impairment expenses of right-of-use assets and interest on lease liabilities, as well as the gains or losses arising upon remeasurement or (early) termination of a lease.

Key items between reported and adjusted revenues

€ million	FY 2024 reported	Incidentals	FY 2024 adjusted	FY 2023 reported (restated)	Incidentals	FY 2023 adjusted (restated)	y-on-y reported	y-on-y adjusted
Consumer	3,035	-	3,035	2,882	-	2,882	5.3%	5.3%
Business	1,880	-	1,880	1,824	-	1,824	3.1%	3.1%
Wholesale	657	-	657	695	-	695	-5.4%	-5.4%
Network, Operations & IT	60	-	60	64	31	33	-7.2%	80%
Other (incl. eliminations)	2	-	2	15	-	15	-84%	-84%
KPN Group	**5,634**	**-**	**5,634**	**5,480**	**31**	**5,448**	**2.8%**	**3.4%**

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Revenue incidentals

€ million	Segment	2024	2023
Book gain on sale of assets to joint venture (Glaspoort B.V.)	NOI	-	31
Total revenue incidentals		**-**	**31**

Key items between reported and adjusted EBITDA AL

€ million	2024	2023	y-on-y
EBITDA	**2,632**	**2,548**	**3.3%**
Incidentals	-	-22	-100%
Restructuring	28	38	-26%
Lease-related expenses			
Depreciation right-of-use assets	-130	-124	4.5%
Interest lease liabilities	-23	-21	11%
Adjusted EBITDA after leases	**2,508**	**2,420**	**3.6%**

EBITDA AL incidentals

€ million	Account	2024	2023
Book gain on sale of assets to joint venture (Glaspoort B.V.)	Revenue	-	31
Book loss on sale of subsidiary	Other operating expenses	-	-13
Release of provisions	Other operating expenses	-	3
KPN Group		-	**22**

Free cash flow (FCF)

FCF is defined as cash flow from continuing operating activities plus proceeds from disposals of property, plant and equipment (PP&E) minus capital expenditure (capex) and adjusted for repayments of lease liabilities. KPN defines capex as investments in PP&E and software. Please note that KPN's capex definition differs from capex as defined by the EU taxonomy discussed in the sustainability statement.

€ million	2024	2023
Net cash flow provided by operating activities from continuing operations	**2,264**	**2,242**
Capex	-1,255	-1,248
Disposals of other assets part of the Legacy Asset Strategy	20	-
Proceeds from real estate	14	16
Repayments of lease liabilities	-143	-124
Free cash flow from continuing operations	**900**	**886**

Operational free cash flow

Operational free cash flow is defined as adjusted EBITDA AL minus capital expenditure (capex).

€ million	2024	2023
Adjusted EBITDA AL	**2,508**	**2,420**
Capex	-1,255	-1,248
Operational free cash flow	**1,253**	**1,172**

Leverage ratio

KPN defines its leverage ratio as net debt (excl. lease liabilities) divided by the 12-month rolling adjusted EBITDA AL. The ratio is adjusted for major changes in the composition of the KPN Group (acquisitions and disposals) when applicable.

Net debt is defined as gross debt less net cash and short-term investments. Gross debt is defined as the nominal value of interest-bearing financial liabilities representing the net repayment obligations in €, excluding derivatives, related collateral and leases, and taking into account 50% of the nominal value of the hybrid capital instruments.

For the calculation of KPN's leverage ratio, see Note 13.4 to the consolidated financial statements.

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Appendix 3: List of top risks

Theme	Risk	Countermeasures	Evaluation
Strong competition	KPN faces strong competition from current competitors as well as new market entrants such as big tech companies and OTT players. Competition can occur based on price, content, innovative new services, customer acquisition or retention costs, subscription options, network coverage and service quality. Strong competition could lead to lower prices/ARPU, lower net adds and market shares and consequently to lower profitability. ***Impacted strategic objective*** Connect Activate Grow	• Implement a superior network in the Netherlands by: o Rolling out fiber at a fast pace for consumer and business market o Enabling the latest innovative mobile technologies o Preparing for autonomous network operations with support of responsible AI • Offer fixed-mobile converged services and competitive price/portfolio combinations for consumer and business market • Offer high quality of service to customers to improve NPS, apply customer centric approach • Implement customer loyalty programs • Apply marketsegmentation/personalization strategy (e.g. below-the-line promotions, personalized offerings) and targeted household approach. Enabling multibrand strategy to target different market segments and to strengthen market positions • Introduce new innovative products and services to meet changing customer needs, such as SuperWifi, 4 Gbps proposition, Cloud storage, Smart Home, cloud gaming, OneMonitoring and Security services • Improve the fiber chain to offer excellent delivery and service to customers • KPN Campus: a safe and reliable campus infrastructure for business customers to combine 5G services, on-premise computing, indoor localization and LAN • Simplify, digitalize and streamline the operating model, including portfolio rationalization, to improve customer journeys, swiftly respond to market changes and lower our costs • Strengthen distribution power with business partners, online channels, and shops; implement the best digital omni-channel experience with a mobile-first and app-centric customer approach (MijnKPN app) • Partnerships and cooperation with OTT players including third-party services such as gaming, content (CM) and Office, Azure (BM) • Improve customer loyalty and customer experience by optimizing and digitalizing customer journeys, use of AI and implementing advanced data analytics programs	Likelihood: High Impact: High Trend: Increasing ***Monitoring KPI:*** • Market shares, net adds, churn • Group service revenues • ARPU, ARPA • Number of (#) fiber homes passed/ connected/ activated • NPS
Disruptive technologies or business models	KPN's business and financial performance could be affected by new emerging disruptive technologies or business models. If such disruptive technologies or business models are successful, they could partly or fully replace KPN's telecoms services in the future. Disruptive technologies could be caused by new network technologies (e.g. via satellite), software-defined networking, network function virtualization, integrated optics, eSIMs, artificial intelligence, quantum computing, terahertz technologies, metaverse, cloud and other technologies. New business models could arise due to new over-the-top (OTT) services, new services and ecosystems from big tech companies or start-ups and changing customer behavior. These developments could lead to lower prices/ ARPU, lower net adds and market shares and consequently to lower profitability. ***Impacted strategic objective*** Connect Activate Grow	• Implement a superior network in the Netherlands by: o Rolling out fiber at a fast pace for consumer and business market o Enabling the latest innovative mobile technologies o Preparing for new network architectures that match future demand/capacity growth (e.g. telco business case for edge infrastructure) o Preparing for autonomous network operations with support of responsible AI • Introduce new innovative products and services to meet changing customer needs, such as SuperWifi, 4 Gbps proposition, Cloud storage, Smart Home, OneMonitoring and Security services • Offer fixed-mobile converged services and competitive price/portfolio combinations for consumer market and business market • Offer high quality of service to customers to improve NPS • Continue the exploration of how KPN can adequately and promptly respond to changes in the (telecommunications) market and value chain by implementing new business initiatives, in line with KPN's strategy • Develop partnerships with OTT players, hyperscalers and network suppliers • Simplify, digitalize and streamline the operating model, including portfolio rationalization, to enable swift response to new market developments • KPN Campus: a safe and reliable campus infrastructure for business customers to combine 5G services, on-premise computing, indoor localization and LAN • KPN Ventures: scout, invest in and create collaborations with innovative technology companies and investigate opportunities for the use of these technologies within KPN • Define strategy and roadmap for future use of quantum computing and satellite networks	Likelihood: Medium Impact: Medium Trend: Increasing ***Monitoring KPI:*** • Revenues existing business (Mobile, Fixed, TV, etc) and new business • Market shares of alternative network providers

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Theme	Risk	Countermeasures	Evaluation
Operational incidents	KPN's services, technical infrastructure and IT may be vulnerable to damage, service interruptions, operational issues and loss/theft or manipulation of data. These incidents could be caused by failures in e.g. systems, software and/or power supplies, disasters (e.g. fire, flooding, space weather), human errors, lack of staff with specific knowledge and skills, supplier failures, sabotage, terrorism or legacy systems. Also the simultaneous execution of multiple transformation programs could lead to new incidents. Continued climate changes in the future could lead to rising river and sea levels, extreme rainfall, flooding or extreme heat; these weather conditions could also disrupt our systems, networks and services (both direct operations and the value chain). Such incidents could have a negative impact on the quality of our services, reputation, customer satisfaction and profitability. ***Impacted strategic objective*** Activate	• Implement a superior network, including a resilient design of our networks in the Netherlands by: o Accelerating fiber rollout for consumer and business market o Enabling the latest innovative mobile technologies o Preparing for new network architectures that match future demand/ capacity growth o Preparing for autonomous network operations with support of responsible AI • Simplify and streamline operating model: acceleration of simplification, automation and digitalization program for improved quality of service • Monitor performance of technical infrastructure (e.g. traffic growth and utilization rate), IT (predictive analysis of required maintenance) and network components, connections and platforms, and also improve network redundancy • Continuous improvement of operational and security processes and systems, and improvement of technical workforce in capacity, knowledge and skills • Business continuity management of all assets for continuous delivery of commercial services and internal IT/TI • Insurance agreements to cover liability claims of customers or third parties in case of service interruptions • Continued implementation of the regularly updated KPN Security Policy which is aligned with acknowledged standards (NIST, ISO, OWASP, CIS benchmarks, etc) • Perform scenario analyses for climate change: assess the effects of climate change (such as flooding or heating risks) on our critical infrastructure and implement additional protective measures where necessary • Annual recertification for ISO • Security Compliance function which provides insight in the actual security posture (including business continuity) and demonstrates compliance with the RDI (Rijksinspectie Digitale Infrastructuur) and other external stakeholders • Large scale automation to improve reliability of our networks and services	Likelihood: High Impact: High Trend: Stable ***Monitoring KPI:*** • NPS NL • Network availability • # Major incidents • Damage per incident per service
Strategic transformation	KPN may not make sufficient progress in realizing the necessary simplification and transformation actions (KPN executes multiple transformation programs simultaneously), for example by phasing out legacy networks and systems, by simplifying our processes and services, or by digitalizing our business. These actions must lead to necessary cost reductions, increased agility (e.g. less complexity and improved time-to-market of new innovative services), increased digitalized operations and higher quality of services. To realize our digital ambitions and cost reductions, KPN could make use of Artificial intelligence (AI). The incorrect use of AI or inaccurate results of AI algorithms could lead to reputational or financial damage for KPN. If KPN cannot realize simplification and transformation in time, we may not able to adequately respond to actions of our competitors and consequently we may not realize our outlook for EBITDA, FCF and revenue growth. ***Impacted strategic objective*** Activate Grow	• Define a long-term vision for KPN's future • Implement lean operating model, including digitalization, simplification and rationalization of networks, IT, processes and portfolio • Increased use of standard (cloud) building blocks in networks and services • Focused innovation and governance innovations and simplification at executive level • Continue to develop and use AI in KPN's operations (e.g. customer service) with adequate management attention and due care; implement responsible (generative) AI policy	Likelihood: Medium-high Impact: Medium Trend: Increasing ***Monitoring KPI:*** • Opex reduction • Progress on transformation programs • # fiber homes passed and connected

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Theme	Risk	Countermeasures	Evaluation
Sustainability: environmental topics	KPN may fail to meet rising stakeholder expectations relating to energy, emissions, sustainability, circularity and biodiversity. This could lead to loss of customers, loss of profitability in the future and reputational damage. ***Impacted strategic objective*** Generic, staying frontrunner in ESG	• Embed sustainability in execution of our corporate strategy • Maintain KPN's climate-neutral performance • Continued efforts on reducing energy usage and emissions for our own operations (e.g. by phasing out copper network) and in the supply chain (net-zero in 2040). The CO_2-reduction objectives are approved by the Science Based Targets Initiative (SBTI). Use alternative energy sources, e.g. via solar panels on technical buildings and wind farms on sea • Implement circular operations and services to reduce our footprint, e.g. by collecting customer equipment for reuse and recycling, increasing the longevity of our products and using less virgin materials, avoiding single use plastics and reducing risk on critical raw materials • Measure energy savings by ICT solutions for our customers • Strong focus on ESG in the value chain and a proactive approach towards topics with increased societal interest, such as climate change and circularity • External communication program about KPN's activities in corporate social responsibility, sustainability and energy management and the benefits for KPN's stakeholders such as customers and Dutch society (e.g. ESG webinar) • Together with Groene Netten and Naturalis Biodiversity Center KPN is working on the mapping of opportunities to enhance biodiversity. This could affect land use, air quality, water use and soil at our own operations and in our supply chain • Implement and adhere to the requirements of the EU Corporate Sustainability Reporting Directive and other sustainability regulations • Cooperate with suppliers that are assessed by Ecovadis and that have their targets approved by SBTI • Management remuneration linked to sustainability	Likelihood: Low Impact: Low Trend: Increasing ***Monitoring KPI*** • Energy consumption • Carbon emissions (net-zero in 2040) • Circularity (long-term goal: close to 100% as of 2025) • Percentage of waste • Percentage of suppliers with Ecovadis and CDP score • Ranking in MSCI, Sustainalytics, CDP or similar ratings
Sustainability: social topics	KPN respects and protects human rights in all our business dealings. KPN may not have full insight into all business practices of our (national and international) contracted partners and their relationships and may not be able to effectuate sufficient control. As a consequence, KPN may not be able to comply with human rights regulations and standards in all parts of its supply chain. This could lead to loss of customers, loss of profitability in the future and reputational damage. ***Impacted strategic objective*** Generic, staying frontrunner in ESG	• Embed sustainability in execution of our corporate strategy • Strong focus on ESG in the value chain and a proactive approach towards topics with increased societal interest, such as human rights • External communication program about KPN's activities in corporate social responsibility and the benefits for KPN's stakeholders such as customers and Dutch society (e.g. ESG webinar) • Implement and adhere to the requirements of the EU Corporate Sustainability Reporting Directive and other sustainability regulations • Cooperate with suppliers that are assessed by Ecovadis • Cooperate with organizations such as the Responsible Mining Initiative (supporting responsible sourcing of minerals from conflict-affected and high-risk areas) and the Responsible Business Alliance (promoting corporate social responsibility in global supply chains) • Promote human rights in the supply chain, e.g. via: o KPN's Human Rights Board, chaired by a member of BoM, that monitors adherence of human rights regulations by KPN and its suppliers o Supplier code of conduct, containing requirements relating to human rights and labor conditions; the code is based on the UN Guiding Principles on Businesses and Human Rights o Perform due diligence of suppliers via EcoVadis (only Tier 1 suppliers) o Onsite audits by the Joint Alliance on CSR (JAC) at (high risk) suppliers o Implementation of a human rights code o Implementation of a grievance mechanism that is available for all workers in the value chain around the globe (via independent third party SpeakUp) o Due diligence workstream in JAC with focus on 1. best practice sharing, 2. risk assessments, 3. supply chain fevelopment, 4. mitigation and remediation o Establishing risk-based due diligence across the value chain and own operations • Management of remuneration linked to sustainability	Likelihood: Medium Impact: Low-Medium Trend: Increasing ***Monitoring KPI:*** • Employee engagement • Progress on corrective action plans JAC
Sustainability: Responsible internet use	KPN promotes social and digital inclusion. However, KPN may not be able to fulfill our purpose to connect everyone in The Netherlands; some customer groups may not be able to understand, use or afford our services or may not be able to contact KPN in a way they prefer. ***Impacted strategic objective*** Generic, staying frontrunner in ESG	• KPN manifesto for a better internet • Campaigns (such as with artists like MEAU) to promote awareness around safe and responsible internet use • Promote social and digital inclusion, e.g. via KPN Klasgenoot, KPN Mooiste Contact Fonds and adherence to Web Content Accessibility Guidelines (WCAG) standards in developing our websites and services and adherence to the requirements of the EU Accessibility Act for our products and services	Likelihood: Low Impact: Low Trend: Stable ***Monitoring KPI:*** • n/a

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Theme	Risk	Countermeasures	Evaluation
Information and cybersecurity threats	Unauthorized access, modification, and disclosure of customer and/or company assets/data. This risk could be caused by: • Malicious actions and attacks by actors such as nation-states, organized criminals, hacktivists, terrorists and insiders • Vulnerabilities in KPN's systems, applications or platforms • Technological developments such as quantum computing. The risk could lead to: • Loss or leakage of confidential information (KPN and customer data) • Disruption of our telecoms services to customers • Reputation damage, high remedial costs, fines, loss of customers, declining results of operations • Increased regulation and supervision thereof ***Impacted strategic objective*** Activate Generic	• Annually evaluated KPN Security Policy (KSP) which is aligned with acknowledged standards (NIST, ISO, benchmarks, etc) and regulations. • Implementation of baseline security measures according to the KSP and continuous improvement of the related security processes and procedures • Performance of central security processes such as Penetration Testing, Vulnerability Management, Security Monitoring and Incident Response • Role-based security awareness of technical workforce and training of personnel to increase security knowledge • Collection and analysis of security threat information to take informed actions and prevent or reduce the impact of such threats • Cybersecurity exercises to improve response readiness • Security Compliance function which provides insight in the actual security posture and demonstrates compliance to the RDI (Rijksinspectie Digitale Infrastructuur) and other external stakeholders • Knowledge and threat intelligence sharing with the NCSC (National Cyber Security Centre), leading Dutch and EU telecoms operators, vendors, the global CERT community (Computer Emergency Response Team) and CISO Circle of Trust. • Proactive stakeholder and reputation management including dialogue with regulators, national security agencies and decision makers • Insurance agreements to cover liability claims of customers or third parties in case of cyberattacks • Increase external cybersecurity footprint by investing in external cybersecurity relations (Circle of Thrust, government, EU)	Likelihood: High Impact: High Trend: Increasing ***Monitoring KPI:*** • Number and severity of security alerts and incidents • Number and severity of expired KSP exceptions • Number and severity of network & asset vulnerabilities • Number of personal data breach notifications to AP
Regulatory compliance	KPN may face issues in relation to non-compliance with regulation, including –but not limited to– telecommunications, privacy and consumer protection regulations. These incidents can lead to fines or have a negative impact on KPN's reputation and relationship with regulators and/or supervisors. ***Impacted strategic objective*** Generic	• Centralized organizations for compliance and risk management • Compliance training sessions for staff and management, for example e-learnings about the company codes for all KPN staff in the Netherlands • Proactive internal compliance investigations • Surveys and culture improvement programs • Improving and maintaining a robust internal control framework dedicated to complying with specific regulations • Ringfencing wholesale within KPN's organization • Quarterly compliance report to Board of Management	Likelihood: Medium Impact: Medium Trend: Stable ***Monitoring KPI:*** • Fines • # compliance incidents reported to regulator • Results of annual compliance survey

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Theme	Risk	Countermeasures	Evaluation
Tax	Tax risks: • Adverse decisions or interpretations of tax authorities on pending disputes or changes in tax treaties, tax laws, OECD guidelines, EU Directives and other rules could have a material adverse effect on KPN's net result and cash flow. • Notwithstanding the fact that KPN is committed to being fully compliant with the relevant laws and regulations and adheres to its tax strategy and policy (see ir.kpn.com), some of KPN's tax positions could be perceived negatively by the political environment and society, which could lead to reputational damage. • With regard to WBSO and Innovation Box benefits: KPN has a volatile number of eligible hours for WBSO, mainly due to Divestments, Mergers & Acquisitions and lower qualifying capex budgets for innovation. • The introduction of new mobile consumer propositions in August 2016 caused a change in the VAT calculation methodology which resulted in a lower remittance of VAT from August 2016 until December 2018. KPN's view is not shared by the Dutch tax authorities. KPN concluded, based on the applicable regulations, that a positive outcome of this dispute is not highly probable and therefore recorded a contract liability for the VAT amount. Additionally, an amount for the corresponding interest amount has been accounted for. A potential final negative outcome of the current court procedure will lead to cash outflow for an amount up to the non-current variable considerations which includes accrued interest. ***Impacted strategic objective*** Generic	• Act in line with our company-wide tax strategy and tax policy • Continuous monitoring of internal control framework for key tax risk areas • Maintain good working relationships with tax authorities and provide them with required information if and when relevant • Tax planning, while remaining compliant with all relevant laws, regulations and international standards • All KPN's tax positions need to pass the 'mirror test' • Defending KPN's position through court procedures	Likelihood: Medium-High Impact: High Trend: Stable ***Monitoring KPI:*** • Effectiveness of tax control framework • Effective tax rate
Electromagnetic fields	Although there is no scientific evidence that electromagnetic fields of (mobile) equipment or base stations pose health risks, a change in this view could expose us to significant claims and litigations, a severe drop in our mobile business or high compliance costs of new laws and regulations (e.g. major changes in our mobile networks). Public perception of electromagnetic fields or actions of anti-5G movements (including litigations) could delay the rollout of mobile networks or disrupt our (critical) communications equipment, which could lead to service interruptions and higher costs of operations. ***Impacted strategic objective*** Generic	• Monitor national and international scientific research on the effects of electromagnetic fields on health, provide data to longitudinal and other research • Strict adherence to all national and international standards for electromagnetic fields • Collaborate with government (EU -via GSMA- and national) to steer the EMF debate • Provide adequate and scientific information to the public regarding the effects of electromagnetic fields • Start of escalation procedures and continuous consultation with police, local authorities, industry representatives (Monet) and owners of mobile sites for preventive and protective measures (e.g. surveillance) to protect mobile sites	Likelihood: Very low Impact: High Trend: Decreasing ***Monitoring KPI:*** • Research developments

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Theme	Risk	Countermeasures	Evaluation
Impact of new regulations	New regulatory decisions in the EU and the Netherlands regarding the telecoms and technology industry, digitalization and cybersecurity could affect KPN's future operations and profitability, such as decisions regarding continuity, end-user protection, level playing field in access regulation and between telco and internet players, (national) security, spectrum auctions and the use of AI. ACM may explore the possibility to regulate access on the basis of a new provision in the EECC (European Electronic Communications Code) regarding symmetric access. We consider it unlikely that KPN can be forced to grant access in the basis of this provision. In addition, newly enacted general legislation of national or international regulators (e.g. in the area of ESG and Dutch Corporate Governance Code) could also affect KPN's future operations and profitability. ***Impacted strategic objective*** Generic	• Proactive stakeholder and reputation management including dialogue with regulators (e.g. with ACM based on KPN's open access wholesale policy), national security agencies and decision makers • Proactive open access wholesale offer to ACM and market (KPN's commitments regarding wholesale access to fiber are declared binding until 2030 by ACM) • Quarterly compliance report to Board of Management which includes the implementation status of new laws and regulations Legal proceedings where deemed necessary • Dedicated program to implement new regulations in a structured and effective manner	Likelihood: High Impact: Medium-High Trend: Increasing ***Monitoring KPI:*** • Regulatory developments (NL, EU)
Uncertainty about future monetization of investments	The telecoms and ICT market is characterized by strong competition, accelerating changes in customer behavior, accelerating technological developments, increasing price pressure and exposure to shrinking markets. Due to these developments, investments in our assets such as technical infrastructure (access and core networks), IT infrastructure, licenses and goodwill may not be recovered as KPN's profitability and business models to generate revenue and cash flow streams could change in future. Also, changes in assumptions such as profitability, network penetration, long-term growth and discount rate could negatively affect the value of cash-generating units. These factors could lead to impairments of tangible assets, such as mobile and fixed networks, and of intangible assets, such as licenses and goodwill. ***Impacted strategic objective*** Activate	• KPN Connect, Activate & Grow strategy; continuous monitoring of realization of strategic business plans and performance, e.g. utilization and return on investments • Strong capex planning, supported by data-driven decision-making process and based on ROCE and NPV analyses; optimize synergies between investments of KPN segments • Cross- and upselling of new services such as IoT, cloud, security and content (and to other customer segments) to add value to our connectivity and access portfolio (business market) and deep-selling of telecoms services in households (customer market) • Offer strong converged propositions and high quality of services and networks, in combination with competitive pricing strategies, customer loyalty programs • Customer lifetime value (CLV) steering by monitoring end-to-end profitability of services and business lines • Define long-term vision for our networks, to optimize and align future investments (both timing, size and technology) with our commercial portfolio, market developments and financial performance • Continuous improvement of efficiency in rollout of new networks • Develop strategic partnerships and investigate options for network sharing • Leverage KPN Ventures to gain access to co-owned scale-ups that provide innovative, state-of-the-art solutions and thereby accelerate innovation	Likelihood: Medium Impact: Medium-high Trend: Stable ***Monitoring KPI:*** • RoCE • Capex as % of revenues • Network utilization • CLV • Group service revenues and free cash flow

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Theme	Risk	Countermeasures	Evaluation
Delayed rollout of new networks	To meet future customer needs and to stay ahead of our competitors, KPN must continuously invest in its infrastructure to upgrade, modernize and simplify its networks and supporting systems. The modernization of our networks (e.g. fiber rollout) could be delayed, for example due to higher costs, lack of construction capacity (e.g. caused by lack of skilled personnel), complexities in the rollout of fiber in higher buildings in cities, negotiations with municipalities, pandemics or other crises, or initiatives of (new) competitors. Also, if KPN cannot generate sufficient cash flows in the future or if KPN's capital position declines (e.g. deteriorating net debt/EBITDA ratio), we may not be able to realize and finance the required investments. A delay in the fiber rollout could: • impede our network rationalization initiatives, for example the phase out of our copper network; • deteriorate our competitive position, declining market shares and lower profitability in the future. Due to KPN's strategic focus on the fiber rollout and capex restrictions, KPN may not able to timely upgrade its mobile networks to the latest technologies. If competitors rollout new mobile network technologies faster than KPN, we may not be ready to launch comparable services, which could lead to a decline in our customer satisfaction, market shares and profitability. ***Impacted strategic objective*** Activate	• Close long-term contracts with suppliers and contractors to safeguard construction capacity for the near term, including a flexpool of tactical partners • Apply new innovative techniques and procedures for fast rollout of fiber networks • Develop strategic partnerships (e.g. Glaspoort) and investigate options for network sharing • Strong capex planning, supported by data-driven decision-making process and based on NPV analyses • Monitoring and steering activities of MT Fiber and 1Fiber accelerate program • Selected acquisition of local fiber networks • Accelerate number of HC connections e.g. via own team of engineers to realize HC connections • Design futureproof networks that enable fast upgrade for future technologies and new innovations • Create a new tower company (Althio) with ABP to optimize the value of the passive infrastructure assets and to retain strategic flexibility	Likelihood: Medium-high Impact: High Trend: Increasing Monitoring KPI: • # Homes passed, # Homes connected and # Homes activated, etc • Churn, net adds • Umlaut rankings
Spectrum auctions	Next major spectrum auction in the Netherlands is expected in 2029 (for the spectrum bands of 800, 900, 1800, 2600 MHz). In acquiring the required frequency blocks KPN may have to pay a high price for – or may not be able to acquire – the required spectrum. ***Impacted strategic objective*** Connect Activate	• Proactive stakeholder management and dialogue with regulators and decision-makers to ensure a transparent auction and reasonable prices • Prudent financial policies to secure adequate funding	Likelihood: Medium Impact: High Trend: Stable ***Monitoring KPI:*** • KPN spectrum position relative to competitors • €/MHz/pop, also benchmarking against foreign auctions
Lack of new innovations	KPN may not be able to sufficiently develop, grow and monetize new business initiatives and opportunities in the near future. This could be caused by a lack of innovative capabilities, long time-to-markets or faster rollout of innovations by competitors (including big tech). A lack of new innovations could jeopardize KPN's competitive position (lack of distinctive portfolio), future revenue growth, market shares and profitability. ***Impacted strategic objective*** Connect Activate Grow	• Focused innovation initiatives such as IoT and 5G, new business as well as strategic partnerships and cooperation with OTT players to ensure KPN meets the changing customer needs and adapts to a dynamic market • KPN Campus: a safe and reliable campusinfrastructure for business customers to combine 5G services, on-premise computing, indoor localization and LAN • Focus innovation on innovation and growth themes (such as digital services aggregation, cybersecurity4all, converged hybrid working, secure data exchanges, mission and business critical and network as a platform). The KPN start-up community, KPN Ventures and M&A scope will also be predominantly focusing on these themes going forward • Co-operate with start-ups to scout new innovative technologies and solutions and selective acquisition thereof • KPN Ventures to form partnerships with innovative companies • Allocate capex budgets for innovative new business • Well guided migration of customers from legacy to new innovative portfolio • Accelerate digitalization of processes and customer services to foster swift development and rollout of new innovations	Likelihood: Medium-High Impact: Medium Trend: Stable ***Monitoring KPI:*** • Revenues new business • Take up 5G services • Incubator budget

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Theme	Risk	Countermeasures	Evaluation
Financing KPN and volatile financial markets	KPN requires solid access to (debt) capital markets to finance its operations and refinance its outstanding debt. The pressure on KPN's financial framework may increase in the event of higher net debt levels and/or lower profitability. In that case, KPN might not be able to maintain its current credit ratings, which could negatively affect pricing and availability of financing resources. ***Impacted strategic objective*** Maintain solid financial position and shareholder distribution policy	KPN ensures solid access to debt capital markets by: • Commitment to an investment-grade credit profile • Maintaining a strong liquidity position and prefunding debt redemptions • Monitoring and forecasting of metrics used by rating agencies • Maintaining discipline in allocating capital to investment opportunities and shareholder remuneration	Likelihood: Low Impact: Medium Trend: Stable ***Monitoring KPI:*** • Credit ratings • Net debt/ EBITDA ratio • Liquidity forecast • Rating metrics (used in credit rating) • Dividend pay out ratio, total shareholder remuneration • Interest cover ratio
Financing KPN and volatile financial markets	Uncertainty or changes in financial markets could negatively affect pricing and availability of KPN's funding sources. ***Impacted strategic objective*** Maintain solid financial position and shareholder distribution policy	• Cash flow forecasting to ensure sufficient liquidity headroom in both normal and stressed market circumstances • Maintaining a varied maturity profile, limiting the amount of debt maturing in any one calendar year • Financing upcoming debt maturities well ahead of their maturity • Maintaining sufficient liquidity reserves in the form of cash and/or committed credit facilities • Managing the mix of floating and fixed interest rates • Diversification in funding sources • Maintaining relationships with diversified groups of financial counterparties of good credit quality	Likelihood: Medium Impact: Medium Trend: Stable ***Monitoring KPI:*** • Liquidity forecast • Redemption profile • Fixed/floating interest rate mix • Interest cover ratio

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Theme	Risk	Countermeasures	Evaluation
Supplier risks, international supply chain issues	KPN relies heavily on products and services of external suppliers. This reliance relates to adequate telecommunications equipment, software and IT services, and contractors' ability to build and rollout telecommunications networks, as well as suppliers' ability to deliver technical support. This reliance could potentially lead to unbalanced supply-demand relationships and could lead to an inability to obtain the products and services at a competitive price and quality. Suppliers could be unable to deliver the required products and services to KPN due to: • Scarcity in lack of skilled personnel (high attrition) • Sanctions that are imposed by governments on specific countries (e.g. Russia) or specific suppliers (e.g. as a result of breaches of legislations) This could lead to disruption of our processes and lower quality of our services to customers. The scarcity, in combination with volatile energy prices, already led to higher prices and could also lead to further increasing prices in future. Furthermore, we identify the risk of an inappropriate level of back-to-back contracting with regards to customer requirements on e.g. price and services in supplier agreements. Suppliers or their employees could breach relevant legislation such as data protection, security, privacy, IPR, human rights and/or environmental laws, which could negatively impact KPN's reputation. ***Impacted strategic objective*** Activate Note: Suppliers have a significant role in the realization of KPN's strategic objectives, including staying an ESG frontrunner	• Establishing a strong and centralized demand and contract management organization that defines, enforces and monitors compliance of suppliers with terms of contracts and preparation of re-transition plans as fall-back scenario • Continuously monitor the availability and timely delivery of critical products and services with key suppliers and update business continuity plans accordingly. Proactively discuss with suppliers any risk mitigating measures to timely safeguard KPN's supply chain • Simplification of the supplier landscape in line with KPN's strategy and cost focus • Evaluation of outsourced activities on effectiveness and efficiency and (where applicable) preparation of a re-transition plan for insourcing • Include the possibility to terminate contracts based on non-performance and, in that case, migration of the activities to other suppliers • Include a right-to-audit clause in supplier contracts and the possibility to conduct regular audits • Monitor compliance of suppliers with the KPN Security Policy • Align customer contract requirements with supplier contract requirements (this alignment is part of the governance rules for outsourcing), in line with requirements and policies of General Counsel Office • Share the KPN supplier code of conduct with all suppliers; suppliers sign this Code and KPN will monitor their compliance • For high-risk suppliers, perform audit procedures to evaluate suppliers' compliance with international standards for human rights and environmental laws. Monitoring of timely follow-up on main audit findings • Promote transparent pricing and way of doing business • Secure long-term commitments with contractors and key suppliers for business critical products and services, e.g. for fiber rollout • Prepare fall-back scenarios (e.g. dual sourcing contracts from different geographical regions) when suppliers are not able to deliver their products and services due to effects of pandemics, natural disasters or geopolitical circumstances	Likelihood: Medium Impact: Medium-High Trend: Stable ***Monitoring KPI:*** • Spend development: % spend at top 20 suppliers • JAC audit results
Employment and talent management	Tight labor market: KPN may not be able to create an engaged, diverse workforce and hire talents (e.g. caused by tight labor markets), which could lead to lower quality of services and lower business results. The tightness in the labor market has consequences for a skilled and a motivated workforce located in our own operations in the Netherlands. Aging workforce: In the coming years, a substantial number of employees will retire. KPN may not be able to sufficiently fill the gaps in capacity, skills and knowledge with newly recruited and younger employees. This might lead to lower quality of services and lower business results. This risk is relevant for a skilled and a motivated workforce located in our own operations in the Netherlands. AI adoption and adaptation: If KPN is unable to sufficiently train or guide its staff in the use of AI, KPN may not achieve sufficient integration of AI in its workforce and consequently may not fully benefit from the advantages of AI in comparison to our competitors. ***Impacted strategic objective*** Generic; Staying frontrunner in ESG	• Improve skilled and talented workforce by: – Innovative and inspiring talent management programs to attract and maintain qualified staff (both from the Netherlands and abroad) – Discover new talent and make KPN more attractive for talented employees across the organization – Maintain a strong employer identity and accompanying labor market strategy to attract external staff with the right capabilities – Promote technical education initiatives at high schools and universities to attract new and diverse workforce – Targeted development programs to attract hires on specific areas such as security and cloud • Clear communication to (key) staff about KPN's strategy and value their opinions • Sustainable employability and mobility: support employees in acquiring different skills, enabling them to find a new role inside or outside KPN • Maintain or improve employee engagement and attractiveness as employer • Implement strategic workforce management for KPN wide operations • Maintain a total reward strategy and aiming for a competitive salary and benefits package • Focus recruitment efforts and external campaigns on specific areas and skills • Increase focus on internal development and skill building • Investigate sourcing strategies to attract and develop new talents • Invest in future skills for AI application in workforce	Likelihood: Medium-High Impact: Medium Trend: Stable ***Monitoring KPI:*** • Employee engagement • Inflow young talent

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Theme	Risk	Countermeasures	Evaluation
Diversity, equity and inclusion	If KPN does not meet the diversity, equity and inclusion goals and "social return" requirements, this could impact KPN's reputation, customer satisfaction and future profitability (e.g. lower results in business market for public sector). ***Impacted strategic objective*** Generic; staying frontrunner in ESG	• ESG strategy based on three key pillars: responsible, sustainable and inclusive; commitment to Sustainable Development Goals (SDGs) such as SDG 5: Gender Equality • Continued implementation of KPN's policy to improve diversity, equity and inclusion in KPN's workforce, to ensure that everyone feels welcome, can be who they are and participate on an equal level. • Define targets and action plans for increase of female share in the workforce • Organization of Diversity Days and internal networks (ERG's) to facilitate a dialogue about diversity, equity and inclusion to increase understanding and respect for each other, by talking about different (cultural) backgrounds and/or identities • Implementation of a strategic plan on social return and adhere to PSO requirements	Likelihood: Medium-High Impact: Low-Medium Trend: Stable ***Monitoring KPI:*** • % women within KPN from several perspectives • Perception of inclusion in Pulse surveys • PSO ranking
Healthy workforce	A high workload and constant pressure to deliver an excellent performance could lead to unhealthy stress levels among employees, increasing the risk of long-term absenteeism. ***Impacted strategic objective*** Generic; Staying frontrunner in ESG	• Offer well-being interventions to employees (physical, mental and financial interventions) • Apply a dedicated absenteeism team and company physicians to assist management with preventive measures and support employees in returning to work in a quick and responsible way	Likelihood: Medium Impact: Medium Trend: Increasing ***Monitoring KPI:*** • % mental health
Adverse macro-economic conditions	The economic climate in the Netherlands and EU could deteriorate in the near term. This could be caused by for example high inflation, increasing interest rates, geopolitical tensions (e.g. war in Ukraine and US-China tensions), pandemics, continued political uncertainties, increasing protectionism, but also by the impacts of climate change (e.g. flooding) and other crises. Adverse macro-economic conditions could lead to declining spending of customers in both the consumer and business market (downtrading) and higher bad debt levels, and will consequently lead to lower future revenue growth, profitability and cash flows. ***Impacted strategic objective*** Generic	• Close monitoring of and swift response to new market developments and trends, for example by drafting contingency plans such as plans for cost-cutting initiatives and restructurings • Simplify and streamline operating model: acceleration of simplification and digitalization program. This will lead to improved agility and a structurally lower cost level • Seizing new opportunities by innovation and introduction of new services, to compensate for declining telecoms and IT businesses • Closely monitor payment terms, increase of bad debt and bankruptcies within customer base • Continue to offer attractive propositions for customers in business market and consumer market, closely monitor customer trading down	Likelihood: Medium Impact: Medium Trend: Stable ***Monitoring KPI:*** • Order intake, sales • Organic revenue growth • Bad debt, deferred customer payments • Opex levels

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<table>
<tr><th>Theme</th><th>Risk</th><th>Countermeasures</th><th>Evaluation</th></tr>
<tr><td>High-risk vendors: geopolitical developments for suppliers, which could trigger security, business continuity and reputational risks</td><td>Geopolitical volatility, driven by rising international tensions, protectionism and security concerns, may impact our ability to do (sourcing) business in any part of the world. These concerns could lead to bans and other sanctions on suppliers of hardware and software from countries with offensive cybersecurity activities. Such sanctions could significantly impact the supply chain and products of those suppliers and consequently could also harm KPN's availability, innovation roadmap, and use of network equipment. Additionally, public opinion of these vendors and the use of their services could lead to reputational damage and loss of consumer or business customers.

The Dutch government or other regulating bodies may impose additional security requirements or ultimately ban a vendor in order to mitigate or prevent possible security issues that some vendors (or the originating countries) could bring for Dutch society. If KPN is forced to switch from suppliers, we can no longer use equipment from our current vendors in (parts of) our networks; it could lead to concentration risks (only a smaller number of suppliers is able to deliver the required equipment and services) and consequently to higher and unexpected investment and maintenance costs in future. Next to that, compliance with security regulations could lead -also for existing suppliers- to higher costs for KPN.

Impacted strategic objective
Connect
Activate
Grow</td><td>• Conduct frequent threat analyses and closely monitor latest global and political developments in general and specifically US and EU actions regarding suppliers from countries with offensive cybersecurity activities
• Perform scenario analyses during network and solution design to assess potential implications of geopolitical developments for suppliers and impact thereof on associated risks
• Prepare fall-back scenarios and policies if KPN can no longer acquire or use hardware and software from specific suppliers and avoid reliance on single vendors or countries for critical or vital services
• Implement new governmental regulations by defining KPN's critical assets and implementing technical and process security measures in order to sustain trusted service delivery
• Ensure good relations and exchange with relevant national security agencies and political decision-makers
• Maintain strong PR and communication with customers and other stakeholders regarding the use of equipment from specific suppliers and KPN's high security standards
• Maintain structural risk management and governance processes for high-risk vendors in the sourcing and tender processes to be able to respond to global and political developments for vendors and their country of origin
• Include the possibility to terminate contracts due to geopolitical developments and governmental decisions
• In the longer term, consider using open source and standardized network equipment and interfaces to limit reliance on specific suppliers or proprietary hardware and software
• Maintain the KPN Security Policy and monitor continuous compliance with security requirements</td><td>Likelihood: High
Impact: High
Trend: Increasing

Monitoring KPI:
n/a</td></tr>
<tr><td>Inflation</td><td>KPN could be faced with increasing inflation and cost levels in the near future.

The rising inflation could be caused by high energy prices, scarcity of equipment/raw materials and labor capacity, monetary policies of central banks (changes in monetary easing, and current and future interest rate hikes), changing foreign exchange rates, higher lease expenses, but also other factors such as a global economic recovery, climate change, geopolitical tensions and international conflicts. Additionally, KPN and our suppliers could be faced with increasing wages and salaries in the near future.

If we raise our prices as a result of inflation, customers may no longer be able to afford KPN's services.

With regards to supplier contracts, the inflation could exceed the indexation thresholds. KPN may not be able to (1) fully offset resulting cost increases, and (2) to pass on (a part of) the higher costs to our customers. Also the actual inflation on acquired products and services and on salaries and wages could be higher than initially forecasted. Consequently, the higher costs could have a material adverse effect on KPN's opex and capex levels, results of operations, cash flows and financial position.

Impacted strategic objective
Generic</td><td>• Negotiate long-term contracts with suppliers with fixed price agreements
• Close hedge and other forward contracts for energy and other materials where possible
• Increase breadth of supplier base, renegotiate terms and conditions with existing suppliers
• Increase -where possible- our tariffs and subscription rates, e.g. in line with Consumer Price Indices. Close back-to-back contracts in which price increases of suppliers can be transferred to customers
• Limit the increase of interest costs by managing the mix of floating and fixed interest rates and by maintaining a well spread debt redemption profile
• Implement cost saving and efficiency programs to limit cost increases where possible</td><td>Likelihood: Medium
Impact: Medium
Trend: Stable

Monitoring KPI:
• Consumer Price Indices
• Opex and capex levels
• EBITDA and FCF</td></tr>
</table>

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Theme	Risk	Countermeasures	Evaluation
Energy	Energy supply in the Netherlands could not be sufficiently available in future to meet KPN's energy needs. The shortages are caused by congestion in local grids, leading to capacity limitations at existing ZARA/MC locations and lack of new grid connections for new POP-locations or mobile sites. Other reasons could be international conflicts that could hamper the supply of oil, gas or other energy sources, shortages in national or European backup systems and severe weather conditions. Furthermore, the transition to sustainable energy sources could lead to shortages due to increasing demand for electricity or network congestions. Energy shortages could lead to service interruptions or lower service quality or higher costs in future, and subsequently to lower customer satisfaction and results of operations. ***Impacted strategic objective*** Generic	• Close hedge and other forward contracts for energy where possible • Use alternative energy sources, e.g. via solar panels on technical buildings. KPN signed agreements with Eneco to purchase green wind energy from a new wind farm in the North Sea (2027) and solar farms in the Netherlands (2025) • Explore new smart energy storage technology to store and manage energy in an efficient and responsive manner • Execution of the Energy excellence program: o Migrate customers from copper network to energy efficient fiber network o Optimize mobile network as much as possible, e.g. by adopting traffic-based power consumption o Rationalize data centers and optimize virtualization o Optimize energy use in metro core locations (e.g. reduce cooling systems) o Reduce number of office and technical buildings where possible o Reduce dependance on gas in technical buildings	Likelihood: High Impact: Medium Trend: Increasing ***Monitoring KPI:*** • Energy prices • Geopolitical developments and conflicts • Energy reduction
Fraud risks	KPN may encounter different forms of frauds, like asset misappropriation (internal, external (telecoms fraud), corruption and reporting fraud. Such frauds could be caused by internal staff and/or external actors, due to perceived pressure and rationalization and then exploiting missing or failing internal control procedures in our processes and systems. Fraud could lead to financial damage (a.o. high remedial costs), misstatements in our external reporting, loss of trust by stakeholders, reputational damage and increased scrutiny from law enforcement and regulatory bodies. ***Impacted strategic objective*** Generic	KPN established a Fraud Risk Management Program (framework) which is structured around five essential principles (Fraud Risk Governance, Fraud Risk Assessment, Fraud Control Activities, Fraud Investigation and Corrective Action Process and Monitoring and Reporting). Each principle encompasses activities and processes that together support the prevention, detection, and response to fraud risks. • Prevent: o Maintain fraud risk governance (including policies and code of conduct) o Compliance training and awareness sessions for staff and management, for example e-learnings about the company codes for all KPN staff in the Netherlands o Execution of Fraud Risk Assessments • Detect: o Maintain internal control frameworks to prevent and detect all kind of fraud incidents in a timely and adequate way o For telecoms fraud: monitoring activities of staff supported by dedicated IT o Implementation of a grievance mechanism that is available for all workers in the value chain (via independent party of SpeakUp) • Response: o Investigations by Corporate Security Office, Compliance, Privacy & Ethics and KPN Audit regarding (suspicion of) fraud incidents	Likelihood: Low-Medium Impact: Medium-High Trend: Stable ***Monitoring KPI:*** • Prevent: o # Employees trained to detect and prevent fraud o Progress Fraud Risk Assessments • Detect: o # Fraud cases, average size and nature of frauds, financial damage o Effectiveness of control frameworks, # and nature of deficiencies • Response: o # Fraud investigations and improvement actions o # Sanctions

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Appendix 4: Tax GRI index and geographic overview

GRI index for tax

GRI 207: Tax 2019	207-1	Approach to tax	a-i: For our Tax strategy & principles, see: https://ir.kpn.com/governance/tax-strategy-and-policy/default.aspx a-ii: BoM statement & frequency - see Tax profile and current tax position and Statement by the Board of Management and Responsibility a-iii&iv: Regulatory compliance respectively business & ESG - see Tax profile and current tax position and website tax strategy and principles (https://ir.kpn.com/governance/tax-strategy-and-policy/default.aspx)
	207-2	Tax governance, control, and risk management	a-i&ii: see Tax profile and current tax position and website tax strategy and principles (https://ir.kpn.com/governance/tax-strategy-and-policy/default.aspx) a-iii: tax risk appetite - see Tax profile and current tax position, Description of KPN's internal risk management and control systems and Appendix 3: List of top risks a-iv: evaluation tax governance by representative of the Board - see Tax profile Tax profile and current tax position b: tax integrity - see Tax profile and current tax position c: tax assurance process – see Independent auditor's report on the audit of the country-by-country reporting included in the integrated annual report 2024
	207-3	Stakeholder engagement and management of concerns related to tax	i-ii-iii: tax authorities, advocacy on tax & other engagements - see Stakeholder engagement and looking ahead and website tax strategy and principles (https://ir.kpn.com/governance/tax-strategy-and-policy/default.aspx)
	207-4	Country-by-country reporting	See Tax overview for continuing operations per country in this appendix
	201-4	Financial assistance received from government	See governmental allowances in Tax contribution report

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Tax overview for continuing operations per country

In € million or FTE		Total unrelated income[1]	Total related income	Profit before tax excl. Associates and joint ventures	Corporate income tax expense	ETR	Corporate income tax cash flow	Corporate income tax receivable/ payable CY	Other tax cash flow mainly VAT & payroll	Property plant and equipment[2]	Employees end of year (FTE)	ECTR
NL	2024	5,620	474	1,111	-238	21.4%	-133	17	-1,121	6,219	9,664	13.3%
(Regular operating activities)	2023	5,500	469	1,104	-245	22.2%	-49	16	-1,050	5,943	9,724	8.5%
DE	2024	-	-	-	-	0.0%	-	-	-	-	-	0.0%
(Regular operating activities)	2023	-	-	-	-	0.0%	-	-	-	-	-	0.0%
IRL	2024	-	8	1	-	17.0%	-	-	-	-	-	15.1%
(Main activity: insurance)	2023	-	8	2	-	11.6%	-	-	-	-	-	12.5%
UK[3]	2024	-	-	-13	-	0.0%	-	-	-	-	-	0.0%
(Main activity: pension)	2023	-	-	-10	-	0.0%	-	-	-	-	-	0.0%
USA[3]	2024	-	1	-	-	0.0%	-	-	-	-	-	0.0%
(Main activity: pension)	2023	-	-	-	-	0.0%	-	-	-	-	-	0.0%
Total[4]	2024	5,620	483	1,100	-238	21.7%	-133	17	-1,121	6,219	9,664	13.3%
	2023	5,500	477	1,097	-245	22.3%	-49	16	-1,050	5,943	9,724	8.5%

1 Unrelated income is the total of revenues and (other) financial income.

2 Tangible assets other than cash and cash equivalents.

3 See Note 17 Retirement benefits.

4 For an overview of KPN's legal entities see appendix 1.

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Appendix 5: SWOT

We continuously review our business model and adapt our resources and capabilities to counter risks and create new opportunities. The overview summarizes our main insights and position in our operating environment. The scope of our SWOT is broader than the matters disclosed in the sustainability statement.

Overview of our strengths, weaknesses, opportunities and threats

Strengths that make us stand out	Opportunities for growth
Network	**Network**
• Best in class mobile and fixed network	• Network automation and simplification; switching off legacy networks
• Strategic network locations positioned close to the customer throughout the Netherlands	• Developments in infrastructure, software, IoT and virtual networks
	• Network locations positioned across whole of the Netherlands that can serve as edge data centers and energy grid
• Largest fiber footprint in the Netherlands and still growing	• Good roaming services compared to competitors
Business activities	**Business activities**
	• Improving fiber activation rate, leading to broadband base market share growth
• Broad range of services	• Digitalizing customer interactions
• Strong brand reputation	• Creating value in content strategy with strategic partners
• Trusted provider of critical communication services to governmental bodies	• Further increasing customer value by cross- and up-selling opportunities especially in security and cloud solutions
• Increasing the number of connected lines	• Creating value from 3.5 GHz spectrum and fiber products and service offerings
• Best in class NPS	• Using AI and data capabilities to create more value in current and new business
People and environment	**People and environment**
• Strong focus on energy and circularity	• Substituting existing products and services with more sustainable alternatives
• An employer with skilled and engaged employees	• New products will help customers to be more sustainable
• Strong track record on reducing greenhouse gas (GHG) emissions with increasing data usage	• Supporting suppliers to reduce Scope 3 emissions in the value chain (upstream)
• Net-zero ambition validated by Science Based Targets Initiative	
• Fair tax contribution to society in line with the GRI standard for taxes	
Financial	**Financial**
• Sustainable service revenue growth, with all segments contributing	• Streamline and digitize operating model
• Among industry leaders in EBITDA and free cash flow margins	• Increasing free cash flow by moving towards completion of fiber rollout
• Steadily improving return on capital, reflecting shareholder value creation	• Potential benefits from obsolete assets
• Robust balance sheet and liquidity position	
• Fixed wholesale tariffs approved by ACM up to 2030	

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Weaknesses to improve

Network
- Dependency on worldwide supply chains for hardware and software
- Remaining legacy network infrastructure and services
- Fiber conversion, particularly in high-rise buildings

Business activities
- Relatively high cost to serve due to complex IT systems and processes
- Long delivery times for fiber connections

People and environment
- Gender diversity
- Aging workforce

Financial
- Workforce cost pressure from increased workload for customer service employees and service engineers
- Deterioration in service revenue mix

Threats we face

Network
- Cybersecurity and privacy threats
- Impacts of climate change on our technical infrastructure
- Shortage of materials
- Restrictions on supplier selection in our network due to geopolitical developments
- Energy locations difficult to obtain due to grid congestion

Business activities
- Disruptive technologies and new business models that we need to adapt to (e.g. AI)
- Price pressure from fierce competition
- Overbuild risk

People and environment
- Long and complex value chain is difficult to control
- Tight labor market resulting in high work pressure
- Increasing amount of legislation and regulations

Financial
- Cost inflation
- Deterioration in general economic environment
- Higher interest rates

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Appendix 6: Glossary

4G
Fourth-generation mobile system, a standard for wireless communication delivering high-speed data for mobile phones and data terminals.

5G
Fifth-generation mobile system, a standard for wireless communication delivering high-speed data for mobile phones and data terminals, exceeding 4G speeds. 5G targets high data rates, reduced latency, network slicing, higher system capacity and massive device connectivity.

5G population coverage
The standard for measuring the coverage of the mobile network: the percentage of the population in the Netherlands with coverage on the 5G network.

A

ACM (Authority for Consumers and Markets)
The ACM acts as a regulator in the Netherlands and is responsible for monitoring compliance with antitrust rules.

Adjusted EBITDA AL
Adjusted EBITDA AL (adjusted EBITDA after leases) is derived from EBITDA and is adjusted for the impact of restructuring costs and incidentals and for lease costs, including depreciation of right-of-use assets and interest on lease liabilities. Incidentals are non-recurring transactions of €5m or more unless significant for the specific reportable segment, which are not directly related to day-to-day operational activities.

Adjusted revenues
Adjusted revenues are derived from revenues (including other income) and are adjusted for the impact of restructuring costs and incidentals. Incidentals are non-recurring transactions of €5m or over unless significant for the specific reportable segment, which are not directly related to day-to-day operational activities.

ADR (American depository receipt)
Negotiable security that represents securities of a foreign company and allows that company's shares to trade in the U.S. financial markets.

AI (artificial intelligence)
AI is the intelligence demonstrated by machines.

ARPA (average revenue per address)
ARPA is the sum of connection fees, monthly fixed subscription revenues, traffic revenues and gross service-provider revenues less related discounts during a one-month period, divided by the average number of addresses during that month. Gross service-provider revenues represent revenues generated by third-party providers. KPN accounts for the net part as gross service-provider revenues.

ARPU (average revenue per user)
ARPU is the sum of connection fees, monthly fixed subscription revenues, traffic revenues and gross service-provider revenues less related discounts during a one-month period, divided by the average number of customers during that month. Gross service-provider revenues represent revenues generated by third-party providers. KPN accounts for the net part as gross service-provider revenues.

Average 4G and 5G download speed
The average download speed is based on the results of a speedtest that customers initiate on 4G and 5G with their smartphone. Robot measurements and customers using networks other than KPN's are excluded from the results.

Average maximum download speed broadband fixed
The average maximum download speed that we report is the predicted technical speed, based on the best available technologies, per address. Figures are based on year-end data.

B

B2B (business-to-business)
Commercial transactions between businesses; referring to our business market-related activities.

B2C (business-to-consumer)
Commercial transactions between KPN and our customers (end-users); referring to our consumer market-related activities.

BCF (business control framework)
The BCF contains all corporate policies and guidelines that are mandatory for KPN segments and entities. It forms the cornerstone of the KPN Group's governance.

Broadband
Broadband refers to telecommunications that provide multiple channels of data over a single communications medium, typically using some form of frequency or wave division multiplexing.

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C

Capex (capital expenditure)
Investments in property, plant and equipment (PPE) and software. Note that EU taxonomy's capex definition differs from KPN's capex definition. EU taxonomy capex consists of the following components: PPE investments and PPE changes in consolidation in the case of acquisitions of business combinations, intangible investments and intangible assets changes in consolidation in the case of acquisitions of business combinations and right-of-use assets additions.

CDP (Carbon Disclosure Project)
The CDP is a joint initiative of investors worldwide that questions and benchmarks listed companies on their approach to climate change.

Churn (calculated on an annual basis)
The number of customers no longer connected to an operator's network divided by the operator's customer base.

Circular economy
The circular economy is a generic term for an industrial economy that is producing no waste and pollution and in which material flows are of two types: biological nutrients, designed to re-enter the biosphere safely, and technical nutrients, which are designed to circulate at high quality in the production system without entering the biosphere.

Circular inflow
Renewable inflow from sustainably managed resources and which is used at a rate in line with natural cycles of renewability or inflow which is non-virgin.

Circular outflow
Outflow that is designed and treated in a manner that ensures products and materials have a full recovery potential and extend their economic lifetime after their technical lifetime and that is demonstrably recovered.

CLA
Collective labor agreement

Climate-neutral
For KPN, climate-neutral means operating with zero net CO_2e emissions.

Cloud gaming
Cloud gaming is a form of cloud computing that offers services in the field of computer games.

Cloud services
Cloud services are standardized IT capability (services, software or infrastructure) delivered via internet technologies in a pay-per-use, self-service way.

CO_2e
Carbon dioxide equivalent, a standard unit for measuring carbon footprints. The idea is to express the impact of each different greenhouse gas in terms of the estimated amount of CO_2 that would create the same amount of warming. That way, a carbon footprint consisting of different greenhouse gases can be expressed as a single number.

Completion of code of conduct e-learning (KPI)
The total number of employees trained in anti-corruption during the reporting and prior year. Corruption is the abuse of entrusted power for private gain and includes practices such as bribery, fraud, extortion, collusion, conflict of interest, and money laundering. The total number of employees consist of employees on payroll working in active duty at the end of the reporting period, excluding external agency staff (only applicable for KPN B.V., excluding subsidiaries).

CPE (customer premises equipment)
Refers to equipment located in the customer's home or office that is used for telecommunications services, such as modems and routers.

CSR (corporate social responsibility)
For KPN, CSR is the integrated vision of entrepreneurship, in which the company takes responsibility and creates value in economic (profit), ecological (planet) and social (people) terms. We incorporate CSR into our business and by doing so, take our social responsibility and contribute to societal challenges.

CSRD (Corporate Sustainability Reporting Directive)
The CSRD is a directive adopted by the European Commission in April 2021. This directive requires organizations to report on the environmental, social and governance impacts of their business activities. The CSRD will replace the existing reporting requirements of the EU's Non-Financial Reporting Directive (NFRD).

Customer base
The total number of subscribers.

D

DEFRA (UK Department for Environment, Food & Rural Affairs)
DEFRA has published conversion factors to calculate greenhouse gas emissions.

Appendices

DMA (double materiality assessment)
The DMA identifies material impacts, risks and opportunities for all material sustainability matters.

E

EBITDA
Operating result before depreciation and impairments of property, plant and equipment and amortization and impairments of intangible assets.

EBITDA AL (EBITDA after leases)
EBITDA AL is derived from EBITDA and adjusted for lease costs, including depreciation of right-of-use assets and interest on lease liabilities.

EcoVadis
EcoVadis is an international platform that assesses the material CSR impacts of companies. Purchasing organizations can integrate EcoVadis assessment results (scorecards) into their day-to-day business practices driving their organization to make more sustainable procurement decisions, while positively incentivizing trading partners that align with their sustainability practices.

EcoVadis spend coverage
Percentage of total KPN spend (from previous year) represented by suppliers that have shared their EcoVadis assessment result (scorecard) with KPN. The suppliers we invite for an EcoVadis assessment are selected at the beginning of the reporting year based on the full spend of the previous year.

Edge computing
Distributed paradigm that brings computation and data storage closer to the sources of data.

EEIO (environmentally extended input output data)
EEIO models estimate energy use and/or GHG emissions resulting from the production and upstream supply chain activities of different sectors and products. The resulting EEIO emissions factors can be used to estimate cradle-to-gate GHG emissions for a given industry or product category. EEIO models are derived by allocating national GHG emissions to groups of finished products based on economic flows between industry sectors.

Employee survey score for engagement
The outcome of a human resources (HR) survey that measures the level of enthusiasm and dedication a worker feels towards their job. This survey consists of questions regarding employee engagement but also topics such as leadership, well-being, a safe work environment, and feedback and development. Employee engagement is calculated by combining the results of a selection of questions resulting in a score from 1% to 100%, with 1% as the lowest and 100% as the highest engagement score.

ESG (environmental, social and governance)
ESG refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business.

ESRS (European Sustainability Reporting Standards)
The ESRS are the standards that EU businesses must report against as part of the disclosure requirements required by the CSRD.

F

FCF (free cash flow)
FCF is defined as cash flow from continuing operating activities plus proceeds from real estate, minus capital expenditure (capex, i.e. expenditure on PP&E and software) and adjusted for repayments of lease liabilities.

Fiber footprint
A fiber footprint refers to the reach or coverage area of a fiber optic network.

FTE (full-time equivalent)
The equivalent of the number of employees with a full-time contract. FTEs are calculated based on the standard number of contract hours per employment group within KPN.

FttH (fiber to the home)
FttH is defined as an access network architecture in which the final part of the connection to the home also consists of optical fiber.

FttH households
FttH households (civil ready) are defined as premises to which an operator can connect in a service area as fiber is available through street presence. Homes connected are defined as premises in which fiber is installed and connected to an FTU (Fiber Termination Unit) or if the fiber has been terminated in a BOP (Outside takeover point). This BOP is located against the facade of the premise and can easily be brought in by a technician (the BOP is "connectorized", no welding is required).

Appendices

G

Gbps (gigabit per second)
A gigabit is a unit denoting the speed of data transfer. It is the speed in billions of bits per second.

GHG (Greenhouse Gas) Protocol
The GHG Protocol is a multi-stakeholder partnership of business, non-governmental organizations (NGOs), governments and others that develop internationally accepted GHG accounting and reporting standards for organizations.

GHz
Gigahertz is a frequency unit that measures the number of cycles per second and is used to indicate the different spectrums of our mobile network.

Green electricity
Green electricity is electricity from renewable sources. KPN only uses wind energy and electricity from biomass that does not compete with food production.

GRI (Global Reporting Initiative)
The Global Reporting Initiative is an organization that publishes international standards for CSR reporting.

H

High risk supplier
Our procurement process includes an assessment of all new contracted suppliers, classifying them based on the potential social and environmental risk their operations, products and services represent. We assess this risk based on three parameters: geographical areas, spend and potential environmental impact of a supplier's operations, products or services. We strive to audit suppliers classified as high risk periodically and these social audits are carried out by an independent third-party auditor.

I

IIRC (International Integrated Reporting Council)
Worldwide non-profit organization that has developed a technical standard for companies that want to account for the value they add to this world as a company.

IoT (Internet of Things)
The Internet of Things connects objects such as garbage bins or cars with the internet via a chip. This offers many opportunities, such as "smart city solutions".

IPCC (Intergovernmental Panel on Climate Change)
The IPCC is a UN-established body that assesses and synthesizes scientific information on climate change, providing comprehensive reports to guide policymakers worldwide. Operating on a consensus-based approach, the IPCC plays a pivotal role in shaping international strategies for addressing and mitigating the impacts of climate change.

ISO (International Organization for Standardization)
This organization is responsible for international management standards such as ISO 14001, ISO 140064-1, ISO 27001 and ISO 22301 (mentioned in this report).

IT
IT refers to information technology.

iTV (Interactive TV)
With iTV, the customer can easily choose when, where and which programs to watch.

J

JAC (Joint Alliance for CSR)
The JAC (formerly Joint Audit Coöperation) is a partnership of telecoms companies worldwide (including KPN) with the aim of conducting audits at important ICT suppliers. With these audits, the telecoms companies ensure that all major players in the chain commit to corporate social responsibility.

K

KPI (Key Performance Indicator)
Key performance indicators measure the performance of the organization, teams and individual employees.

KPN Mooiste Contact Fonds
This KPN foundation supports societal initiatives aimed at stimulating social contact, by combining people and technological resources to best advantage.

L

LCE
LCE refers to large corporate enterprises.

LGBTQIA+
Lesbians, gays, bisexuals, transgenders, queers, intersexuals, asexuals and people with other sexual and/or gender identity. KPN Pride is an inclusive community for LGBTQIA+ people, and all colleagues (including heterosexuals) who are interested in LGBTQIA+ subjects related to the KPN workfloor.

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M

M2M (machine-to-machine)
Direct communication between devices using any communications channel, including wired and wireless.

Market share
Market share is the percentage or proportion of the total available market that is serviced by KPN. These figures are based on externally available market data, which may not be completely accurate, and may be partially based on estimates.

Mbps (megabits per second)
A megabit is a unit denoting the speed of data transfer. It is the speed in millions of bits per second. The bandwidths of broadband networks are often indicated in Mbps.

MHz (megahertz)
A MHz is one million hertz (a unit of frequency).

Modernized site
A site is considered to be modernized when the equipment is replaced by future-proof equipment that is also able to handle 5G traffic. The number of modernized sites is the number of sites equipped with our new mobile network technology.

MSCI (Morgan Stanley Capital International)
Sustainable ranking intended to measure a company's resilience to long-term, financially relevant ESG risks.

N

Nature-inclusive
Nature-inclusive refers to a way of working that also benefits nature and works within the boundaries of nature.

NOI (net operating income)
A measure used to analyze the profitability of our income-generating properties. It is calculated by subtracting operating expenses from the total income generated by the property.

Non-conformities
Non-conformities are identified when a supplier is found to be in breach of any of the JAC Supply Chain Sustainability Guidelines that form the set of common requirements expected from the ICT industry.

NOPLAT
NOPLAT refers to net operating profit less adjustments for taxes.

Normalized ETR
The normalized effective tax rate (ETR) is defined as the total ETR excluding incidentals (such as return to provisions), major changes in the composition of the group, changes in (de-)recognition of deferred taxes and changes in tax law.

Notice and take down code
A code that specifies how organizations have to deal with reports of unlawful content on the internet. Content is removed by the host following such a notice. Notice and take down is widely operated in relation to copyright infringement, as well as for libel and other illegal content. We are committed to removing content related to child sexual abuse material within 24 hours after notification by our national hotline, Expertisebureau Online Kindermisbruik (Expertise Center for Online Child Abuse).

NPS (Net Promoter Score)
NPS is a metric for measuring customer loyalty, based on whether customers would recommend KPN to someone else. The NPS results included in this report are measured, calculated and provided by Kantar (a leading market-research company). NPS is based on direct customer input, with the key question being whether a customer would recommend KPN to someone else. Depending on the score they give, the customer is classified as a "promoter" or a "detractor". The NPS is calculated by subtracting the percentage of 'detractors' from the percentage of 'promoters'. The result is displayed as an absolute number rather than a percentage, within a range of -100 to +100. In this report, the NPS results refer to the full-year results of 2024. This is based on the average of all 12 monthly results from January to December. The NPS Consumer and NPS Business reflect a weighted average based on 2022 revenues. NPS Business combines this with EBITDA margins for segments.

O

OECD (Organization for Economic Cooperation and Development)
An international organization that works to establish evidence-based international standards and find solutions to a range of social, economic and environmental challenges.

OTT (over-the-top)
In broadcasting, over-the-top content (OTT) refers to the delivery of audio, video, and other media over the internet for which no subscription to a traditional cable or satellite operator is required. A famous example is WhatsApp, which is replacing text messaging.

P

PLA
Personal labor agreement

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PSO certification
The certification of the Prestatieladder Socialer Ondernemen (the Social Entrepreneurship Performance Ladder) is a scientifically substantiated quality mark of TNO (an independent not-for-profit research organization), which objectively measures and makes visible the extent of socially responsible business.

R

RDI (Dutch Authority for Digital Infrastructure)
The Dutch Authority for Digital Infrastructure (Rijksinspectie Digitale infrastructuur) advises on laws and regulations regarding the availability and reliability of digital infrastructure.

Responsible minerals
These minerals include scarce minerals and conflict minerals. Conflict minerals are minerals mined under conditions of armed conflicts and human rights issues. These minerals are used in a variety of products, including consumer electronic devices such as mobile phones.

Return on capital employed (ROCE)
Return on capital employed is calculated by the net operating profit less adjustments for taxes (NOPLAT) divided by capital employed, on a four-quarter rolling basis. Net operating profit is the adjusted EBITA (excluding incidentals and amortization of other Intangibles, and including restructuring costs). KPN defines capital employed as the carrying amount of operating assets and liabilities, which excludes goodwill and the other intangibles.

Roaming
Transfer of mobile traffic from one network to another, referring to the exchange of international mobile traffic.

S

Safe data
The KPI for the percentage of the Dutch population that believe their data is safe with KPN is based on research performed by an external marketing research company. To measure this, we conduct an annual survey in which we ask the Dutch population to choose three companies that they think their data is safe with.

Scope 1
Direct greenhouse gas emissions occurring from sources that are owned or controlled by an organization.

Scope 2
Indirect greenhouse gas emissions from the generation of purchased electricity, heating or cooling consumed by an organization.

Scope 3
Other indirect greenhouse gas emissions as a consequence of the activities of an organization, but occurring from sources not owned or controlled by the organization.

SDGs (Sustainable Development Goals)
On 25 September 2015, countries within the United Nations adopted 17 goals to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved in 2030. Also known as Global Goals.

SecurX certified
Percentage of own personnel working in the TDO departments Network, B2BS and CISO, who attended the SecurX training and passed the SecurX Foundation exam resulting in a certificate. The SecurX Foundation certificate does not expire. In our calculation, employees who passed the SecurX Foundation exam before July 2023 are excluded from the mandatory SecurX training, as this was determined as mandatory after this period.

Service revenues
Service revenues are defined as the aggregate of connection fees, monthly subscription fees and traffic fees.

SME (small and medium-sized enterprises)
A sector generally consisting of enterprises with up to 250 employees.

Soho (small office home office)
This term refers to a small office of about 1 to 10 people or a home office.

SpeakUp Line
An anonymous reporting option for employees and external persons, where reports can be made by phone or via a safe and secure website. The KPN SpeakUp Line is hosted and made available by an independent organization.

Stakeholder
Stakeholders are the people or organizations with an interest in the company, such as customers, employees, shareholders, suppliers, governments and media.

Subscriber
A subscriber is defined as an end-user with a connection to the mobile or fixed networks and/or service platforms of KPN.

T

Tailored Solutions
Our Tailored Solutions business unit offers customization to business customers at any point in their digital journey.

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TCFD (Task Force on Climate-related Financial Disclosures)
The Financial Stability Board (FSB), an international regulator in the financial world, created the TCFD in 2015 to improve and increase reporting of climate-related financial information.

Tier 1, 2 and 3 suppliers
Tier 1 suppliers are your direct suppliers. Tier 2 suppliers are your suppliers' suppliers or companies that subcontract to your direct suppliers. Tier 3 suppliers are the suppliers or subcontractors of your Tier 2 suppliers.

Tier standards (I to IV)
Telecommunications Infrastructure Standard for data centers. Tier levels describe the availability of data at a location. The higher the tier, the greater the availability. Tier IV is the highest level and entails independent dual-powered cooling and expected data availability of 99.995% or higher.

TSR (total shareholder return)
A measure of the performance of different companies' stocks and shares over time. TSR calculates the growth in capital from purchasing a share in the company, assuming that the dividends are reinvested each time they are paid. This growth is expressed as a percentage as the compound annual growth rate.

TTC (total tax contribution)
Total tax contribution is the total tax amount borne or collected by KPN and generated through its operations.

V

VBDO (Vereniging van Beleggers voor Duurzame Ontwikkeling)
The Dutch Association of Investors for Sustainable Development (VBDO) works to create a sustainable capital market, a market that considers not only financial criteria but also non-financial, social and environmental criteria. VBDO's vision is to increase sustainability awareness among companies and investors.

Virgin materials
Materials sourced directly from nature in their raw form, such as wood or metal ores. Manufacturing products from virgin materials uses much more energy and depletes more natural resources than producing goods using recycled materials.

Virtualization
The separation of the physical hardware from the software functions that run a network.

W

WBA
Wholesale Broadband Access

WBSO (Wet Bevordering Speur- en Ontwikkelingswerk)
The WBSO is a subsidy that is intended for every entrepreneur in the Netherlands who conducts research into technological innovations.

Weighted downtime
The weighted downtime is the average monthly time period in which a combination of KPN platforms and systems is inaccessible to clients due to major incidents, weighted by the impact of this downtime.

WMP
Wholesale MultiPlay

Appendix 7: List of data points that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page or n/a
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1	n/a	Commission Delegated Regulation (EU) 2020/1816, Annex II	n/a	P. 49
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	n/a	n/a	Delegated Regulation (EU) 2020/1816, Annex II	n/a	P. 49
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1	n/a	n/a	n/a	P. 53
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	n/a	n/a
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1	n/a	Delegated Regulation (EU) 2020/1816, Annex II	n/a	n/a
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1	n/a	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	n/a	n/a
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	n/a	n/a	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	n/a	n/a
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	n/a	n/a	n/a	Regulation (EU) 2021/1119, Article 2(1)	P. 77
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	n/a	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2	n/a	n/a
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	n/a	P. 87
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1	n/a	n/a	n/a	P. 91
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1	n/a	n/a	n/a	P. 91
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1	n/a	n/a	n/a	n/a

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page or n/a
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	n/a	P. 92
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	n/a	P. 96
ESRS E1-7 GHG removals and carbon credits paragraph 56	n/a	n/a	n/a	Regulation (EU) 2021/1119, Article 2(1)	n/a
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	n/a	n/a	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	n/a	n/a
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	n/a	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.	n/a	n/a	n/a
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	n/a	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral	n/a	n/a	n/a
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69	n/a	n/a	Delegated Regulation (EU) 2020/1818, Annex II	n/a	n/a
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1	n/a	n/a	n/a	n/a
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1	n/a	n/a	n/a	n/a
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1	n/a	n/a	n/a	n/a
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1	n/a	n/a	n/a	n/a

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page or n/a
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1	n/a	n/a	n/a	n/a
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1	n/a	n/a	n/a	n/a
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1	n/a	n/a	n/a	n/a
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1	n/a	n/a	n/a	n/a
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1	n/a	n/a	n/a	n/a
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1	n/a	n/a	n/a	n/a
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1	n/a	n/a	n/a	n/a
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1	n/a	n/a	n/a	n/a
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1	n/a	n/a	n/a	P. 106
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1	n/a	n/a	n/a	P. 106
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I	n/a	n/a	n/a	n/a
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I	n/a	n/a	n/a	n/a
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	n/a	n/a	n/a	P. 110
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	n/a	n/a	Delegated Regulation (EU) 2020/1816, Annex II	n/a	n/a
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I	n/a	n/a	n/a	n/a
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I	n/a	n/a	n/a	n/a
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I	n/a	n/a	n/a	P. 111
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I	n/a	Delegated Regulation (EU) 2020/1816, Annex II	n/a	n/a
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I	n/a	n/a	n/a	n/a
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I	n/a	Delegated Regulation (EU) 2020/1816, Annex II	n/a	P. 121
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I	n/a	n/a	n/a	n/a
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I	n/a	n/a	n/a	n/a

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page or n/a
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	n/a	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	n/a	n/a
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I	n/a	n/a	n/a	P. 123
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1	n/a	n/a	n/a	P. 110
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1	n/a	n/a	n/a	P. 123
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and es paragraph 19	Indicator number 10 Table #1 of Annex 1	n/a	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	n/a	P. 110
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	n/a	n/a	Delegated Regulation (EU) 2020/1816, Annex II	n/a	P. 124
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1	n/a	n/a	n/a	P. 126
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1	n/a	n/a	n/a	n/a
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Appendices

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Forward-looking statements and management estimates

Certain of the statements we have made in this integrated annual report are "forward-looking statements". These statements are based on our beliefs and assumptions and on information currently available to us. They include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance or expense improvements and the effects of future legislation or regulation.

Forward-looking statements include all statements that are not historical facts and can be identified by the use of forwardlooking terminology such as the words "believe", "expect", "plan", "intend", "anticipate", "estimate", "predict", "potential", "continue", "may", "will", "should", "could", "shall", or the negative forms of these terms or similar expressions.

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The terms "we", "our" and "us" are used to describe the company.

We always aim to further improve our CSR activities and reporting, so we highly appreciate your feedback, questions and comments on our integrated annual report and CSR activities. Please contact esg@kpn.com.

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