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Appendix 5. Social figures

Reporting criteria used in these tables:

- 1) As outlined in appendix 3 on page 184 of our Integrated Annual Report 2015, this appendix is part of the limited assurance scope of EY's assurance procedures over KPN's 2015 sustainability information.
- 2) For our non-financial information, we include new acquisitions in our report as of the first full year of ownership. Non-financial information for divestments that have occurred during the reporting year is excluded for the full year.
- 3) We report on continued operations, so BASE Company figures are excluded from all international figures.

Table 1: Total number of employees (in FTEs and numbers)

	FTE	2013 number	FTE	2014 number	FTE	2015 number
KPN the Netherlands	14,782	15,861	14,085	15,004	13,773	14,680
Other participations	417	423	379	386	304	310
KPN Group	15,199	16,284	14,464	15,390	14,077	14,992

Table 2: Employee contract type (in % of total number of employees)

		2013	2014	2015
KPN the Netherlands	Permanent	92.4	93.9	94.2
	Temporary	7.6	6.1	5.8
Other participations	Permanent	98.8	92.5	99.0
	Temporary	1.2	7.5	1.0
KPN Group	Permanent	92.6	93.9	94.3
	Temporary	7.4	6.1	5.7

Table 3: Employee employment type (in % of total number of employees)

		2013	2014	2015
KPN the Netherlands	Part-time	27.7	26.0	72.6
	Full-time	72.3	74.0	27.4
Other participations	Part-time	1.7	7.5	92.6
	Full-time	98.3	92.5	7.4
KPN Group	Part-time	27.0	25.5	73.0
	Full-time	73.0	74.5	27.0

Table 4: Composition of employees by age (in % of total number of employees)

		2013	2014	2015
KPN the Netherlands	16–24	4.4	3.6	2.0
	25–54	78.2	77.8	78.5
	55–65	17.4	18.6	19.5
Other participations	16–24	5.0	1.3	1.9
	25–54	86.5	89.9	87.8
	55–65	8.5	8.8	10.3
KPN Group	16–24	4.4	3.6	2.0
	25–54	78.4	78.1	78.7
	55–65	17.2	18.3	19.3

Table 5: Spread of KPN employees by region (in FTE and number, both as % of total)¹

		2013	2014	2015
The Netherlands	FTE	78.0	77.4	97.8
	number	77.8	76.9	97.9
Belgium & Luxembourg	FTE	4.8	4.6	0.0
	number	4.6	4.4	0.0
Germany	FTE	15.2	16.2	0.0
	number	15.7	17.0	0.0
North America	FTE	1.6	1.7	2.2
	number	1.6	1.5	2.1
Other (including France and Spain)	FTE	0.4	0.2	0.0
	number	0.3	0.2	0.0

1) The spread of KPN employees by region in 2013 and 2014 was not corrected for discontinued operations, because the table should show the trend of the increasing focus of KPN on the Netherlands.

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Appendix 5: Social figures

Table 6: Gender proportions among employees (as a % of total employee numbers and FTE)

		2013		2014		2015	
		FTE	number	FTE	number	FTE	number
KPN the Netherlands	male	77.6	75.4	77.7	75.6	77.3	75.1
	female	22.4	24.6	22.3	24.4	22.7	24.9
Other participations	male	65.5	66.0	69.6	69.7	67.7	68.1
	female	34.5	34.0	30.4	30.3	32.3	31.9
KPN Group	male	77.3	75.1	77.5	75.5	77.1	74.9
	female	22.7	24.9	22.5	24.5	22.9	25.1

Table 7: Gender proportions at management level (as a % of total top and middle management)

		2013		2014		2015	
		Top	Middle	Top	Middle	Top	Middle
KPN the Netherlands	male	81.3	83.1	81.8	82.5	81.5	82.5
	female	18.7	16.9	18.2	17.5	18.5	17.5
Other participations	male	80.4	71.4	80.5	62.5	71.1	62.5
	female	19.6	28.6	19.5	37.5	28.9	37.5
KPN Group	male	81.3	82.9	81.7	82.3	79.8	82.4
	female	18.7	17.1	18.3	17.7	20.2	17.6

Table 8: Employees covered by a collective bargaining agreement (in numbers and % of total number of employees)

		2013	2014	2015
KPN the Netherlands	number	14,758	14,103	13,258
	%	93.0	94.0	90.3
Other participations	number	20	35	0
	%	4.7	9.1	0.0
KPN Group	number	14,778	14,138	13,259
	%	90.8	91.9	88.4

Table 9: Employee training: average number of hours and costs (in hours and euros per FTEs)

		2013	2014	2015
KPN the Netherlands	hours/FTE	34.4	32.7	38.2
	euro/FTE	880	820	851
Other participations	hours/FTE	10.5	4.5	7.0
	euro/FTE	316	342	72.4
KPN Group	hours/FTE	33.7	32.0	37.5
	euro/FTE	864	807	834.5

Table 10: Employee turnover (as a % of total employee numbers)

		2013	2014	2015
KPN the Netherlands	intake	3.8	4.3	13.5
	exit	13.1	12.3	18.7
Other participations	intake	13.0	9.6	11.3
	exit	11.6	23.3	14.8
KPN Group	intake	4.1	4.4	13.5
	exit	13.0	13.6	18.6

Table 11: Accident rate (in accidents per 100 FTEs)

	2013	2014	2015
KPN the Netherlands ²	0.31	0.21	0.08
Other participations	0.00	0.00	0.00
KPN Group	0.30	0.20	0.08

2) This number is excluding KPN Corporate Market BV and other participations.

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Appendix 6. Environmental figures

Reporting criteria used in these tables:

- 1) As outlined in the Combined Independent Auditor's Report (see page 163 to 169 of our Integrated Annual Report 2015), this appendix is part of the assurance scope of EY's assurance procedures over KPN's 2015 sustainability information.
- 2) We report on continued operations, so BASE figures are excluded from all international figures
- 3) In Appendix 3 (Scope, reporting process and materiality determination, page 184 to 190 of our Integrated Annual Report 2015) the calculation methodology of the reported items in this appendix is specified.

Table 1: Energy consumption (in PJ)

	2010 (base year)	2013	2014	2015
The Netherlands	4.028	3.669	3.484	3.462
KPN Non-NL entities	0.217	0.019	0.019	0.019
KPN Group (continuing operations)	4.245	3.689	3.503	3.481
BASE (discontinued operations)	0.274	0.289	0.295	0.302
Energy directly consumed	–	0.666	0.560	0.542
Energy indirectly consumed	–	3.023	2.943	2.939
Total energy consumed by KPN Group	4.245	3.689	3.503	3.481

Table 2: Electricity consumption (in GWh)

	2010 (base year)			2013			2014			2015		
	The Netherlands	Non-NL	KPN Group	The Netherlands	Non-NL	KPN Group	The Netherlands	Non-NL	KPN Group	The Netherlands	Non-NL	KPN Group
Offices	62.4	2.4	64.7	40.1	2.6	42.7	35.1	2.6	37.7	35.1	2.6	37.6
Network	657.7	3.0	660.7	596.1	2.8	599.0	580.4	2.8	583.3	576.9	2.8	579.7
Data centers	135.4		135.4	144.7		144.7	143.2		143.2	147.9	0.0	147.9
Retail	7.4		7.4	7.6		7.6	6.8		6.8	5.3	0.0	5.3
KPN Group (continuing operations)	862.9	5.4	868.2	788.6	5.4	794.0	765.6	5.4	771.0	765.1	5.4	770.5
BASE (discontinued operations)	–	63.2	–	–	70.7	–	–	72.6	–	–	74.9	–

Table 3: Fuel consumption, lease vehicle fleet (petrol, diesel and LPG)

	Unit	2013	2014	2015
KPN the Netherlands	x 1,000 liter	13,247	11,074	10,854
BASE (discontinued operations)	x 1,000 liter	608	624	648

Table 4: Other Energy consumption KPN Group

	Unit	2013	2014	2015
Natural gas	x 1,000 m3	5,876	5,119	4,617
Heating purchased	GJ	61,466	47,861	52,382
Cooling purchased	GJ	103,268	119,667	113,139
Diesel for emergency power generators	x 1,000 liter	155	46	158

Table 5: Net CO₂-emissions own operations Scope 1 and 2 (in kTon)

		2010 (base year)	2013	2014	2015 Bruto ¹	2015 Net
KPN the Netherlands	scope 1	59.4	35.1	11.8	37.5	0.0
	scope 2	79.3	0.0	0.0	271.6	0.0
	total	138.7	35.1	11.8	309.1	0.0
iBasis	scope 1	4.1	0.0	0.0	0.003	0.0
	scope 2	20.9	0.0	0.0	2.7	0.0
	total	25.0	0.0	0.0	2.7	0.0
KPN Group (continuing operations)	scope 1	63.5	35.1	11.8	37.5	0.0
	scope 2	100.2	0.0	0.0	274.3	0.0
	total	163.7	35.1	11.8	311.8	0.0
BASE (discontinued operations)	scope 1	5.3	2.8	2.5	2.4	2.4
	scope 2	10.6	0.0	0.0	14.7	–
	total	15.9	2.8	2.5	17.1	2.4

1) Our gross scope 1 emissions would have been 37.5 kTon in case we had 0 kTon offset. Our gross scope 2 emissions would have been 271.6 kTon if we had 0% green electricity (in stead of our 100%). See 'Reducing our own environmental impact' in chapter Environmental performance.

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Appendix 6. Environmental figures

Table 6: Energy efficiency and Carbon intensity indicators

	2010	2011	2012	2013	2014	2015	Target 2016
Ton CO ₂ per Gb/s Network the Netherlands (2010=100)	100	30.49	16.03	9.77	2.35	0.0	0.0
GWh per Gb/s Network the Netherlands (2010=100)	100	76.40	52.35	34.99	24.28	16.27	7.38
PUE improvement (baseline=2010)	–	5.4%	9.0%	9.6%	11.4%	13.3%	13.3%

Table 7: CO₂-emissions scope 3 (in kTon) in the Netherlands

Scope 3 categories	2014	2015
CAT1 Purchased goods and services	369.5	370.6
CAT2 Capital goods	220.9	184.7
CAT3 Fuel and energy related activities	93.0	128.3
CAT4 Upstream Transportation and Distribution	–	–
CAT5 Waste generated in operations	0.3	0.1
CAT6 Business travel	3.2	3.0
CAT7 Employee commuting	17.7	16.0
CAT8 Leased assets	–	–
CAT9 Downstream Transportation and Distribution	21.9	20.9
CAT10 Processing of sold products	–	–
CAT11 Use of sold products	3.7	3.0
CAT12 End-of-life	–	–
CAT13 Downstream leased assets	128.0	124.5
CAT14 Franchises	–	–
CAT15 Investments	–	–
Total CO ₂ -emissions	858.2	851.1
Total Scope 3 Upstream CO ₂ -emissions	704.6	702.7
Total Scope 3 Downstream CO ₂ -emissions	153.6	148.4

Table 8: Estimated avoided energy consumption and CO₂-emissions by usage of KPN products and services

	Unit	2014 ^{2,3}	2015
Estimated avoided energy consumption			
Teleworking (enabled by KPN connectivity)	PJ	1.986	2.170
KPN Audioconferencing	PJ	0.185	0.135
KPN Colocation (Housing)	PJ	0.076	0.095
KPN Hosting	PJ	0.036	0.033
Dematerialisation	PJ		0.076
iTV Cloud solution	PJ		0.015
KPN Workstations (KPN Werkplek)	PJ		0.003
KPN Video Conferencing	PJ		0.004
Total estimated avoided energy consumption	PJ	2.283	2.531
Energy consumption KPN	PJ	3.503	3.481
% avoided energy consumption compared to energy	%	65%	73%
Estimated avoided CO₂-emissions			
Teleworking (enabled by KPN connectivity)	kTon CO ₂ e	–	144.80
KPN Audioconferencing	kTon CO ₂ e	–	10.26
KPN Colocation (Housing)	kTon CO ₂ e	–	9.32
KPN Hosting	kTon CO ₂ e	–	3.23
KPN Workstations (KPN Werkplek)	kTon CO ₂ e	–	0.31
Dematerialisation	kTon CO ₂ e	–	7.36
iTV Cloud solution	kTon CO ₂ e	–	1.81
KPN Video Conferencing	kTon CO ₂ e	–	0.32
Total estimated CO ₂ -emissions	kTon CO ₂ e	–	177.41

1) The scope 3 calculation does not include Reggefiber.

2) The 2014 figures of Teleworking, Colocation and Hosting are restated. In Appendix 3 the restates are explained.

3) Estimated avoided carbon emissions are not disclosed in the Integrated Annual Report 2014.

Table 9: Waste and recycling KPN Group

		2013	2014	Target 2015	2015	Target 2016
Offices and shops						
Recycled materials and waste (non-hazardous)	ton	802	727	–	573	–
Incineration with energy recovery (non-hazardous waste)	ton	1,573	1,425	–	1,094	–
Landfill (non-hazardous waste)	ton	0	0	–	0	–
Recycled hazardous waste	ton	9	7	–	2	–
Not recycled hazardous waste	ton	6	2	–	1	–
Total recycled – incineration excluded ¹	%	33.9%	34.0%	35%	34.4%	35%
Total recycled – incineration included ²	%	99.7%	99.9%	–	99.9%	–
Network³ and Datacenters						
Recycled materials and waste (non-hazardous)	ton	5,504	1,631	–	3,472	–
Incineration with energy recovery (non-hazardous waste)	ton	495	686	–	743	–
Landfill (non-hazardous waste)	ton	85	269	–	0	–
Recycled hazardous waste and materials	ton	55	16	–	166	–
Not recycled hazardous waste and materials	ton	37	11	–	30	–
Total recycled – incineration excluded ¹	%	90.0%	63.0%	–	82.5%	–
Total recycled – incineration included ²	%	98.0%	89.3%	–	99.3%	–
Collected customer equipment⁴						
Second life ⁵	ton	no data 2013	336	–	206	–
Recycled materials (non-hazardous)	ton	304	249	–	422	–
Incineration with energy recovery (non-hazardous waste)	ton	0	149	–	96	–
Recycled hazardous waste and materials	ton	1	0	–	0	–
Not recycled hazardous waste and materials	ton	0	0	–	20	–
Total recycled – incineration excluded ¹	%		62.5%	–	84.4%	–
Total recycled – incineration included ²	%	100.0%	100.0%	–	97.3%	–
Second life	%	no data 2013	46.0%	–	27.7%	–

- 1) Energy recovery from incineration (heat of incineration is re-used for energy generation) is excluded in recycling percentage.
- 2) Energy recovery from incineration (heat of incineration is re-used for energy generation) is included in recycling percentage.
- 3) Mainly removal of network equipment due to the continuous improvement and modernisation of our fixed and mobile networks (removal legacy platforms, life cycle management, etc.).
- 4) Collected equipment from residential and business customers (mainly equipment swaps).
- 5) Equipment is fully checked, refurbished (if necessary) and data are wiped before being transferred to new owners.

Table 10: Other environmental impacts KPN Group

	Unit	2013	2014	Target 2015	2015	Target 2016
Cable length ¹	1,000 km	347	351	–	354 ²	–
Paper consumption	Tons	4,074	3,717	–	1,635	–
% FSC or PEFC	%	99%	99.9%	–	99.9%	–
Coolants usage (e.g. R134A, R407C and R417A)	kg	1095	774	–	1180	–
Water consumption	1,000 m ³	323	288	297	360	350

- 1) Including tubes used for cables.
- 2) Excluding Reggefiber

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Appendix 7. Stakeholder overview

Employees	Government and regulators	Investor community
<p>What they expect: In this fast and radically changing world our people seem to feel the need for clarity, translated into inspiring leadership, simplicity (e.g. clear business processes and cross departmental collaboration), and job continuity in work that reflects their stage of life and is well balanced with their (private) life.</p>	<p>What they expect: Government and regulators expect us to comply with the rules and regulations and meet the requirements for licensing. Their goal is, amongst others, to create a level playing field and protect the interests of end users. They expect us to run Dutch critical infrastructure.</p>	<p>What they expect: The investor community – financial markets, our shareholders, debt investors and research analysts – expects us to be extensive and transparent. We should be clear in our strategy, objectives and outlook, and transparent about executive remuneration. Their main interest is our commitment to creating value. They want timely and accurate updates and ample opportunity to seek clarification and ask questions.</p>
<p>How we engage: We continued bringing the executive level to the workplace in dialog sessions, hang-outs and on TEAMKPN Online. We're in the process of creating a new, functional organization that leads to shared responsibilities and optimal collaboration. At employee level we continued the roll-out of Performance Management to optimize the individual contribution to our success and to support the future proofing of our employees' craftsmanship and labor market position.</p>	<p>How we engage: We proactively engage with government and regulators. As the incumbent in the Netherlands, there are special obligations imposed on us, in particular to enable competition. We engage in a continuous dialog to explain our compliance efforts and results.</p>	<p>How we engage: We organize key corporate events such as the Annual General Meeting of shareholders, capital markets days, and meetings with analysts, credit rating agencies and investors during 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.</p>
<p>Main topics in 2015:</p> <ul style="list-style-type: none"> • How to be future proof in a fast and radically changing world. • Job security with special focus on employees aged 55+. • KPN's purpose (our 'Why') as the source of connection, inspiration and engagement. • Strategy alignment. • Leadership and culture that guide us into the new behavior needed for the new KPN. 	<p>Main topics in 2015:</p> <ul style="list-style-type: none"> • Avoiding non-compliance • Integrity • For the next three years, ACM wants KPN to continue to grant its competitors access to its copper and fiber-optic network • Concerns about national (cyber) security. 	<p>Main topics in 2015:</p> <ul style="list-style-type: none"> • Best-in-class fixed and mobile networks and benefits of converged services • Continuing good operational trends leading to stabilized financial performance • Growing free cash flow leading to increased financial flexibility and attractive shareholder returns.
<p>Our response:</p> <ul style="list-style-type: none"> • Future proofing the organization and our employees through focus on the future of work, from work-to-work, performance and development and strategic workforce management. Special focus on employees aged 55+. • Continuing and converging culture related development. • Further development of KPN Academy as the one L&D platform for all development questions. 	<p>Our response:</p> <ul style="list-style-type: none"> • We continued our compliance efforts through programs such as optimizing our business control system, external reviews, benchmarking, enhanced compliance training and top management meetings. • We work continuously to meet compliance requirements through clear and practical legal advice, clear operational procedures, related control mechanisms, and clear and safe ways to report potential misconduct. • We interact closely with the ACM in relation to compliance, incidents and potentially different views on the interpretation of the law. • We have ongoing discussions with political and governmental stakeholders. • We held the annual compliance survey for our employees. 	<p>Our response:</p> <ul style="list-style-type: none"> • We realized 86% coverage with Fiber-to-the-Curb and Fiber-to-the-Home and 68% of the households have access to >100 Mbps on our fixed network • We doubled the number of fixed-mobile customers leading to increased customer satisfaction and lower churn • Stabilization of adjusted EBITDA and growing free cash flow • We grew our dividend per share and distributed the dividend received on our Telefónica Deutschland stake to KPN shareholders • We announced the sale of BASE Company for an attractive consideration of EUR 1,325 million, subject to merger clearance.

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Appendix 7. Stakeholder overview

Suppliers

What they expect:

Our suppliers expect to agree on fair prices, fair conditions and to be paid on time.

How we engage:

In 2014, we initiated the Partner Board, a regular consultation opportunity with our preferred suppliers. Meetings with preferred suppliers are held quarterly to discuss projects and opportunities. KPN has a central Corporate Procurement Organization (CPO) that is responsible for contracting deals with suppliers. We make sure the principles of our suppliers' CSR policies are in line with our own. We are constantly in touch with our suppliers and invite them to our annual Supplier Day. We increasingly partner with them on environmental solutions.

Main topics in 2015:

- Cooperation with suppliers in order to improve efficiency, lower costs and make equipment and products more environmentally friendly.
- Initiate and implement 'sustainable solutions' projects with our suppliers.
- Raising standards in our supply chain.
- Banning the use of conflict minerals in mobile phones and other electronic telecommunication devices.

Our response:

- We met our target to initiate and implement five 'sustainable solutions' projects with our suppliers.
- We aim for all suppliers we do business with to comply with the KPN Supplier Code of Conduct, or have their own equivalent code.
- We strengthened the criteria for our suppliers around the minerals they use and they now have to comply with international guidelines on conflict minerals.
- We continue to raise awareness of sustainability among our buyers and suppliers.

Business customers

What they expect:

An important concern of our customers is how to improve their productivity. Business customers expect effortless ICT solutions that make a difference to the way they work, their business continuity, secure services and good quality of service. Our customers expect simplicity in managing their ICT services, a strong vision on IT and cloud developments. Customers expect us to guide them so they benefit from all the ICT developments.

How we engage:

We talk with our business customers via our account managers, in our XL stores and our contact centers. We also engage through customer panels, quarterly market research, round table discussions, workshops connecting customers' strategies with KPN's and social media through our B2B platform KPN Inspire. We organized the RijksmuseumTop for about 350 business associates.

Main topics in 2015:

- NPS improvement
- Guiding customers, step by step, to a cloud ICT environment
- ICT as a service
- Privacy and Security
- New ways of connectivity and collaboration.

Our response:

- We introduced the 'NPS keurmerk', a method to make sure that everything we do has a positive effect on the customer experience (NPS).
- Our sales organization has turned into a more IT centric approach, while IT becomes more leading in the ICT solutions.
- We are creating an integrated service experience (offline and online) in the KPN ÉÉN proposition.
- We introduced Cloud NL (Dutch Cloud) and guarantee that all data is stored in the Netherlands.
- We further developed vertical partnerships to create business solutions for customers, for example with local government, healthcare institutions and educational organizations.

Retail customers

What they expect:

Our retail customers expect high-quality service for the right price. This includes failure-free networks, clear propositions and processes, a quick and proper response to questions and complaints and good communication. They want propositions and advice that meet their needs.

How we engage:

We communicate with our retail customers in our stores, via our call centers and our mechanics and online in forums and live chats. We also interact through customer panels, market research and 'super promoters' – loyal and enthusiastic supporters of KPN. We monitor what is said about KPN on social media, both positive and negative. We also use tools, such as the monthly Net Promoter Score and ReprakTM, to monitor our reputation.

Main topics in 2015:

- Providing the best mobile network with the lowest amount of disturbances
- Making sure that products and services are easy to use
- Freedom of choice regarding use of data
- Providing a high-quality TV offer
- Sincere and proactive advice about the best possible subscriptions

Our response:

- We further improved our 2G, 3G and 4G networks. We enhanced the standard speed of our 4G services by introducing 4G+ technology.
- We have introduced 'meertv' for customers to watch internet apps on their TV. 'Meertv' also enables watching Netflix directly on TV.
- By launching the KPN Play app we introduced watching TV in a different way via tablets and smartphones we provide a broad range of content. This app is available for both customers of KPN as well as non customers.
- We continued our NPS improvement program to improve customer loyalty.
- We increased focus on offering quad playquad play propositions, boosted by the extra advantages known as KPN Compleet.

The community

What they expect:

People expect us to be socially and environmentally responsible and to be a good corporate citizen. They want products and services that help to solve social and environmental issues.

How we engage:

We are active in working groups initiated by NGOs and participate in or liaise with organizations such as the European Telecommunications Network Operators' Association (ETNO), International Telecom Union (ITU), United Nations Global Compact Foundation, Dutch Association of Investors for Sustainable Development (VBDO) and the ICT Coalition. Furthermore, we organize an annual dialog with stakeholders to discuss our contribution to society and the desired next steps. Furthermore, we organize an Advisory Board meeting four times a year. We continually evaluate our CSR themes, policies and current business with the CSR Advisory Board.

Main topics in 2015:

- The CSR Advisory Board suggested we communicate more clearly in all our touchpoints about our CSR achievements.
 - VBDO stated that our target of 30% on female workforce may be too ambitious for a company in the telecom sector.
 - Our main CSR stakeholders advised us to look beyond sales for synergy on sustainability with our customers.
 - Our main CSR stakeholders advised us to cooperate with partners in order to cocreate and solve societal problems together.
-

Our response:

- We introduced our campaign 'KPN a little bit greener every day'.
 - We engaged with some large customers in order to find sustainability synergies.
 - We initiated KPN Venture and our innovation process also focuses on finding the right partners.
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Appendix 8. GRI index

General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
Strategy and Analysis				
G4-1	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Introduction by the CEO, p.4	Not applicable	Not applicable
G4-2	Description of key impacts, risks, and opportunities.	<p>In the section 'The world around us' and 'our strategy': we describe the environmental and social challenges KPN faces, including the way KPN responds and regards them as challenging opportunities.</p> <p>The world around us, p.16</p> <p>Our strategy, p.14</p> <p>Our key impacts are described in our materiality assessment, which can be found in the Annex 'Scope, reporting process and materiality determination', p.184</p> <p>In the section environmental performance we describe both key impacts of climate change to our business, and the way we turned them into business opportunities. These business opportunities are translated into KPIs and include targets, results, goals and evaluation processes. The Board of Management has final responsibility.</p> <p>Environmental performance, p.48</p> <p>Our CSR governance is described in our Corporate Governance chapter. Corporate governance, p.18</p> <p>In our risk management paragraph we describe the main risks KPN faces. The environmental, privacy and security risks are integrated in our risk systems and part of the top risks of KPN.</p> <p>Risk management and compliance, p.62</p>	Not applicable	Not applicable
Organizational Profile				
G4-3	Name of reporting organisation	Koninklijke KPN N.V.	Not applicable	Not applicable
G4-4	Primary brands, products and/or services	Our organization, p.10 Segment performance, p.52	Not applicable	Not applicable
G4-5	Location of Headquarters	The Hague, Netherlands	Not applicable	Not applicable
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability topics covered in the report.	KPN operates in The Netherlands and The Americas Appendix 5, social figures, p.1	Not applicable	Not applicable

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General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
G4-7	Nature of ownership and legal form.	Corporate Governance, p.18 Legal structure, p.18	Not applicable	Not applicable
G4-8	Markets served (geographic breakdown, sector served and types of customer/beneficiary)	Our organization, p.10 Segment performance, p.52	Not applicable	Not applicable
G4-9	Organisation scale (number of employees and operations, Sales, Capitalisation, Quantity of products or services provided)	Financial statements, p.82 Our main achievements, p.6 Our organisation, p.10 Segment performance, p.52 Appendix 5, Social figures, p.1	Not applicable	Not applicable
G4-10	<p>a. Total number of employees by employment contract and gender.</p> <p>b. Total number of permanent employees by employment type and gender.</p> <p>c. Total workforce by employees and supervised workers and by gender.</p> <p>d. Total workforce by region and gender.</p> <p>e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.</p> <p>f. Significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).</p>	Our people, p.42 Appendix 5, Social figures, p.1	Reporting on employees of contractors is considered not applicable to KPN. Our stakeholders do not request us to report on such information.	Not applicable
G4-11	Percentage of employees covered by collective bargaining agreements	Appendix 5, Social figures, p.1 This indicator supports Principles 1 and 3 of the UN Global Compact.	Not applicable	Not applicable
G4-12	Describe the organization's supply chain.	Our suppliers, p.46 On our website more information on and a graphical representation of our supply chain can be found: http://www.kpn.com/supplier	Not applicable	Not applicable

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General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
G4-13	<p>Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including:</p> <ul style="list-style-type: none"> • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination. 	<p>Review of the year 2015, p.8</p> <p>Our suppliers, p.46</p> <p>Other notes to the Consolidated Statement of Income, Note 31, p.154</p> <p>Appendix 3, Scope, reporting process and materiality determination, p. 184</p> <p>There were no significant changes in the supply chain during the reporting year.</p>	Not applicable	Not applicable
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	Risk management and compliance, p.62	Not applicable	Not applicable
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	<p>The most important charters, principles, or other initiatives to which KPN subscribes or which KPN endorses are:</p> <ul style="list-style-type: none"> • UN Global Compact; • UN Declaration of Human Rights; • International Labor Organization (ILO); • OECD; • Principles of the World Economic Forum; • RE100. <p>For more information and the most recent overview of charters, principles, or other initiatives to which KPN subscribes or which KPN endorses, see: http://corporate.kpn.com/company-kpn/csr/memberships.htm</p>	Not applicable	Not applicable
G4-16	<p>List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:</p> <ul style="list-style-type: none"> • Holds a position on the governance body; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; • Views membership as strategic. 	<p>Our most important memberships are:</p> <ul style="list-style-type: none"> • GeSi; • ETNO; • Green Grid; • Teleworking Forum; • Mobility Management Task Force; • Global Compact; • ITU; • Nederland ICT; • ECP. <p>For more information and the most recent overview of memberships, see: http://corporate.kpn.com/company-kpn/csr/memberships.htm</p>	Not applicable	Not applicable

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General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
Identified Material Aspects and Boundaries				
G4-17	<p>a. All entities included in the organization's consolidated financial statements or equivalent documents.</p> <p>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p>	<p>The basis for the entities covered in the consolidated financial statements is KPN's legal structure. All entities covered by the consolidated financial statements are also included in the report.</p> <p>Corporate Governance, Legal structure of the company, p.18</p>	Not applicable	Not applicable
G4-18	<p>a. Process for defining the report content and the Aspect Boundaries.</p> <p>b. Implementation of the Reporting Principles for Defining Report Content</p>	<p>The world around us, p.16</p> <p>Appendix 7, Stakeholder engagement, p.1</p> <p>Appendix 3, Scope, reporting process and materiality determination, p.184</p>	Not applicable	Not applicable
G4-19	List all the material Aspects identified in the process for defining report content.	<p>The world around us, p.17</p> <p>Appendix 7, Stakeholder engagement, p.1</p> <p>Our strategy, p.14</p> <p>The value we create, p.12</p> <p>Appendix 3, Scope, reporting process and materiality determination, p.184</p>	Not applicable	Not applicable
G4-20	<p>For each material Aspect, report the Aspect Boundary within the organization, as follows:</p> <p>a. Report whether the Aspect is material within the organization. If the Aspect is not material for all entities within the organization, report either:</p> <ul style="list-style-type: none"> – The list of entities or groups of entities included in G4-17 for which the Aspect is not material; – The list of entities or groups of entities included in G4-17 for which the Aspects is material. <p>b. Report any specific limitation regarding the Aspect Boundary within the organization.</p>	<p>The aspect boundary for each material aspect is reflected by the column aspect boundary in this document.</p> <p>References to KPN Group refer to KPN the Netherlands.</p> <p>In case the boundary of individual indicators differs from the boundary of the corresponding aspect, this is indicated in the column 'details/reference'.</p>	Not applicable	Not applicable
G4-21	<p>For each material Aspect, report the Aspect Boundary outside the organization, as follows:</p> <p>a. Report whether the Aspect is material outside of the organization.</p> <p>If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified.</p> <p>b. Report any specific limitation regarding the Aspect Boundary outside the organization.</p>	<p>The aspect boundary for each material aspect is reflected by the column aspect boundary in this document.</p> <p>References to KPN Group refer to KPN the Netherlands.</p> <p>In case the boundary of individual indicators differs from the boundary of the corresponding aspect, this is indicated in the column 'details/reference'.</p>	Not applicable	Not applicable

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General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Appendix 3, Scope, reporting process and materiality determination, p.184 Footnotes included with tables.	Not applicable	Not applicable
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Appendix 3, Scope, reporting process and materiality determination, p.184 Footnotes included with tables.	Not applicable	Not applicable
Stakeholder Engagement				
G4-24	List of engaged stakeholders.	The world around us, p.16 Appendix 7, Stakeholder engagement, p.1	Not applicable	Not applicable
G4-25	Basis for identification and selection of stakeholders	The world around us, p.16 Appendix 7, Stakeholder engagement, p.1 Appendix 3, Scope, reporting process and materiality determination, p.184 KPN selects stakeholders based on their relevance to the ICT industry and to KPN's CSR themes. They are also organizations or persons (or their representatives) with whom we have a formalized contractual or business relationship, such as customers, investors, employees and suppliers. A major additional criterion is whether they had previously indicated their desire to be involved in KPN's CSR policy. The other category of stakeholders concerns social organizations with which we do not have a business relationship, but whose views we value because KPN's operations impact on the interests they represent. We very much wish to engage in dialog with authoritative, influential organizations, such as the World Wildlife Fund (WWF) or the Nationaal Ouderenfonds, an organization representing senior citizens in the Netherlands. It exceeds our capacity to open up the dialog to every social organization that works on a particular subject.	Not applicable	Not applicable
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	The world around us, p.16 Appendix 7, Stakeholder engagement, p.1 Appendix 3, Scope, reporting process and materiality determination, p.184 KPN does not engage with stakeholders exclusively as part of the report preparations process, although all stakeholders input is considered to be of potential value to the report.	Not applicable	Not applicable
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	The world around us, p.16 Appendix 7, Stakeholder engagement, p.1	Not applicable	Not applicable

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General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
Report Profile				
G4-28	Reporting period	January 1, 2015 – December 31, 2015	Not applicable	Not applicable
G4-29	Date most recent previous report	February 26, 2015	Not applicable	Not applicable
G4-30	Reporting Cycle	Annually	Not applicable	Not applicable
G4-31	Contact information for questions regarding the report	mvo@kpn.com	Not applicable	Not applicable
G4-32	a. The 'in accordance' option the organization has chosen. b. The GRI Content Index for the chosen option. c. The reference to the External Assurance Report, if the report has been externally assured.	a. KPN reports according to the 'in accordance' option 'comprehensive'. b. The GRI index can be found on http://corporate.kpn.com/annualreport/downloads c. Independent assurance report, p.163	Not applicable	Not applicable
G4-33	a. The organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. The relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	Independent assurance report, p.163 Appendix 3, Scope, reporting process and materiality determination, p. 184	Not applicable	Not applicable
Governance				
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	CSR governance, p.20 Corporate governance, p.18 Risk management and compliance, p.62 Composition of the Boards, p.22	Not applicable	Not applicable
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	CSR governance, p.20 Corporate governance, p.18 Risk management and compliance, p.62 Composition of the Boards, p.22	No omissions	Not applicable
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Composition of the Boards, p.22 CSR governance, p.20	No omissions	Not applicable

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General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Composition of the Boards, p.22 CSR governance, p.20	No omissions	Not applicable
G4-38	Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> • Executive or non-executive; • Independence; • Tenure on the governance body; • Number of each individual's other significant positions and commitments, and the nature of the commitments; • Gender; • Membership of under-represented social groups; • Competences relating to economic, environmental and social impacts; • Stakeholder representation. 	Supervisory Board Report, p.68 Composition of the Boards, p.22 Report by the Supervisory Board; Nominating and Corporate Governance Committee, p.71 KPN's Supervisory Board members represent amongst others our shareholders and society. Their competences are broad, and cover a range from expert financial knowledge towards green energy solutions and societal development. For more information on the background of our Supervisory Board members, please see: http://corporate.kpn.com/company-kpn/corporate-governance/supervisory-board.htm	No omissions	Not applicable
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Composition of the Boards, p.22	No omissions	Not applicable
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none"> • Whether and how diversity is considered; • Whether and how independence is considered; • Whether and how expertise and experience relating to economic, environmental and social topics are considered; • Whether and how stakeholders (including shareholders) are involved. 	Report by the Supervisory Board, p.68 Report by the Supervisory Board; Nominating and Corporate Governance Committee, p.71 Corporate governance, p.18	No omissions	Not applicable

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General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
G4-41	<p>Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.</p> <p>Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum:</p> <ul style="list-style-type: none"> • Cross-board membership; • Cross-shareholding with suppliers and other stakeholders; • Existence of controlling shareholder; • Related party disclosures. 	<p>Remuneration and Organizational Development Report, p.72</p> <p>Corporate Governance, p.18</p>	No omissions	Not applicable
G4-42	<p>The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.</p>	<p>Composition of the Boards, p.22</p> <p>CSR governance, p.20</p> <p>Risk management and compliance, p.62</p>	No omissions	Not applicable
G4-43	<p>Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.</p>	<p>Composition of the Boards, p.22</p> <p>CSR governance, p.20</p> <p>Risk management and compliance, p.62</p>	No omissions	Not applicable
G4-44	<p>a. Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</p> <p>b. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.</p>	<p>Report by the Supervisory Board, p.68</p>	No omissions	Not applicable
G4-45	<p>a. Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.</p> <p>b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.</p>	<p>Risk management and compliance, p.62</p>	No omissions	Not applicable

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General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Risk management and compliance, p.62	No omissions	Not applicable
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Risk management and compliance, p.62	No omissions	Not applicable
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Steering Committee Integrated Reporting. The Board of Management has final responsibility for the integrated report. CSR governance, p.20	No omissions	Not applicable
G4-49	Process for communicating critical concerns to the highest governance body.	Critical concerns are communicated on a quarterly basis to both the Board of Management and the Supervisory Board. This communication consists of a GRIP report, an external audit report and an internal audit report. The GRIP report is most comprehensive and includes all risks for KPN communicated by risk managers. The external audit report comprises mostly financial risks for KPN whereas the internal audit report reports financial and IT security risks. The Board of Managements closely monitors all risks and defines procedures and working methods for critical risks. All risks are reviewed by the Audit Committee.	No omissions	Not applicable
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	The nature and number of critical concerns raised during 2015 cannot be communicated, as this concerns sensitive information.	The nature and number of critical concerns raised during 2015 cannot be communicated, as this concerns sensitive information.	Not applicable

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General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
G4-51	<p>a. Remuneration policies for the highest governance body and senior executives for the below types of remuneration:</p> <p>Fixed pay and variable pay:</p> <ul style="list-style-type: none"> • Performance-based pay; • Equity-based pay; • Bonuses; • Deferred or vested shares; <ul style="list-style-type: none"> – Sign-on bonuses or recruitment incentive payments; – Termination payments; – Clawbacks; – Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. <p>b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.</p>	<p>Remuneration and Organizational Development Report, p.72</p> <p>Report by the Supervisory Board, Remuneration and Organizational Development Committee, p.70</p>	No omissions	Not applicable
G4-52	<p>Process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.</p>	<p>Report by the Supervisory Board, Remuneration and Organizational Development Committee, p.70</p>	No omissions	Not applicable
G4-53	<p>Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.</p>	<p>Report by the Supervisory Board, p.68</p>	No omissions	Not applicable
G4-54	<p>Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.</p>	<p>We monitor the ratio in annual compensation for our employees in the main country of operation: the Netherlands. The basis for determining the ratio is the pension base salary, which includes all fixed components of the salary of our employees. For the calculation, we use the annualized salary as paid on December 31 of the reporting year. This is not by definition a full time salary, part time salaries are also included. All bonuses paid during 2015 are included in the calculation, just as the value of vested shares or phantom shares received by employees in the reporting year.</p> <p>For the reporting year 2015, our ratio is:</p> <p>The ratio of annual total compensation of the highest-paid individual to the median annual compensation is 32/1.</p>	No omissions	Not applicable

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General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	<p>We monitor the ratio in annual compensation for our employees in the main country of operation: the Netherlands. The basis for determining the ratio is the pension base salary, which includes all fixed components of the salary of our employees. For the calculation, we use the annualized salary as paid on 31th of December of the reporting year. This is not by definition a full time salary, part time salaries are also included. All bonuses paid during 2015 are included in the calculation, just as the value of vested shares or phantom shares received by employees in the reporting year.</p> <p>For the reporting year 2015, the salary of the highest paid individual decreased with 3.9% in 2015 (compared with 2014) and the salary of the median increased with 5.0% in 2015 (compared with 2014). Because of the decrease in salary of the highest paid individual, it is not possible to measure the ratio of percentage increase.</p>	No omissions	Not applicable
Ethics and Integrity				
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	<p>Privacy & Security, p.34</p> <p>Risk management and compliance, p.62</p> <p>Our suppliers, p.46</p> <p>See for more information on the KPN helpdesk Security, Compliance and Integrity: http://corporate.kpn.com/company-kpn/corporate-governance/company-code.htm</p> <p>For more information on our management approach on privacy and security, see white paper on our CSR theme Privacy & Security, http://corporate.kpn.com/dutch-society/privacy-security.htm</p>	Not applicable	Not applicable
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	<p>Employees can seek advice and report violations on ethical and lawful behavior by contacting the KPN helpdesk Security, Compliance and Integrity. All reports made to this helpdesk are registered. In 2015, 9,849 reports have been made to the helpdesk. However, KPN only registers reports on violations of the Code of Conduct and the subcodes (which include all company policy on ethical and lawful behavior) including the results of formal investigation and follow-up in terms of corrective measures. The system is not yet designed to be able to register requests for advice separately.</p> <p>See for more information on the KPN helpdesk Security, Compliance and Integrity: http://corporate.kpn.com/company-kpn/corporate-governance/company-code.htm</p> <p>Risk management and compliance, p.62</p>	No omissions	Not applicable

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General Standard Disclosures	Indicator	Details/reference	Omissions	Aspect boundary
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	<p>Reports on possible violations of the KPN Code of Conduct or subcodes (which include all company policy on ethical and lawful behavior) are registered by the KPN helpdesk Security, Compliance and Integrity. In 2015, 297 reports of possible violations of the Code of Conduct and 570 reports on possible violations of the subcodes have been registered. In 229 occasions, these were followed by corrective measures. KPN does not register the number of compliants about breaches of the Company Code or other ethical issues at the helpdesks, social media and mvo@kpn.com.</p> <p>See for more information on the KPN helpdesk Security, Compliance and Integrity: http://corporate.kpn.com/company-kpn/corporate-governance/company-code.htm</p> <p>Risk management and compliance, p.62</p>	No omissions	Not applicable

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Specific Standard Disclosures				
Category: Economic				
Aspect: Economic Performance				
G4-DMA-general		Our organization, p.10 The world around us, p.16 Our strategy, p.14 The value we create, p.12 Segment performance, p.52	No omissions	Inside: KPN Group (all entities: KPN Netherlands, iBasis and all other subsidiaries) Outside: providers of capital, governments and communities in countries of operation
G4-EC1	Direct economic value generated and distributed.	Our organization, p.10 Our main achievements, p.6 Group performance, p.28 Quality and reputation p.38 Segment performance, p.52 In 2015, our total community investments (donations) amounted to EUR 9,159,670	No omissions	
G4-EC2	Financial implication and other risks and opportunities for the organization's activities due to climate change.	Environmental performance, p.48 Appendix 6, Environmental figures, p.1 KPN discloses all material carbon emissions, climate governance and management approach, including the financial implications of risks regarding climate change and the costs of mitigating actions for the CDP (former Carbon Disclosure Project). Find our 2015 disclosure at https://cdp.net . Our 2016 disclosure will be available as of June 2016	No omissions	
G4-EC3	Coverage of the organization's defined benefit plan obligations.	Financial performance, p.28	No omissions	
G4-EC4	Financial assistance received from government.	KPN does not receive significant financial assistance from the government.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Market Presence				Inside: not material Outside: not material
G4-DMA-general		This aspect is not material for KPN.	No omissions	
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant location of operation.	This indicator is not material for KPN.	No omissions	
G4-EC6	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	This indicator is not material for KPN.	No omissions	
Aspect: Indirect Economic Impacts				Inside: not material Outside: suppliers, customers, governments and communities in countries of operation
G4-DMA-aspect specific		The world around us, p.16 Our organization, p.10 The value we create, p.12 Innovation, p.32	No omissions	
G4-EC7	Development and impact of infrastructure investments and services supported.	Our organization p.10 Innovation, p.32	No omissions	
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	The world around us, p.16 The value we create, p.10 Our strategy, p.12 Innovation, p.32	No omissions	
Aspect: Procurement Practices				Inside: not material Outside: not material
G4-DMA-aspect specific		This aspect is not material for KPN.	No omissions	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	This indicator is not material for KPN.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Category:				
Aspect: Materials				Inside: not material Outside: not material
G4-DMA-general		This aspect is not material for KPN.	No omissions	
G4-EN1	Materials used by weight or volume	This indicator is not material for KPN.	No omissions	
G4-EN2	Percentage of materials used that are recycled input materials.	Environmental performance, p.48 Appendix 6, Environmental figures, p.1 KPN discloses all material carbon emissions, climate governance and management approach, including the financial implications of risks regarding climate change and the costs of mitigating actions for the CDP (former Carbon Disclosure Project). Find our 2015 disclosure at https://cdp.net . Our 2016 disclosure will be available as of June 2016	No omissions	
Aspect: Energy				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: suppliers and customers in countries of operation
G4-DMA-aspect specific		Our strategy, p.14 Environmental performance, p.48 CSR governance, p.20 Appendix 6, Environmental figures, p.1	No omissions	
G4-EN3	Energy consumption within the organization.	The world around us, p.16 The value we create, p.12 Our strategy, p.14 Environmental performance, p.48 Segment performance, Business, p.54 Appendix 3, Scope, reporting process and materiality determination, p.184 Appendix 6, Environmental figures, p.1 This indicator supports Principle 8 of the UN Global Compact. KPN does not sell electricity, heating, cooling or steam.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-EN4	Energy consumption outside of the organization	Our main achievements, p.6 The value we create, p.12 Our strategy, p.14 Environmental performance, p.48 Innovation, p.32 Appendix 3, Scope, reporting process and materiality determination, p.184 Appendix 6, Environmental figures, p.1	No omissions	
G4-EN5	Energy intensity	Environmental performance, p.48 Appendix 6, Environmental figures, p.1	No omissions	
G4-EN6	Reduction of energy consumption	Environmental performance, p.48 Our main achievements, p.6 Appendix 6, Environmental figures, p.1 Appendix 3, Scope, reporting process and materiality determination, p.184 This indicator supports Principle 8 of the UN Global Compact.	No omissions	
G4-EN7	Reductions in energy requirements of products and services	Our main achievements, p.6 Environmental performance, p.48 Segment performance, Business, p.54 Our suppliers, p.46 Appendix 3, Scope, reporting process and materiality determination, p.184 This indicator supports Principle 8 of the UN Global Compact.	No omissions	
Aspect: Water				Inside: not material (but water use reported for KPN Group) Outside: not material
G4-DMA-general		This aspect is not material for KPN. However KPN reports quantitatively on water use (including targets) in appendix 6, environmental figures, p.1	No omissions	
G4-EN8	Total water withdrawal by source	This aspect is not material for KPN. However KPN reports quantitatively on water use (including targets) in appendix 6, environmental figures, p.1	No omissions	
G4-EN9	Water sources significantly affected by withdrawal of water	This indicator is not material for KPN.	No omissions	
G4-EN10	Percentage and total volume of water recycled and reused	This indicator is not material for KPN.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Biodiversity				Inside: not material Outside: not material
G4-DMA- aspect specific		This aspect is not material for KPN.	No omissions	
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	This indicator is not material for KPN.	No omissions	
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	This indicator is not material for KPN.	No omissions	
G4-EN13	Habitats protected or restored	This indicator is not material for KPN.	No omissions	
G4-EN14	Number of IUCN Red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	This indicator is not material for KPN.	No omissions	
Aspect: Emissions				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: suppliers and customers in countries of operation
G4-DMA- aspect specific		Our strategy, p.14 The world around us, p.16 Environmental performance, p.48 CSR governance, p.20 Appendix 6, Environmental figures, p.1	No omissions	
G4-EN15	Direct GHG emissions (scope 1)	Environmental performance, p.48 Appendix 6, Environmental figures, p.1 This indicator supports Principle 8 of the UN Global Compact.	No omissions	
G4-EN16	Energy indirect GHG emissions (scope 2)	Environmental performance, p.48 Appendix 6, Environmental figures, p.1 This indicator supports Principle 8 of the UN Global Compact.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-EN17	Other indirect GHG emissions (scope 3)	Environmental performance, p.48 Appendix 6, Environmental figures, p.1 This indicator supports Principle 8 of the UN Global Compact.	No omissions	
G4-EN18	GHG emissions intensity	Environmental performance, p.48 Appendix 6, Environmental figures, p.1	No omissions	
G4-EN19	Reduction of GHG emissions	Environmental performance, p.48 Appendix 6, Environmental figures, p.1 This indicator supports Principles 7, 8 and 9 of the UN Global Compact.	No omissions	
G4-EN20	Emissions of ozone depleting substances (ODS)	Appendix 6, Environmental figures, p.1 This indicator supports Principle 8 of the UN Global Compact.	No omissions	
G4-EN21	NO _x , SO _x and other significant air emissions	Environmental performance, p.48 This indicator supports Principle 8 of the UN Global Compact.	This indicator is not applicable, as KPN's activities do not cause any significant emissions of these gases.	
Aspect: Effluents and Waste				Inside: not material Outside: not material
G4-DMA-general		This aspect is not material for KPN. KPN has no waste from production, only from removing old equipment. However, KPN quantitatively reports (including targets) on different waste streams, including % of recycling in these waste streams. See appendix 6, Environmental figures, p.1	No omissions	
G4-EN22	Total water discharge by quality and destination	This indicator is not material for KPN.	No omissions	
G4-EN23	Total weight of waste by type and disposal	This aspect is not material for KPN. KPN has no waste from production, only from removing old equipment. However, KPN quantitatively reports (including targets) on different waste streams, including % of recycling in these waste streams. See appendix 6, Environmental figures, p.1	No omissions	
G4-EN24	Total number and volume of significant spills	This indicator is not material for KPN.	No omissions	
G4-EN25	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention I, II, III and VIII and percentage of transported waste shipped internationally.	This indicator is not material for KPN.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-EN26	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water runoff.	This indicator is not material for KPN.	No omissions	
Aspect: Products and Services				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: suppliers and customers in countries of operation
G4-DMA-general		Our strategy, p.14 The world around us, p.16 Environmental performance, p.48 CSR governance, p.20 Appendix 6, Environmental figures, p.1	No omissions	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Environmental performance, p.48 Innovation, p.32 Our suppliers, p.46 Appendix 6, Environmental figures, p.1 This indicator supports Principles 7, 8 and 9 of the UN Global Compact.	No omissions	
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	Our strategy, p.14 Environmental performance, p.48 Appendix 3, Scope, reporting process and materiality determination, p.184 Appendix 2, Overview of CSR targets and achievements, p.182 This indicator supports Principles 8 and 9 of the UN Global Compact.	Reporting on reclaimed packaging material is considered not applicable to KPN. Our stakeholders do not request us to report on such information.	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Compliance				Inside: not material Outside: not material
G4-DMA-general		KPN is subject to a number of laws, regulations and voluntary agreements with regard to energy and the environment. All laws and regulations which apply to the organization are continuously monitored within the ISO 14001 management system. Most important Dutch laws applicable to KPN are the 'Wet Milieubeheer' (law on environmental management), the 'Besluit algemene regels inrichtingen milieubeheer' (BARIM, which is the decree on general rules for environmental management) and the 'Activiteitenbesluit' (decree on activities). Besides laws and regulations, KPN joined a number of (international) voluntary agreements. Most important are the Dutch Long-Term Agreement on Energy Efficiency (MJA Energy Efficiency) and the European Code of Conduct for Broadband Equipment. Risk Management and compliance, p.62	No omissions	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	There were no fines or non-monetary sanctions for non-compliance with environmental laws and regulations in 2015. This indicator supports Principle 8 of the UN Global Compact.	No omissions	
Aspect: Transport				Inside: Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: suppliers (related to transport) in countries of operation
G4-DMA-general		Environmental performance, p.48 Our Suppliers, p.46 Appendix 6, Environmental figures, p.1	No omissions	
G4-EN30	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Environmental performance, p.48 Our Suppliers, p.46 Appendix 6, Environmental figures, p.1 This indicator supports Principle 8 of the UN Global Compact.	No omissions	
Aspect: Overall				Inside: not material Outside: not material
G4-DMA-general		This aspect is not material for KPN.	No omissions	
G4-EN31	Total environmental protection expenditures and investments by type.	This indicator is not material for KPN.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Supplier Environmental Assessment				Inside: not material Outside: suppliers in countries of operation and the JAC
G4-DMA- aspect specific		More information of KPN's supply chain, including a graphical overview of the chain, the supplier code of conduct and the methods for supplier assessments can be found on: http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm	No omissions	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Our suppliers, p.46 http://corporate.kpn.com/company-kpn/corporate-governance/procurement.htm KPN's General Conditions of Purchase are the basis for the framework agreements and other contracts and apply to all new suppliers. Sustainability criteria are an integral part of all contract templates of KPN and included in the general purchasing conditions. All new suppliers of KPN must sign the Supplier Code of Conduct. In the Supplier Code of Conduct we have laid down social and environmental requirements for suppliers. This code is based on the United Nations Universal Declaration of Human Rights and the core treaties of the International Labor Organization (ILO). In case a supplier does not sign the SCoC, KPN analyses whether the Code of Conduct of the supplier is comparable to KPNs SCoC (i.e. based on the previously mentioned international standards). In the tender phase for new hardware KPN uses the Sustainability Tool (SuTo), which asks suppliers for information about the energy consumption, recyclability, packaging and raw materials consumption of the products they supply. It is our standard practice to use the Sustainability Tool when procuring products. Suppliers are obliged to respond to it. Bids are also evaluated based on sustainability criteria.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	<p>Our suppliers, p.46</p> <p>As result of its activities KPN can have a negative environmental impact in the supply chain, both at the side of suppliers and at the side of customers.</p> <p>For a graphical overview of our supply chain, see: http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-oursuppliers.htm</p> <p>The negative impact at the supplier side is mainly associated with energy use, use of resources and use of conflict minerals. Our Supplier Code of Conduct sets down our social and environmental requirements. The basis for our approach lies in our general conditions of purchase, Supplier Code of Conduct, self-assessments and on site audit program in the JAC consortium. Our activities focus on engaging in dialogue with suppliers where shortcomings are noticed about their production methods and environmental policies. Subject to the outcome of the discussions, we draw up an improvement program, the progress of which we monitor. In 2015, no supplier relations were terminated. Actions of KPN can be found at: http://corporate.kpn.com/company-kpn/corporategovernance/procurement/what-we-buy.htm http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm (Supplier Code of Conduct, E-TASC, on site audits and the Sustainability tool (SuTo)). Together with our suppliers we are developing and implementing sustainable solutions, see:</p> <ul style="list-style-type: none"> • Our suppliers, p.46 <p>KPN participates in the joint on-site audit program of the JAC consortium. In 2015, JAC raised 41 environmental issues at suppliers following on-site audits. 28 environmental issues were resolved during 2015 (these also include issues raised in previous years). 32 of 41 issues raised in 2015 are still pending. It is noted that not all suppliers audited by the JAC consortium are suppliers of KPN. All reports are made anonymous.</p> <p>The negative environmental impact at the customer side is mainly associated with energy use and product recycling. KPN mitigates this impact by the development and procurement of energy efficient products and services and product recycling (such as energy-efficient modems and a mobile phone recycling program) in the consumer market, The New Way of Living & Working, The KPN Bespaarmeter and other energy-efficient propositions in the business segments). See:</p> <ul style="list-style-type: none"> • Environmental performance, p.48 • Business, p.54 • http://corporate.kpn.com/dutch-society/energy.htm 	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Environmental Grievance Mechanisms				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: all stakeholders
G4-DMA- aspect specific		Complaints, violations of laws and regulations and other environmental compliance aspects are monitored and managed by KPN's environmental management system based on the ISO 14001 certificate and are registered within the system and the annual management review report. All (external) stakeholders can issue their complaints and recommendations with regard to environmental aspects to KPN by email or by direct contact. The complaints are collected and judged by the environmental coordinator (each business entity has its own environmental coordinator) who decides where the complaint should be handled (i.e. which business segment or organizational entity). The responsible coordinator performs an analysis and decides on the necessary actions, which are being documented. In case necessary, a planning is developed. The responsible coordinator is responsible for the execution of the actions, monitors the implementation process and informs managers on the measures taken. The effectiveness of the measures is evaluated after the implementation. All complaints and measures are reported to relevant management and registered in the complaints register (KAV register). Claims or complaints which are relevant for the entire organization are scaled up towards the relevant management level and follow the same route as other complaints.	No omissions	
G4-EN34	Number of grievances about environmental impact filed, addressed, and resolved through formal grievance mechanisms.	Grievances concerning environmental impact are registered and analyzed within the environmental management system of KPN (ISO 14001). In 2015, KPN registered 37 grievances, all related to noise. All grievances were addressed (i.e. action is completed or still running). All cases were resolved in 2015.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Category: Social				
Sub-category: Labor Practices and Decent Work				
Aspect: Employment				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: not material
G4-DMA- aspect specific		Our people, p.42 Our suppliers, p.46 Our people are the force driving our customer experience and ultimately our business success. We want them to be confident about the future, at a time characterized by fast and radical change and less job certainty. We want our employees to take responsibility for their own careers. However, as an employer, we see it as our responsibility to make them aware of the necessity to keep developing professionally. We help them in this and give them the tools to develop their skills, stay healthy and enhance their value as an employee. We want our employees to take pride in KPN and feel involved in the company. We want the best and brightest to choose KPN because KPN offers them the best chances of development. KPN believes that one of the ways that we can reinforce this pride and involvement is through corporate social responsibility by employee engagement or volunteering for the finest contact foundation. Furthermore, our workforce should reflect our society. This means employing people from different age groups, backgrounds and beliefs, as well as more women. We believe diverse viewpoints and perspectives help teams achieve better results.	No omissions	
G4-LA1	Total number and rate of employee turnover by age group, gender and region.	Our people, p.42 Appendix 5, Social figures, p.1 This indicator supports Principle 6 of the UN Global Compact.	Reporting on diversifications other than numbers and percentages of turn-over for the different KPN subsidiaries is considered not applicable to KPN. Our stakeholders do not request us to report on such information.	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	There are no benefits provided to full-time employees that are not provided to temporary or part-time employees. Where applicable benefits for full-time employees are pro-ratio provided to part-time or temporary employees. Exceptions are made for several benefits, such as the Employability budget which is not pro-rated.	No omissions	
G4-LA3	Return to work and retention rates after parental leave, by gender.	It is part of our diversity policy that women can continue their job after maternity leave in a productive and pleasant manner. In 2015, 139 female employees took maternity leave, compared to 166 in 2014. In 2015, 146 of 148 female employees returned to work at KPN after their maternity leave, which is 98.6%. In 2014, all 135 female employees whose maternity leave ended returned to work at KPN (100%). (This is excluding KPN Corporate Market B.V. and other participations)	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Labor/Management Relations				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: not material
G4-DMA		Its purpose is to ensure our employees' skills remain up to standard and to improve them, thus enhancing their deployability, whether or not within KPN Netherlands. This fits in with our belief that the contributions made by our employees come from their skills. Nowadays there is less value to having a fixed job lasting the one's entire working life. Attention has shifted to the skills and deployability of employees as affording them maximum security in terms of ensuring their position on the labor market, both now and in the future. A new chapter has been added to the KPN Collective Labor Agreement (CLA, June 2013) with our policies and instruments regarding Sustainable Deployability. Our people, p.42	No omissions	
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	In cases of significant organizational changes KPN tries to give people proper advance notice. Wherever this is set down within KPN, notice varies between 1 and 6 weeks. This indicator supports Principle 3 of the UN Global Compact.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Occupational Health and Safety				Inside: KPN Group (exceptions and/or limitations are included in footnotes to the tables or text) Outside: not material
G4-DMA		<p>KPN cares passionately about guaranteeing safe working conditions and improving the vitality of employees. The KPN Security department makes and carries out the policy for this. The HR department coordinates and facilitates the health and vitality policy. Our policy covers safe working conditions, occupational health supervision, prevention and reintegration measures, health checks (both required by law and voluntary) and vitality initiatives.</p> <p>The divisional Human Resources (HR) departments run these arrangements and programs. All the significant divisions of the organization have their own HR teams, which gives advice to the line management and provides support in HR matters. Line management bears operational responsibility for ensuring that we really are a good employer. At group level, Corporate HR is subdivided into expertise centers that are responsible for matters such as initiating and implementing projects and new policy initiatives that are relevant to the business. To foster consistency in the HR policy within KPN, the HR segment directors work closely with the HR executives in the expertise centers in Corporate HR.</p> <p>We invest in keeping all our staff members fit. We stepped up our efforts to combat absenteeism, offering extra facilities through HR, such as weekly progress updates, e-learning and a single point of contact, and expanding the services of our absenteeism expert in areas with the highest rates. The interactive coaching program i-Change helps employees to change their lifestyle. In 2015, we introduced ichange2, a more user-friendly version of our interactive coaching program. In our policy, we pay extra attention to stress related complaints and illnesses.</p> <p>KPN has contracts with all subcontractors in which health & safety issues are covered.</p> <p>Our people, p.42 This aspect supports Principle 1 of the UN Global Compact.</p>	No omissions	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	In 2015, about 71% of the KPN workforce is represented in a formal joint management-worker health and safety committee, which supports and advises on occupational health and safety programs.	No omissions	
G4-LA6	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities, by region and gender.	<p>Our people, p.42 Appendix 5, Social figures, p.1 This indicator supports Principle 1 of the UN Global Compact.</p>	KPN only reports on the absenteeism rates, LTI rates and number of fatalities for all subsidiaries. Other diversifications are considered not applicable as our stakeholders do not request us to report on such information.	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	KPN does not have employees with high risks related to their occupation. Activities which involve working on heights (Mobile) and near to open fire at locations with traffic (Residential) are outsourced. Criteria for safe working conditions for employees of these partners are legally arranged and complemented by contractual arrangements between KPN and the partners.	No omissions	
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	KPN complies with all legal requirements regarding work, safety and health. In our CLA agreements are included for: health and safety (1.16), occupational health supervision (5.2); prevention and reintegration (5.3); health Check (7.9); work and health (13.25/14.22).	No omissions	
Aspect: Training and Education				Inside: KPN Group (exceptions and/or limitations are included in footnotes to the tables or text) Outside: not material
G4-DMA-general		The divisional Human Resources (HR) departments run these arrangements and programs. All significant divisions of the organization have their own HR teams, which gives advice to the line management and provides support in HR matters. Line management bears operational responsibility for ensuring that we really are a good employer. At group level, Corporate HR is subdivided into expertise centers that are responsible for matters such as initiating and implementing projects and new policy initiatives that are relevant to the business. To foster consistency in the HR policy within KPN, the HR segment directors work closely with the HR executives in the expertise centers in Corporate HR. Our people, p.42	No omissions	
G4-LA9	Average hours of training per year per employee by gender and employee category.	Appendix 5, Social figures, p.1	Reporting on diversifications other than the annual training hours per subsidiary and KPN Group are considered not applicable to KPN. Our stakeholders do not request us to report on such information.	
G4-LA10	Programs for skill management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Our people, p.42	No omissions	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and employee category.	All employees (on the payroll as regular staff) are eligible for regular performance and career development reviews. 82% of all employees had at least one performance and career development review in 2015. 72% of all employees had reviews on a more regular basis. 18% did not have any review in 2015. (This is excluding KPN Corporate Market B.V. and other participations)	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Diversity and Equal Opportunity				Inside: KPN Group (exceptions and/or limitations are included in footnotes to the tables or text) Outside: not material
G4-DMA-general		<p>KPN wants its workforce to be a reflection of society. We also want more groups in society to perceive us as an attractive employer. This will widen our ability to recruit the cream of talent. The trend towards an aging population emphasizes the importance of the company being able to attract the widest range of people. Greater diversity means attracting – and retaining – more women, more people from a variety of cultural backgrounds, people with a physical impairment and older people.</p> <p>The divisional Human Resources (HR) departments run these arrangements and programs. All the significant divisions of the organization have their own HR teams, which gives advice to the line management and provides support in HR matters. Line management bears operational responsibility for ensuring that we really are a good employer. At group level, Corporate HR is subdivided into expertise centers that are responsible for matters such as initiating and implementing projects and new policy initiatives that are relevant to the business. To foster consistency in the HR policy within KPN, the HR segment directors work closely with the HR executives in the expertise centers in Corporate HR.</p> <p>Our people, p.42</p>	No omissions	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	<p>Our people, p.42</p> <p>Appendix 5, Social figures, p.1</p> <p>This indicator supports Principles 1 and 6 of the UN Global Compact.</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Equal Remuneration for Women and Men				Inside: KPN Netherlands Outside: not material
G4-DMA- aspect specific		The divisional Human Resources (HR) departments run these arrangements and programs. All the significant divisions of the organization have their own HR teams, which gives advice to the line management and provides support in HR matters. Line management bears operational responsibility for ensuring that we really are a good employer. At group level, Corporate HR is subdivided into expertise centers that are responsible for matters such as initiating and implementing projects and new policy initiatives that are relevant to the business. To foster consistency in the HR policy within KPN, the HR segment directors work closely with the HR executives in the expertise centers in Corporate HR.	No omissions	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	In 2015, we looked once again at whether there are salary differences between men and women at KPN the Netherlands within the collective labor agreements (CLA). The analysis showed that the percentage difference between the average salary of men and women in the collective labor agreement (CLA) scales decreased from 1.8% in 2014 to 1.7% in 2015. Therefore, we see no reason to take immediate measures. Just like 2014, the differences in the CLA can be explained by difference in age and experience. KPN has not analyzed the differences between women and men in non CLA scales. We are investigating how we can extend the analysis to these scales in the next years. This indicator supports Principles 1 and 6 of the UN Global Compact.	No omissions	
Aspect: Supplier Assessment for Labor Practices				Inside: not material Outside: suppliers in countries of operation, the JAC
G4-DMA		More information of KPN's supply chain, including a graphical overview of the chain, the supplier code of conduct and the methods for supplier assessments can be found on: http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm Our suppliers, p.46	No omissions	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	Our suppliers, p.46 http://corporate.kpn.com/company-kpn/corporate-governance/procurement.htm KPN's General Conditions of Purchase are the basis for the framework agreements and other contracts and apply to all new suppliers. Sustainability criteria are an integral part of all contract templates of KPN and included in the general conditions of purchase. All new suppliers of KPN must sign the Supplier Code of Conduct. In the Supplier Code of Conduct (SCoC) we have laid down social and environmental requirements for suppliers. This code is based on the United Nations Universal Declaration of Human Rights and the core treaties of the International Labor Organization (ILO). In case a supplier does not sign the SCoC, KPN analyses whether the Code of Conduct of the supplier is comparable to KPNs SCoC (i.e. based on the previously mentioned international standards).	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	<p>KPN's impact in the supply chain can be divided into upstream (customers) and downstream (suppliers) impact. At customers, KPN indirectly alters labor conditions at customers (both business and consumers) through its The New Way of Living & Working products and services by changing labor practices such as physical presence at the office and work-life balance. These products and services can have negative impacts by disrupting social contact between employees at the office and disrupt the work-life balance of employees when used improperly. Now that the facilities are becoming more widely available and quality continues to improve, we also want to focus on the work-lifebalance and its consequences; management style; entrepreneurship and responsibility; and the social cohesion within a company. We are gaining experience of this first within our own organization. We will then make it available to the general public in the form of products and services.</p> <p>However, a substantial part of KPN's suppliers operate in low cost countries. Negative impacts for labor practices are mainly related to working conditions and predominantly include issues with working hours and health and safety measures. We expect all of our suppliers also to respect human rights and international labor standards. Our Supplier Code of Conduct sets down our social and environmental requirements. Our activities focus on engaging in dialogue with suppliers where shortcomings are noticed about their production methods and labor process. Subject to the outcome of the discussions we draw up an improvement program, the progress of which we monitor. In 2015, no supplier relations were terminated.</p> <p>The basis for our approach lies in our general purchasing conditions, Supplier Code of Conduct, self-assessments and on site audit program in the JAC consortium.</p> <p>KPN participates in the joint site audit program of the JAC consortium. In 2015, JAC raised 337 CSR issues at suppliers following on-site audits, of which 191 relating to working hours and health & safety at suppliers. 175 issues in these two categories were resolved during 2015 (these included issues from previous years) and 177 (out of 720) are still pending. It is noted that not all suppliers audited by the JAC consortium are suppliers of KPN. All reports are made anonymous.</p> <p>See also: Our suppliers, p.46 http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-buy.htm http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Labor Practices Grievance Mechanisms				Inside: KPN Group Outside: all stakeholders
G4-DMA		<p>KPN has a complaints procedure that employees can follow if they have a grievance. Employees cannot complain about general rules, only about a decision by KPN that applies to them personally. KPN seeks advice about the complaint from the Complaints Committee. This procedure was established together with the employees' works council.</p> <p>Besides this complaints procedure, see also: Risk management and compliance, p.62 http://corporate.kpn.com/company-kpn/corporate-governance/company-code.htm</p>	No omissions	
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	<p>Reports on possible violations of the KPN Company Code or subcodes (which include all company policy on ethical and lawful behavior) are registered by the KPN helpdesk Security, Compliance and Integrity. In 2015, 297 reports of possible violations of the Company Code and 570 reports on possible violations of the subcodes have been registered. In 229 occasions, these were followed by corrective measures. KPN does not register the number of complaints about breaches of the Company Code or other ethical issues at the helpdesks, social media and mvo@kpn.com.</p> <p>See also for more information on the KPN helpdesk Security, Compliance and Integrity: http://corporate.kpn.com/company-kpn/corporate-governance/company-code.htm Risk management and compliance, p.62</p>	No omissions	
Sub-category: Human Rights				
Aspect: Investment				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: all suppliers in countries of operations
G4-DMA- aspect specific		<p>For our management approach regarding suppliers, see: http://corporate.kpn.com/company-kpn/corporate-governance/procurement/how-we-work.htm http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm Our suppliers, p.46 This management approach supports Principles 1 and 2 of the UN Global Compact.</p>	No omissions	
G4-HR1	Percentage and total number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	<p>Our suppliers, p.46 http://corporate.kpn.com/company-kpn/corporate-governance/procurement.htm This indicator supports Principles 1, 2, 3, 4, 5 and 6 of the UN Global Compact.</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	<p>Our suppliers, p.46</p> <p>Appendix 5, Social figures, p.1</p> <p>In 2015, KPN organized four workshops (divided over two days) in which the sustainable procurement toolkit of KPN was the central topic of discussion. The workshops were organized for Dutch procurement employees and were attended by almost all staff members.</p> <p>For new procurement employees, KPN implemented a training module that includes a focus on sustainability. Through an award for the most sustainable category plan, participants are encouraged to consider sustainability (including the topic of human rights) in procurement processes.</p> <p>This indicator supports Principles 1, 2, 3, 4, 5 and 6 of the UN Global Compact.</p>	Reporting on the number of training hours regarding human rights policies and the percentage of employees trained in human rights policies and procedures is considered not applicable to KPN. Our stakeholders do not request us to report on such information.	
Aspect: Non-discrimination				<p>Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text)</p> <p>Outside: all suppliers in countries of operations</p>
G4-DMA		<p>For our management approach regarding suppliers, see:</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/how-we-work.htm</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p> <p>Our suppliers, p.46</p> <p>For our management approach regarding our employees and business, see: Risk Management and Compliance; Integrity, culture and awareness, p.62</p> <p>This management approach supports Principles 1 and 2 of the UN Global Compact.</p>	No omissions	
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	<p>In 2015, there were no cases of discrimination reported to KPN. Disciplinary measures are taken against employees who do not comply with the company code and supporting codes. The type of measure is determined on a case by case basis. The company code and supporting codes lay down possible measures that may consist of a warning, a reprimand, suspension, removal from function or dismissal. In principle, cases of fraud, theft and serious or repeated violation of the rules will result in dismissal.</p> <p>KPN participates in the joint site audit program of the JAC consortium. In 2015, JAC raised 5 CSR issues at suppliers following on-site audits, relating to discrimination. 2 of these were resolved during 2015 (including issues raised in previous years) and 7 (out of 20) are still pending. It is noted that not all suppliers audited by the JAC consortium are suppliers of KPN. All reports are made anonymous.</p> <p>This indicator supports Principles 1, 2 and 6 of the UN Global Compact.</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Freedom of Association and Collective Bargaining				Inside: not material Outside: all suppliers in countries of operations
G4-DMA- aspect specific		<p>For our management approach regarding suppliers, see:</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/how-we-work.htm</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p> <p>Our suppliers, p.46</p> <p>This management approach supports Principles 1 and 2 of the UN Global Compact.</p>	No omissions	
G4-HR4	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	<p>KPN participates in the joint site audit program of the JAC consortium. In 2015, JAC raised 3 CSR issues at suppliers following on-site audits, relating to freedom of association and collective bargaining. 2 issues were resolved during 2015 (including issues raised in previous years) and 5 issues (out of the 12 issues raised) are still pending. It is noted that not all suppliers audited by the JAC consortium are suppliers of KPN. All reports are made anonymous.</p> <p>For our management approach regarding suppliers, see:</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/how-we-work.htm</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p> <p>This indicator supports Principles 1, 2 and 3 of the UN Global Compact.</p>	No omissions	
Aspect: Child Labor				Inside: not material Outside: all suppliers in countries of operations
G4-DMA- general		<p>For our management approach regarding suppliers, see:</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/how-we-work.htm</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p> <p>Our suppliers, p.46</p> <p>This management approach supports Principles 1 and 2 of the UN Global Compact.</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-HR5	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	<p>KPN participates in the joint site audit program of the JAC consortium. In 2015, JAC raised 337 CSR issues at suppliers following on-site audits, of which 8 relating to child labor. 9 issues were resolved during 2015 (including issues raised in previous years) and 12 (out of 65) issues are still pending. It is noted that not all suppliers audited by the JAC consortium are suppliers of KPN. All reports are made anonymous.</p> <p>For more information on our management approach for suppliers, see also: http://corporate.kpn.com/company-kpn/corporate-governance/procurement/how-we-work.htm http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p> <p>This indicator supports Principles 1, 2 and 3 of the UN Global Compact.</p>	No omissions	
Aspect: Forced or Compulsory Labor				<p>Inside: not material Outside: all suppliers in countries of operations</p>
G4-DMA-general		<p>For our management approach regarding suppliers, see: http://corporate.kpn.com/company-kpn/corporate-governance/procurement/how-we-work.htm http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p> <p>Our suppliers, p.46</p> <p>This management approach supports Principles 1 and 2 of the UN Global Compact.</p>	No omissions	
G4-HR6	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	<p>KPN participates in the joint site audit program of the JAC consortium. In 2015, JAC raised 337 CSR issues at suppliers following on-site audits, of which 9 relating to forced or compulsory labor. 10 of these issues were resolved during 2015 and 6 (out of 33) issues are still pending. It is noted that not all suppliers audited by the JAC consortium are suppliers of KPN. All reports are made anonymous.</p> <p>For more information on our management approach for suppliers, see also: http://corporate.kpn.com/company-kpn/corporate-governance/procurement/how-we-work.htm http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p> <p>This indicator supports Principles 1, 2 and 3 of the UN Global Compact.</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Security Practices				Inside: not material Outside: not material
G4-DMA-general		This aspect is not material for KPN.	No omissions	
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	This indicator is not material for KPN.	No omissions	
Aspect: Indigenous Rights				Inside: not material Outside: not material
G4-DMA-general		This aspect is not material for KPN.	No omissions	
G4-HR8	Total number of incidents of violations involving rights of indigenous people and actions taken.	This indicator is not material for KPN.	No omissions	
Aspect: Assessment				Inside: not material Outside: not material
G4-DMA-general		This aspect is not material for KPN.	No omissions	
G4-HR9	Percentage and total number of operations that have been subject to human rights reviews or impact assessments.	This indicator is not material for KPN.	No omissions	
Aspect: Supplier Human Rights Assessment				Inside: not material Outside: suppliers and the JAC
G4-DMA- aspect specific		More information of KPN's supply chain, including a graphical overview of the chain, the supplier code of conduct and the methods for supplier assessments can be found on: http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm Our suppliers, p.46	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	<p>Our suppliers, p.46</p> <p>KPN's General Conditions of Purchase are the basis for the framework agreements and other contracts and apply to all new suppliers. Sustainability criteria are an integral part of all contract templates of KPN and included in the general purchasing conditions.</p> <p>All new suppliers of KPN must sign the Supplier Code of Conduct. In the Supplier Code of Conduct we have laid down social and environmental requirements for suppliers. This code is based on the United Nations Universal Declaration of Human Rights and the core treaties of the International Labor Organization (ILO). In case a supplier does not sign the SCoC, KPN analyses whether the Code of Conduct of the supplier is comparable to KPNs SCoC (i.e. based on the previously mentioned international standards).</p>	No omissions	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	<p>KPN's sales activities take place exclusively in Western European and North American countries, where human rights are routinely observed.</p> <p>However, a substantial part of KPN's suppliers operate in low cost countries. KPN has about 53 high risk suppliers, with a total procurement volume of 33%. We expect all of our suppliers also to respect human rights. Our Supplier Code of Conduct sets down our social and environmental requirements. Human rights are of course part of the social rights on which we assess suppliers. The basis for our approach lies in our general purchasing conditions, Supplier Code of Conduct, E-Tasc self-assessments and on site audit program in the JAC consortium. Our activities focus on engaging in dialogue with suppliers where shortcomings are noticed about their production methods and labor process. Subject to the outcome of the discussions we draw up an improvement program, the progress of which we monitor. In 2015, no supplier relations were terminated.</p> <p>KPN participates in the joint site audit program of the JAC consortium. In 2015, JAC has raised 337 CSR issues overall, of which 247 relating to human rights (these include the following auditing categories: health & safety, working hours, child labor, wages, forced labor, discrimination, disciplinary and freedom of association). 217 were resolved during 2015 (including issues raised in previous years) and 142 out of 247 issues raised in 2015 are still pending. It is noted that not all suppliers audited by the JAC consortium are suppliers of KPN.</p> <p>Our suppliers, p.46</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-buy.htm</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Human Rights Grievance Mechanisms				<p>Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text)</p> <p>Outside: all stakeholders</p>
G4-DMA- aspect specific		<p>KPN is aware of its social and ethical responsibility and wants its company-wide modus operandi to conform with the law and with social and ethical standards. On top of legislation, KPN sets itself additional standards to guarantee that we do business in an honest manner. These standards are described in the Company Code and the associated supporting codes. The Company Code describes KPN's three core values: personal, simplicity and trust, and the meaning they have for stakeholders, such as customers, shareholders, employees, business associates, competitors, social organizations, international contacts and society in the broadest sense. All stakeholders can hold us accountable for these.</p> <p>The supporting codes give concrete rules of conduct for specific areas. Some supporting codes, such as the supporting codes for competition and inside information, give further substance to statutory rules. Other supporting codes relate to topics such as integrity (e.g. business gifts and holding other positions), safety and (information) security. To complement the rules in the supporting codes, KPN has introduced three general guidelines: the whistleblower procedure, the fraud policy and the integrity review protocol.</p> <p>KPN encourages its employees to report non-compliance or suspected non-compliance with the Company Code or supporting codes. The internal security department has an important role to play in this. It offers support via the Security, Compliance & Integrity Helpdesk, where employees can report non-compliance and can get information or advice about the codes. An investigation is carried out following each report. This investigation is generally carried out by a KPN Security Integrity Consultant or, in specific compliance cases, by a KPN Compliance Officer. The investigations often lead to sanctions, the level of the penalty being determined in part by the actual circumstances of the case. Possible measures are set out in the Company Code and supporting codes. Examples are a written warning, a reprimand, a suspension, withholding of salary and dismissal.</p> <p>External stakeholders of KPN can report possible breaches of the Company Code or other ethical issues through existing complaint mechanisms. These are the helpdesks, social media and the e-mail address mvo@kpn.com.</p> <p>Suppliers of KPN can use two channels to submit their complaints. They can contact KPN via the suppliers website (www.kpn.com/supplier) by using the contact function. The SCSC handles all operational questions and complaints. Other questions, including the escalation of complaints, are handled by Value Management by means of an escalation protocol. Suppliers can also submit questions and complaints using the supplier service portal entry. The first handling of questions is carried out by the supplier desk. Escalations are transferred to Procurement, resulting in direct contact/dialogue between the supplier and Procurement.</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-HR12	Number of grievances about human rights filed, addressed, and resolved through formal grievance mechanisms.	Reports on possible violations of the KPN Company Code or subcodes (which include all company policy on ethical and lawful behavior) are registered by the KPN helpdesk Security, Compliance and Integrity. In 2015, 297 reports of possible violations of the Company Code and 570 reports on possible violations of the subcodes have been registered. In 229 occasions, these were followed by corrective measures. KPN does not register the number of complaints about breaches of the Company Code or other ethical issues at the helpdesks, social media and mvo@kpn.com .	No omissions	
Sub-category: Society				
Aspect: Local Communities				Inside: not material Outside: not material
G4-DMA- aspect specific		This aspect is not material for KPN.	No omissions	
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs.	This indicator is not material for KPN.	No omissions	
G4-SO2	Operations with significant potential or actual negative impacts on communities	This indicator is not material for KPN.	No omissions	
Aspect: Anti-corruption				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: all suppliers in countries of operations
G4-DMA- aspect specific		Risk management and compliance, p.62 For our management approach on anti-corruption, see also: http://corporate.kpn.com/company-kpn/corporate-governance/company-code.htm Business ethics part of our assessments of suppliers. The basis for our approach lies in our general purchasing conditions, Supplier Code of Conduct, self-assessments and on site audit program in the JAC consortium. Our activities focus on engaging in dialogue with suppliers where shortcomings are noticed about their production methods and labor process. Subject to the outcome of the discussions we draw up an improvement program, the progress of which we monitor. In 2015, no supplier relations were terminated. Our suppliers, p.46 http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-buy.htm http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	In 2015, a fraud risk assessment was carried out at 89% (8 of the 9) of KPN's business units. This indicator supports Principle 10 of the UN Global Compact.	No omissions	
G4-SO4	Communication and training on anti-corruption policies and procedures.	Our Get the Code e-learning is a proved effective concept to train our (temporary) employees on amongst others anti- fraud and – corruption. In 2015, new (temporary) employees were obligated to finish this e-learning, so every KPN (temporary) employee is certified on the most recent version of Get the Code. (Temporary) employees who were already certified were exempted from participation. January 4th 2016 in total 16,347 (temporary) employees were certified, of which 4,199 in 2015. This total comprises 96.8% of the employees with an obligation to complete the Get the Code. Break down by regions for this 16,347 is not applicable, KPN is mainly Dutch. For a break down by category we refer to the Social Figures. A determined group of employees (risk- and needs based) also attended in-depth classroom training sessions and/or completed a specific e-learning on procedures and policies. Out of the 16,347 employees who completed Get the Code, 1,366 employees attended the classroom trainings and the entire selected group of 133 senior managers completed the e-learning on procedures and policies. A number of 156 employees of KPN-subsidiaries did not receive any e-learning, but has been trained through classroom training. So at January 4th 2016 the total number of (temporary) employees trained in anti-fraud and -corruption through one or more trainings is 16,503. Communication is done throughout the year towards all (temporary) employees, by using Intranet, e-mail and offline communication. KPN does not have standard training modules available for suppliers. Risk management and compliance, p.62 This indicator supports Principle 10 of the UN Global Compact.	No omissions	
G4-SO5	Confirmed incidents of corruption and actions taken.	In 2015, there were 335 reports of corruption. KPN's policy in respect of fraud and corruption is set down in the company code and the supporting codes. Disciplinary measures are taken against employees who do not comply with the codes. The type of measure is determined on a case by case basis. The company code and the supporting codes lay down possible measures that may consist of a warning, a reprimand, suspension, removal from function or dismissal. In principle, cases of fraud, theft and serious or repeated violation of the rules will result in dismissal. Legal cases regarding corruption are included in indicators SO7, SO8, PR2 and PR8. KPN participates in the joint site audit program of the JAC consortium. In 2015, JAC has raised 1,260 CSR issues overall, of which 192 relating to business ethics (including corruption). 924 issues were resolved during 2015 (including issues raised in previous years) and 198 out of 337 issues raised in 2015 are still pending. It is noted that not all suppliers audited by the JAC consortium are suppliers of KPN. Our suppliers, p.46 This indicator supports Principle 10 of the UN Global Compact.	Information regarding business partners is regarded confidential and therefore not publicly disclosed. This also accounts for public legal cases against employees.	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Public Policy				Inside: not material Outside: not material
G4-DMA- aspect specific		This aspect is not material for KPN.	No omissions	
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	This indicator is not material for KPN.	No omissions	
Aspect: Anti-competitive Behavior				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: not material
G4-DMA- general		<p>Risk management and compliance, p.62</p> <p>For our management approach on anti-competitive behavior, see also: http://corporate.kpn.com/company-kpn/corporate-governance/company-code.htm</p> <p>Business ethics part of our assessments of suppliers. The basis for our approach lies in our general purchasing conditions, Supplier Code of Conduct, self-assessments and on site audit program in the JAC consortium. Our activities focus on engaging in dialogue with suppliers where shortcomings are noticed about their production methods and labor process. Subject to the outcome of the discussions we draw up an improvement program, the progress of which we monitor. In 2015, no supplier relations were terminated.</p> <p>Our suppliers, p.46 http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-buy.htm http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p>	No omissions	
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	<p>Risk management and compliance, penalties, p.65</p> <p>There were 15 legal actions in the Netherlands regarding anti-competitive behaviour, anti-trust, and monopoly practices.</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Compliance				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: not material
G4-DMA		<p>Risk management and compliance, p.62</p> <p>For our management approach on anti-competitive behavior, see also: http://corporate.kpn.com/company-kpn/corporate-governance/company-code.htm</p> <p>Business ethics part of our assessments of suppliers. The basis for our approach lies in our general purchasing conditions, Supplier Code of Conduct, self-assessments and on site audit program in the JAC consortium. Our activities focus on engaging in dialogue with suppliers where shortcomings are noticed about their production methods and labor process. Subject to the outcome of the discussions we draw up an improvement program, the progress of which we monitor. In 2015, no supplier relations were terminated.</p> <p>Our suppliers, p.46 http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-buy.htm http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p>	No omissions	
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	<p>Risk management and compliance, penalties, p.65</p> <p>The total monetary value of significant fines for non-compliance with (other) laws and regulations is EUR 10,187,000. There were no non-monetary sanctions for non-compliance with (other) laws and regulations.</p>	For reasons of confidentiality, KPN can not provide information on all ongoing legal actions which did not yet result in a monetary fine.	
Aspect: Supplier Assessment for Impacts on Society				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: all suppliers in countries of operations
G4-DMA		<p>For our management approach regarding suppliers, see: http://corporate.kpn.com/company-kpn/corporate-governance/procurement/how-we-work.htm http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p> <p>Our suppliers, p.46</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	<p>Our suppliers, p.46</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement.htm</p> <p>KPN's General Conditions of Purchase are the basis for the framework agreements and other contracts and apply to all new suppliers. Sustainability criteria are an integral part of all contract templates of KPN and included in the general conditions of purchase.</p> <p>All new suppliers of KPN must sign the Supplier Code of Conduct. In the Supplier Code of Conduct we have laid down social and environmental requirements for suppliers. This code is based on the United Nations Universal Declaration of Human Rights and the core treaties of the International Labor Organization (ILO). In case a supplier does not sign the SCoC, KPN analyses whether the Code of Conduct of the supplier is comparable to KPNs SCoC (i.e. based on the previously mentioned international standards).</p>	No omissions	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	<p>KPN is a service provider and its main activities, connecting people, mainly have positive impacts on society. Negative impacts are associated with the location of new masts and antennas and with the debate on electromagnetic fields. Information on KPN's actions can be found at http://www.corporate.kpn.com/telephones-masts-health</p> <p>KPN participates in the joint site audit program of the JAC consortium. KPN participates in the joint site audit program of the JAC consortium. In 2015, JAC has raised 1,260 CSR issues overall, of which 192 relating to business ethics (including corruption). 924 issues were resolved during 2015 (including issues raised in previous years) and 198 out of 337 issues raised in 2015 are still pending. It is noted that not all suppliers audited by the JAC consortium are suppliers of KPN.</p> <p>Our suppliers, p.46</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-buy.htm</p> <p>http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-ask-of-our-suppliers.htm</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Grievance Mechanisms for Impacts on Society				<p>Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text)</p> <p>Outside: all stakeholders</p>
G4-DMA		<p>KPN is aware of its social and ethical responsibility and wants its company-wide modus operandi to conform with the law and with social and ethical standards. On top of legislation, KPN sets itself additional standards to guarantee that we do business in an honest manner. These standards are described in the Company Code and the associated supporting codes. The Company Code describes KPN's three core values: personal, simplicity and trust, and the meaning they have for stakeholders, such as customers, shareholders, employees, business associates, competitors, social organizations, international contacts and society in the broadest sense. All stakeholders can hold us accountable for these.</p> <p>The supporting codes give concrete rules of conduct for specific areas. Some supporting codes, such as the supporting codes for competition and inside information, give further substance to statutory rules. Other supporting codes relate to topics such as integrity (e.g. business gifts and holding other positions), safety and (information) security. To complement the rules in the supporting codes, KPN has introduced three general guidelines: the whistleblower procedure, the fraud policy and the integrity review protocol.</p> <p>KPN encourages its employees to report non-compliance or suspected non-compliance with the Company Code or supporting codes. The internal security department has an important role to play in this. It offers support via the Security, Compliance & Integrity Helpdesk, where employees can report non-compliance and can get information or advice about the codes. An investigation is carried out following each report. This investigation is generally carried out by a KPN Security Integrity Consultant or, in specific compliance cases, by a KPN Compliance Officer. The investigations often lead to sanctions, the level of the penalty being determined in part by the actual circumstances of the case. Possible measures are set out in the Company Code and supporting codes. Examples are a written warning, a reprimand, a suspension, withholding of salary and dismissal.</p> <p>External stakeholders of KPN can report possible breaches of the Company Code or other ethical issues through existing complaint mechanisms. These are the helpdesks, social media and the e-mail address mvo@kpn.com.</p> <p>Suppliers of KPN can use two channels to submit their complaints. They can contact KPN via the suppliers website (www.kpn.com/supplier) by using the contact function. The SCSC handles all operational questions and complaints. Other questions, including the escalation of complaints, are handled by Value Management by means of an escalation protocol. Suppliers can also submit questions and complaints using the supplier service portal entry. The first handling of questions is carried out by the supplier desk. Escalations are transferred to Procurement, resulting in direct contact/dialogue between the supplier and Procurement.</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	<p>Reports on possible violations of the KPN Company Code or subcodes (which include all company policy on ethical and lawful behavior) are registered by the KPN helpdesk Security, Compliance and Integrity. In 2015, 297 reports of possible violations of the Company Code and 570 reports on possible violations of the subcodes have been registered. In 229 occasions, these were followed by corrective measures. KPN does not register the number of complaints about breaches of the Company Code or other ethical issues at the helpdesks, social media and mvo@kpn.com.</p> <p>See also for more information on the KPN helpdesk Security, Compliance and Integrity: http://corporate.kpn.com/company-kpn/corporate-governance/company-code.htm</p> <p>Risk management and compliance, p.62</p>	No omissions	
Sub-category: Product Responsibility				
Aspect: Customer Health and Safety				<p>Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text)</p> <p>Outside: all customers</p>
G4-DMA- aspect specific		<p>KPN is a service provider. The products linked to our services do not pose any significant health or safety risks and comply with all safety rules set by law. KPN is aware that issues exist with regard to mobile telecommunication masts and health risks. KPN wants mobile communication to be useful and enjoyable as well as safe and reliable. Consequently, KPN complies strictly with all the national and international regulations, as laid down in the Dutch Telecommunications Act (2003). KPN observes a wider safety margin than required by law. Exposure to radio waves emitted by our base stations is 200 times lower than the national and international thresholds. A survey carried out by the Dutch Radiocommunications Agency shows that all the field strengths measured in the vicinity of GSM and UMTS transmission masts are well below the prevailing limits. It is possible for people to live their whole life close to base stations without any problem. In September 2012, Norwegian researchers published a report showing that there is no indication that radiation from cell phones and wireless networks is related to illnesses and medical conditions. Furthermore, they argue that any uncertainty about the conclusions of the research is negligible. More information on this topic and the survey can be found on the KPN website: http://corporate.kpn.com/telephones-masts-health</p> <p>This indicator supports Principle 8 of the UN Global Compact.</p>	No omissions	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	<p>Our suppliers, p.46</p> <p>Segment performance, Business, p.54</p> <p>Segment performance, Consumer, p.52</p> <p>Innovation, p.32</p> <p>http://www.corporate.kpn.com/telephones-masts-health</p> <p>This indicator supports Principle 1 of the UN Global Compact.</p>	Reporting on the percentage of significant product and service categories for which health and safety impacts are assessed for improvement is considered not applicable to KPN. Our stakeholders do not request us to report on such information.	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	In 2015, there were no reports on legal actions initiated under national or international laws designed primarily for the purpose consumer safety and electromagnetic fields caused by (mobile) masts, that were pending or completed during the reporting period and in which the company has been identified as a participant.	No omissions	
Aspect: Product and Service Labeling				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: all customers
G4-DMA		Quality and reputation, Customer loyalty p.38 Quality and reputation, Reputation, p.38 Segment performance, Consumer Mobile, p.52 Segment performance, Consumer Residential, p.53 Segment performance, Consumer bundled, p.52 Segment performance, Business, p.54 Segment performance, NetCo, p.58 Segment performance, iBasis, p.61	No omissions	
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	Although KPN's activities with regard to privacy and security of customer data go beyond legislation, we have to comply with privacy regulation, for example regarding the use of customer data. KPN is obliged to inform customers on privacy information via the general purchasing agreement whenever a product is sold. Privacy and security are firmly embedded in all parts of the organisation, as it is part of the Compliance Risk Assessment framework. KPN's Privacy Statement, available in Dutch on KPN's website (http://www.kpn.com/algemeen/missie-en-privacy-statement/privacy-statement.htm), provides details of KPN's approach to working with customer data in the Netherlands. The privacy statement applies to all customers who purchase telephony, internet or TV services from KPN or from one of its subsidiaries in the Netherlands and for all users of KPN websites. The Privacy Statement is also anchored in the CRA framework of KPN, meaning that extensive procedures are in place which have to be followed before changes are accepted and the Board of Management has to sign for all changes in the Privacy Statement. Employees receive training on KPN's privacy policy in the Company Code training. For more information on our management approach on privacy and security, see white paper on our CSR theme Privacy & Security, http://corporate.kpn.com/dutch-society/privacy-security.htm http://www.kpn.com/algemeen/alle-voorwaarden.htm This indicator supports Principle 8 of the UN Global Compact.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling by type of outcomes.	In 2015, there were four reports of incidents in the Netherlands regarding laws designed primarily for the purpose of customer information and marketing communications, that were pending or completed during the reporting period and in which the company has been identified as a participant. No incidents resulted in legal action. NB: This can include legal actions related to events in preceding years.	No omissions	
G4-PR5	Results of surveys measuring customer satisfaction	Our main achievements, p.6 Quality and reputation, Customer loyalty p.38 Quality and reputation, Reputation, p.38 Segment performance, Consumer Mobile, p.52 Segment performance, Consumer Residential, p.53 Segment performance, Consumer bundled, p.52 Segment performance, Business, p.54 Segment performance, NetCo, p.58 Segment performance, iBasis, p.61	No omissions	
Aspect: Marketing Communications				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: customers, suppliers, communities in countries of operation and in countries of suppliers' operations (re: conflict minerals)
G4-DMA		KPN has to comply with the Dutch Reclame Code Commissie which is the Dutch Advertising Code Authority. It contains a body of rules with which all advertising should comply and encourages sensible and responsible advertising. It applies to all forms of marketing including television marketing and telemarketing. Anyone who feels that an advertisement violates the Dutch Advertising Code may submit a complaint to the Advertising Code Committee. Besides the Dutch Advertising Code, KPN has to comply to the Dutch bel-me-niet-register, which is a national do not call list. Customers (both consumers and companies) can subscribe to this list. Organizations are not allowed to call potential customers for advertising purposes.	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
G4-PR6	Sale of banned or disputed products	<p>KPN does not sell products that are banned in certain markets. However, some aspects of our products are subject to stakeholder questions and public debate. This primarily concerns EMF (electromagnetic fields) and conflict minerals.</p> <p>http://corporate.kpn.com/telephones-masts-health</p> <p>Through our membership of EICC and GeSi, we support initiatives to prevent human rights violations and the financing of armed conflicts by mineral extraction. KPN will make use of a mineral mapping program which is in development in cooperation with social organizations, thereby responding to the call made by MakeITfair, an organization which is campaigning for the ICT sector to be more transparent about the origin of minerals.</p> <p>See: http://corporate.kpn.com/company-kpn/corporate-governance/procurement/what-we-buy.htm</p>	No omissions	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications including advertising, promotion and sponsorship by type of outcome.	<p>Risk management and compliance, penalties, p.65</p> <p>In 2015, there were four reports of incidents in the Netherlands regarding laws designed primarily for the purpose of customer information and marketing communications, that were pending or completed during the reporting period and in which the company has been identified as a participant. No incidents resulted in legal action.</p> <p>NB: This can include legal actions related to events in preceding years.</p>	No omissions	
Aspect: Customer Privacy				<p>Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text)</p> <p>Outside: all customers</p>
G4-DMA-general		<p>For more information on our management approach on privacy and security, see white paper on our CSR theme Privacy & Security, http://corporate.kpn.com/dutch-society/privacy-security.htm</p> <p>Privacy & Security, p.34</p> <p>For our Privacy Statement, see http://www.kpn.com/algemeen/missie-en-privacy-statement.htm</p> <p>This management approach supports Principle 8 of the UN Global Compact.</p>	No omissions	
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	<p>Privacy & Security, p.34</p> <p>KPN the Netherlands received 191 complaints about privacy. KPN's integrity experts review incident reports prompted by grievances, with the legal and regulatory framework being the first check made. The next step checks for violations of the KPN Company Code and of the relevant supporting codes.</p>	No omissions	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Compliance				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: not material
G4-DMA		Risk management and compliance, p.62	No omissions	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Risk management and compliance, penalties, p.65 There were no fines for non-compliance with laws and regulations concerning the provision and use of products and services in 2015.	No omissions	
Additional Material Aspects for KPN				
Aspect: ICT infrastructure investments				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: society in countries of operations
	Investments in telecommunications infrastructure.	The value we create, p.12 Our strategy, p.14 Innovation, p.32 Segment performance, Netco, p.58	No omissions	
Aspect: Electromagnetic fields				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: society in countries of operations
	Describe policies and practices with respect to electromagnetic fields.	KPN strictly obeys with all national and international regulation and prescriptions concerning electromagnetic fields (EMG) and holds a stricter safety margin than necessary. The exposure to electromagnetic radiation is 200 times lower than international standards prescribe. KPN has standard procedures in place for implementation of new legislation, evaluation and improvements. There are no specific exceptions on these procedures as regards to legislation in the field of EMF. http://corporate.kpn.com/telephones-masts-health	Not applicable	

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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Aspect: Digital divide				<p>Inside: KPN Group (focus on The Netherlands)</p> <p>Outside: customers and communities in countries of operation</p>
	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	<p>Quality and reputation, sponsoring, p.40</p> <p>http://www.corporate.kpn.com/dutch-society/mooiste-contact-fonds.htm</p>	Not applicable	
	Policies and practices to ensure availability and reliability of telecommunications products and services.	<p>The value we create, p.12</p> <p>Our strategy, p.14</p> <p>Innovation, p.32</p> <p>Segment performance, Netco, p.58</p>	Not applicable	
	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	<p>KPN is responsible for operating the technical heart of the 1-1-2 emergency service in the Netherlands. Within KPN, the SQC (Service Quality Center) is responsible for monitoring the 1-1-2 service 24/7 and detecting (possible) service disruptions. SQC is also responsible for managing (possible) 1-1-2 service disruptions, using its proven Be Alert incident escalation process. Furthermore, SQC is responsible for approving infrastructure changes that have (possible) impact on the 1-1-2 service. The incident and change processes are run in combined teams with KPN and the government. Each incident and each change is evaluated together with KPN and the government and improvements are agreed and implemented.</p>	Not applicable	
Aspect: secure use of products and services				<p>Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text)</p> <p>Outside: governments, local authorities, communities in countries of operation</p>
	<p>Explain policies and practices to manage human rights issues relating to access and use of telecommunications products and services.</p> <ul style="list-style-type: none"> • Interaction with governments on security issues for surveillance purposes; • Interaction with national and local authorities and own initiatives to restrict criminal or potentially unethical content; • Protecting vulnerable groups such as children. 	<p>Privacy & Security, p.34</p> <p>For more information on our management approach on privacy and security, see white paper on our CSR theme Privacy & Security, http://corporate.kpn.com/dutch-society/privacy-security.htm</p>	Not applicable	



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Material Aspects	Indicator	DMA and Indicators	Omissions	Aspect boundary
Technological applications ICT				Inside: KPN Group (exceptions and/or limitations are indicated in footnotes to the tables or text) Outside: governments, local authorities, communities in countries of operation
	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects (e.g. a telephone book by a database on the web or travel by videoconferencing).	Innovation, p.32 Our people, p.42 Environmental performance, p.48 Segment performance, Business, p.54	Not applicable	
	Disclose any measures of transport and/or resource changes of customer use of the telecommunication products and services listed above. Provide some indication of scale, market size, or potential savings.	Innovation, p.32 Our people, p.42 Environmental performance, p.48 Segment performance, Business, p.54 Appendix 6, Environmental figures, p.1	Not applicable	
	Disclose any estimates of the rebound effect (indirect consequences) of customer use of the products and services listed above, and lessons learned for future development. This may include social consequences as well as environmental.	Innovation, p.32 Our people, p.42 Environmental performance, p.48 Segment performance, Business, p.54 Appendix 6, Environmental figures, p.1	Not applicable	




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Appendix 9. Main risks and countermeasures

Category	Risk	Countermeasure	Trend	Criteria
1. Intensified competition, including competition from new disruptive technologies or new business models of competitors				
Intensified competition	KPN could face increased competition from current competitors as well as new market entrants and OTT players, or from market consolidation. Competition can occur based on price, increase of investment in customer acquisition or retention costs, subscription options, coverage and service quality. These factors could lead to lower profitability as well as lower market shares.	<ul style="list-style-type: none"> • Offer bundled services (triple-play, quad-play) and competitive price/ portfolio combinations, such as KPN Compleet and KPN Een • Improve NPS and invest in quality of service • Introduce new innovative products and services to meet changing customer needs • Roll-out of LTE and FttH/FttC network • Strategic partnerships and cooperation with OTT players • Strengthen distribution power with business partners, online channels and shops • Multi-brand strategy • Intensified investments in business market portfolio (e.g. cloud services, M2M, hosting and security) • Simplification program. This will lead to improved time-to-market, better quality of service and a simplified and agile organization. Additionally, it will lead to a structural lower level of operational costs and swift response to new market developments. 		Impact: high Likelihood: medium-high Term: ST and LT
Disruptive technologies or business models and failure to introduce new products and services	<p>KPN's business model and financial performance could be affected by (disruptive) technologies and new players. KPN's response to new technologies and market developments and its ability to successfully introduce new competitive products or services, are essential to KPN's performance and profitability in the long run.</p> <p>The introduction of new products and services such as new propositions may not be successful and/or timely. This could lead to lower profitability as well as lower market shares.</p>	<ul style="list-style-type: none"> • Develop new services, business models and pricing models • Closely monitor market developments and trends in customer demands • Develop strategic partnerships with OTT players • Maintain multi-brand strategy with differentiated propositions and develop fallback scenarios • Implement an agile organization, technology and processes to enable swift response to new market developments. 		Impact: high Likelihood: Medium-high Term: ST and LT

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Category	Risk	Countermeasure	Trend	Criteria
2. Reputation risks due to operational and quality related incidents				
Reputation risk due to operational and quality related incidents	KPN's technical infrastructure and IT may be vulnerable to damage, service interruptions, operational issues, cyberattacks and loss/theft of customer data. These incidents could be caused by failures in the network systems, power supplies or by failures in supporting computer systems. These incidents could have a negative impact on KPN's reputation, customer satisfaction and profitability.	<ul style="list-style-type: none"> • Monitor performance of technical infrastructure (e.g. traffic growth and utilization rate) and IT • Benchmark quality of the technical infrastructure and maintain investment levels • Strengthen the IT and continue implementation of the KPN Security Policy • Strengthen strategic programs to simplify and rationalise IT/TI management • Back-up and recovery plans in case of emergencies • For business continuity in the Netherlands: <ul style="list-style-type: none"> – internal continuity and disaster recovery programs – regional roaming in which a part of mobile voice traffic can be transferred to other operators in the event of calamities. 		Impact: medium-high Likelihood: high Term: ST and LT
	Simplification and quality: KPN may make insufficient progress in realizing necessary quality improvements (NPS, First Time Right) and time-to-market of new products and services may be too long, which could lead to lower customer satisfaction/NPS and lower motivation of employees.	<ul style="list-style-type: none"> • Execution of quality improvement programs such as 'First Time Right' and 'Quality Circle' • Centralization of innovation and govern innovations and simplification at executive level • Simplification program. This will lead to improved time-to-market, better quality of service and a simplified and agile organization. Additionally, it will lead to a structural lower level of operational costs. 		Impact: medium Likelihood: low Term: ST
	KPN may fail to meet stakeholder expectations relating to energy, emissions and sustainability. This could lead to loss of customers, loss of profitability in the future and reputational damage.	<ul style="list-style-type: none"> • Continued efforts on reducing energy and emissions and to strengthen sustainability • Continued dialogue with KPN's main stakeholders regarding their expectations for energy, emissions and sustainability • Maintain KPN's climate neutral performance 		Impact: medium Likelihood: low Term: ST and LT

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Appendix 9. Main risks and countermeasures

Category	Risk	Countermeasure	Trend	Criteria
3. Threats to the confidentiality, integrity, or availability of KPN's networks, systems, or data				
Information security threats	Threats to the confidentiality, integrity or availability of KPN's networks, systems, or data (including customer data) caused by cyberattacks or lack of appropriate security controls and infrastructure measures.	<ul style="list-style-type: none"> • Continued implementation of the KPN Security Policy • Continued and reinforced strategic security programs such as Permanent Vulnerability Management, Safemail, Endpoint Protection, and DNS & Network Security. • Continue and strengthen Joint Security Operations Center implementation to improve security visibility and risk intelligence • Consolidate and maintain quality asset registration and configuration management database which enables rapid response to attacks • Continue HR strategy focused on attracting and retaining leading security experts • Educate and increase awareness of personnel for security and privacy 		Impact: high Likelihood: high Term: ST and LT
4. Other risks				
Risks relating to regulatory and legislative matters	KPN may face issues in relation to non-compliance with regulation, including –but not limited to– privacy regulation. These incidents could have a negative impact on KPN's reputation and relationship with regulators and/or supervisors.	<ul style="list-style-type: none"> • Proactive stakeholder and reputation management including dialogue with regulators on predictable and pro-competitive (wholesale-based) regulation to minimize interventions in retail markets consistently over time • Strengthening the effectiveness of the compliance organisation: <ul style="list-style-type: none"> – Centralized organization for compliance and risk management – Compliance training sessions for staff and management – E-learning about the Company codes for all staff members of KPN in the Netherlands – Pro active internal compliance investigations – Surveys and culture improvement programs – Improving and maintaining a robust internal control framework dedicated to complying with Telco regulation – Ringfencing wholesale within operations. 		Impact: medium Likelihood: high Term: ST and LT (non-compliance) LT (new regulation)
	Participation in spectrum auction in The Netherlands in 2018 (700, 1400 and 2100 Mhz): KPN has to acquire or to renew the required frequency blocks and may have to pay a high price for the required spectrum.	<ul style="list-style-type: none"> • Thorough preparation of auctions by experienced KPN team and external experts; extensive simulation of auctions • Use alternative combinations of spectrum and advanced techniques to meet required technology • Prudent financial policies to secure adequate funding 		Impact: high Likelihood: medium Term: LT
	Tax: Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on KPN's results of operations and cash flow.	<ul style="list-style-type: none"> • Company-wide tax strategy and tax policy • Maintain good working relationships with tax authorities • Maintenance of internal control framework for key tax risk areas. 		Impact: medium-high Likelihood: low Term: LT

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Appendix 9. Main risks and countermeasures

Category	Risk	Countermeasure	Trend	Criteria
Lack of return on investments, impairment of assets	High investments in fiber, copper or mobile infrastructure, including licenses, may not be recovered. The mobile market is characterized by increasing competition, accelerating changes in customer behavior, increasing price pressure and shrinking markets; also, large-scale investments in infrastructure are required to meet capacity demands. For the fixed market, fiber roll-out may not meet expectations and activations may fall behind, not reaching the required coverage ratio. 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 assets, licenses and goodwill.	<ul style="list-style-type: none"> • Balance the investments in copper upgrades and fiber-to-the-home roll-out • Continuous monitoring of realisation strategic business plans and performance, e.g. utilization and return on investments • Decision-making for investments based on strong business cases • Develop strategic partnerships and investigate options for network sharing • Centralization of the management of capital expenditures • Implement a solid investment policy • Monitor profitability of the cash generating units and network penetration. 		Impact: medium – high Likelihood: medium Term: LT
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.	<p>KPN ensures solid access to debt capital markets by:</p> <ul style="list-style-type: none"> • 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 		Impact: high Likelihood: Medium Term: LT
	Uncertainty or changes in financial markets could negatively affect pricing and availability of KPN's funding sources.	<ul style="list-style-type: none"> • 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 • Diversification in funding sources 		Impact: medium Likelihood: medium Term: LT
	KPN holds substantial cash balances and is therefore exposed to counterparty risks.	<ul style="list-style-type: none"> • Manage counterparty risks by spreading cash balances among a sufficient number of strong counterparties • Active monitoring of counterparties, including measures to reduce counterparty risk (e.g. collateral management) 		Impact: high Likelihood: Low Term: ST and LT

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Appendix 9. Main risks and countermeasures

Category	Risk	Countermeasure	Trend	Criteria
Dependence on suppliers and outsourcing / offshoring partners	<p>KPN could depend too heavily on its ability to obtain adequate telecommunications equipment, software and IT services, and on contractors' ability to build and roll out telecommunications networks, as well as suppliers' ability to deliver technical support. This could lead to an inability to deliver the required services at the right price and quality level.</p> <p>Furthermore, contractual obligations as included in agreements with KPN customers may not be properly translated into the relevant third party supplier contracts.</p>	<ul style="list-style-type: none"> • Establish a strong and centralised demand and contract management organization that defines, enforces and monitors compliance of suppliers with terms of contracts and prepare re-transition plans as fallback scenario • Simplify the supplier landscape to align with KPN's strategy and cost focus • Follow a well defined outsourcing process (toll gates, risk analyses etc) • Evaluate outsourced activities on effectiveness and efficiency and (where applicable) prepare a re-transition plan for insourcing • Include contractual ability to terminate the contracts based on non-performance • Include a right to audit clause in supplier contracts and conduct regular audits • Monitor that suppliers comply with the KPN Security Policy • Align customer contract requirements with supplier contract requirements (this alignment is part of the governance rules for outsourcing). 		<p>Impact: medium Likelihood: Medium Term: ST and LT</p>
	<p>Suppliers of KPN could breach relevant legislation including human rights and/or environmental laws, which could negatively impact KPN's reputation.</p>	<ul style="list-style-type: none"> • Communicate KPN's supplier code of conduct to all suppliers • Request all medium and high risk suppliers to confirm compliance with KPN's supplier code of conduct • For high-risk suppliers, performance of audit procedures to evaluate suppliers' compliance with international standards for human rights and environmental laws. Monitor that suppliers give timely follow-up on main audit findings. 		<p>Impact: Low-medium Likelihood: medium Term: ST and LT</p>
Employment and diversity	<p>KPN may not be able to attract and retain qualified and diverse staff members, which could lead to insufficient competency and diversity in KPN's workforce. Also, employees or new candidates may have negative perceptions or uncertainties about KPN's future.</p> <p>Restructurings could lead to less motivated personnel and/or key personnel leaving the Company and thus loss of knowledge and continuity.</p>	<ul style="list-style-type: none"> • Improve talent management and remuneration programs to attract and maintain qualified staff • Communicate with (key) staff about reasons for restructuring and value their opinions • Improve employee satisfaction and attractiveness as employer • Promote technical education initiatives at high schools and universities to attract new and diverse workforce. 		<p>Impact: medium Likelihood: medium Term: ST and LT</p>

Key:



Term:

ST = Short term (< 1 year)
LT = Long term