

● Our value for stakeholders: Employee value

Empowering our people for sustainable impact

Recruiting, developing and retaining the right people and skills will make us stronger and more agile, and help us to generate profitable business. Through our sustainable employability strategy, we are shaping an inclusive and diverse organization and culture, in which our people can thrive and make impact.

KPI	Result 2023	Result 2022
Employee survey score for engagement	83%	81%
Overall % women at KPN	22%	22%
% women on KPN Boards	40%	43%

Chapter contains information on material sustainability matters

- 05. Working conditions of our own workforce (ESRS S1)
- 11A. Equal treatment: diversity within the own workforce (ESRS S1)
- C. Own Personnel (ESRS S1)

Sustainable employability

Competent, diverse, motivated and engaged people are crucial to achieve our strategic business goals. To promote this, we foster sustainable employability. This means we stimulate our employees to continuously grow and develop, personally and professionally, making sure they are a good fit for their current positions as well as future jobs they may aspire to. Our sustainable employability strategy focuses on nurturing and building on our company's values and culture.

KPN's core values are trust, showing courage and aiming for growth, and our company culture aspires to reflect these values. We strive to support, stimulate and develop our people, so they make a positive impact on the customers, their colleagues, our business, and society at large. We seek to develop and sustain

an inclusive culture, one in which people feel free and safe to speak up about undesirable behavior – be it discrimination, sexual intimidation, aggression, bullying or experiencing something other at KPN that worries them and they do not feel free to discuss it with those directly involved.

KPN's company culture is further described our new culture statement launched by the end of 2023. Our new business strategy driving a culture of customer centricity, high performance and enabling (cross-segmented) winning teams, while keeping our values of trust, courage, and growth top of mind. We hereby aim to preserve the strong elements of our current culture such as high company pride, engagement and empathy. We know our past doesn't define our future. The world around us is changing and so are we. That is why we will also explore new elements to support our long-term strategic goals. We strive for an integral culture approach, secured in a culture statement describing how we work and behave with our colleagues.

Actively supporting employee well-being

In 2023, we created a more financial resilient environment for our people to deal with high inflation and raised costs of living in the Netherlands. By agreeing a new collective labor agreement in late 2022, we created clarity around compensation and other terms of employment. Our employee survey revealed that our employees experience a good sense of well-being. Employee engagement

● Our value for stakeholders: Employee value

remained high and increased versus previous year to 83% (2022: 81%) with 73% participation (2022: 66%), while absenteeism went down. The survey also showed that the majority of the employees have confidence in the decisions of our Board of Management. However, respondents indicated that stress is mainly caused by workload.

We also addressed workload, among other things, through continuing our 'A Good Conversation' initiative. These are regular conversations between employees and their managers that go beyond tasks and performance to include well-being. We aim for every employee to have such a conversation with his or her manager up to three times a year.

In January 2023, we organized a well-being month, paying extra attention to initiatives to achieve healthy work-life balance. KPN collaborate with Open Up, a tool which gives fast and discreet access to psychological help for employees. Through this partner platform, all employees can raise issues and ask for support when they experience mental-health problems. Support is available through courses, health checks, interviews, and one-on-one conversations with a psychologist via chat, telephone or video calling. Introduced in 2022, partly in response to stress resulting from the COVID-19 pandemic, Open Up clearly continued to meet a need in 2023, as employees continued to make use of this service. We will carry on with this initiative as part of our commitment to support our employees' physical and mental health.

Absenteeism at KPN decreased and dropped slightly below the nationwide trend in the Netherlands. According to Central Bureau of Statistics (CBS) absenteeism among companies with >100 employees in 2023 decreased from 6.5% to 5.5% (average of Q1, Q2 and Q3). At KPN, absenteeism decreased to 5.0% versus 5.9% in 2022. According to our occupational health and safety union, our absenteeism in 2023 is less affected by short-term absenteeism due to COVID and other viruses. In addition, the backlog in care and delayed care has been less of an issue than in 2022, which means that our employees returned to work earlier. Still, our biggest concern is long-term absence. Although we succeeded in bringing down long-term absence in 2023, we still see that mental problems in age classes 25-45 is a point of attention. In addition to the above-mentioned initiatives to influence well-being and absenteeism, a specialized absenteeism HR expert team was set up in 2023. This team supports managers and employees in complex and long-term absenteeism and reintegration. This expertise is highly appreciated and helps in the adequate use of all our instruments.

Our employees are responsible for their own vitality and health, however as an employer, we support them by providing a healthy work environment and giving them instruments to take their health in their own hands. Next to this, we stimulate employees to

invest in their future skills and employability. In 2023, we started measuring the money spent on future skills (e.g. data, AI, security), as developing future skills is a key pillar in our people strategy. In 2023, we continued to offer our employees a budget of EUR 1,500 to spend on personal development. An additional budget of EUR 1,000 is available for tailored training to refine their technical craftsmanship. In 2023, our employees used this budget and spent on average EUR 1,342 (2022: EUR 1,552) on training per FTE.

In 2023, there were 272 incidents (2022: 229 incidents) concerning discrimination or aggression involving employees. Our managers have toolkits that help them start conversations about undesirable behavior, such as the dilemmas we describe in our Code of Conduct. This helps managers to know what to do when difficult situations occur, and how to prevent those situations.

Automation is an important way to improve HR processes. We took further steps to improve our internal HR systems, and launched a mobile office facility application which helps our employees find available meeting spaces and parking spaces at KPN premises. We also continued exploring how the use of AI and machine learning in our business may impact our employees' job profiles. Research shows us that by eliminating tasks by automation, organizations can create space for high-impact tasks that require human interaction, creativity and problem-solving skills. This is something that we will continue to explore and experiment with.

CHALLENGE

As part of our commitment to carbon-emissions reduction, we implemented changes to our mobility program in 2023. We introduced more incentives for employees to use public transport, to come to work by bike, or, if necessary, use one of the cars in our company car-sharing program for visits to clients or company facilities in remote areas. This green mobility program makes KPN a frontrunner in the industry on this topic. To act upon our sustainable ambitions, we did not shy away from the tough decision to go through a transition period to phase out lease cars in preparation for a new mobility statement. Although this decision was crucial to drive change in the long run, we understand the disappointment of the employees and acknowledge that transitions to more sustainable ways of working can be challenging. At the same time, we were happy to see a sharp increase in interest in our bicycle lease program, with about 710 employees ordering company bikes for work as of end 2023. Also, we reward employees with 40 cents per kilometer when they commute to our offices by bike. Our new green-mobility program has since gained praise by many industry players.

● Our value for stakeholders: Employee value

Attracting new people in a tight labor market

To address the challenge of attracting new employees in the very tight labor market, we took steps to strengthen our position as an attractive employer. For example, we upgraded and refreshed the KPN jobs website to make it more engaging for job seekers and easier for them to find the information they need. To position ourselves as an attractive employer, we launched a new employer branding campaign 'Green is not a color, it's a mentality', referencing our company color and the values we cherish. We also ran tailor-made recruitment campaigns, targeting specific groups with the skills we need most, such as engineers and IT professionals.

These efforts paid off, as we recruited engineers and data-security specialists in 2023. To maintain a pipeline of talent, we continued our Young Talent Program which sets out to attract young people to the company. In 2023, we welcomed 26 new young talents to KPN and we also launched our new Tech Talent Program.

In the tight labor market of 2023, unchanged from the previous year, recruiting new employees and retaining existing staff continued to be challenging. Despite these difficult circumstances, we were able to fill job openings. To address this, we once again prioritized staff workloads, while continuing efforts to support a healthy work-life balance to reduce stress. Our internal recruitment tool, KPN Match, offered 1,328 vacancies (2022: 1,518) and 1,958 colleagues applied for jobs using this tool (2022: 2,093).

Hybrid working

Offering hybrid working is a prerequisite to attract new talent in the competitive labor market. Also, our current staff expect to be able to combine remote and on-site work. At KPN, we want to accommodate hybrid working where possible – it fits with our commitment to enabling a healthy work-life balance. After experimenting with different models of hybrid working in the immediate aftermath of the COVID-19 pandemic, we have settled on a model where our office staff spend at least 40% of their working week on-site.

We believe our teams' overall productivity increases when we meet and cooperate regularly face-to-face. Working on-site for at least a significant part of the working week is crucial to maintain a good team spirit and sense of belonging at KPN. We consider offering an attractive office environment a condition for achieving this objective. In 2023, we continued the dialogue within teams to seek for the right hybrid balance, where we aim for a ratio of 40% of employees working at the office and 60% from home. In 2024 we will further invest in initiatives to collaborate more often and more effectively within our offices. To facilitate different types of work in the office, we build experimental areas in a few offices, based on different activities: networking, collaboration, focus work and digital meetings.

We hosted the KPN Festival in 2023, KPN's first company-wide, face-to-face team-building event, where we celebrated our success as a company. The event, which took place at the campus of KNVB, the Dutch soccer association, drew positive feedback, with employees saying it served to strengthen ties between colleagues across business lines and boost company pride.

Diversity and inclusion

At KPN, we believe in the power of diversity, equality, and inclusion. Diversity is not only about differences between people, but also about what unites us. It reminds us that, regardless of our backgrounds, we are all part of one KPN. It is about celebrating our uniqueness while pursuing shared goals. Diversity and inclusion strengthen the bonds between colleagues, encourage collaboration, enhance our creativity and innovation, and enable us to be the Network of the Netherlands.

Diversity, equality, and inclusion are not only morally right, they are also essential to our business performance. We have a wide variety of customers, and we want this diversity to be reflected in our business. Our employees have a unique perspective due to their background and experience. As we grow, we try to make ourselves as much as possible a representation of the Netherlands. This allows us to better understand and connect with customers.

Diversity cannot exist without an inclusive and equitable working environment. Therefore, we will always keep improving to ensure that everyone feels welcome, can be who they are and participate on an equal level. Together we ensure that everyone feels welcome and accepted at KPN. Every day, we work together to create an inclusive, safe working culture. Where we take part in equal and balanced teams. Where everyone's talent is valued and harnessed. And where we embrace our differences. We have recently updated our diversity and inclusion policy, which can be found on our website.

Due to regulations around the recording of personal data, it is difficult to gain accurate insight into diversity categories other than gender and age. In 2023, we asked employees, on a voluntary basis, more about several diversity dimensions, such as their cultural background, sexual orientation and/or identity and disabilities. About 90% of respondents to our employee survey answered these questions, providing us with insights into the well-being, engagement, perception of culture and leadership of diverse groups of employees. KPN has several internal networks (ERGs) to facilitate a dialogue about diversity, equity and inclusion. The goals of these networks is to increase understanding and respect for each other, by talking about different (cultural) backgrounds and/or identities and sharing information about biases, rituals, preferences, interests and customs linked to these backgrounds.

● Our value for stakeholders: Employee value

In 2023, we also paid closer attention to neurodiversity, meaning the range of differences in individual brain function and behavioral traits (e.g. autism, AD(H)D, dyslexia). For example, to increase awareness about neurodiversity and the issues related to it, we organized a Neurodiversity Day. Employees also set up a network of like-minded people, which quickly grew to about more than 190 members.

As in previous years, we organized a Diversity Week to enhance awareness about diversity and inclusion. We are concerned about how slowly we are moving towards more gender diversity at KPN. We realize that gender diversity is a challenge across the tech industry, but we do not want to use this as an excuse to accept our current levels of gender diversity. Instead, we see this as an incentive and obligation to increase our efforts to promote gender diversity.

In 2023, 25% of the total inflow was a woman, however the total outflow of women was slightly higher (28%). For higher scales (scale ≥11), the percentage of inflow of women was higher than the outflow of women. As one of few listed companies in the Netherlands, 50% of KPN's Board of Management are women. Our Sub Top, however, is less than 30% female, slightly lower than the previous year, and gender diversity of our overall workforce is still below our target of 24%. This is why our Board of Management in 2023 took additional measures. All our initiatives to support and promote diversity are documented in our integral diversity and inclusion policy and approved by our BoM and Supervisory Board.

	Target 2023	Realization 2023	Realization 2022	Target 2024
Supervisory Board ¹	33.3%	33.3%	50%	33.3%
Board of Management	33.3%	50%	33.3%	N/a
Sub Top ²	33.5%	27.5%	29%	35%
PLA	29.9%	27.3%	27%	34%
≥ scale 12	30%	18.3%	18%	N/a
All workforce	24%	22.2%	22%	24%

1 The targets for the Supervisory Board are according to the Gender Balance Act, which prescribes at least 1/3rd woman and 1/3rd man in Supervisory Boards

2 Direct reports to the Board of Management in management positions

LGBTQIA+

We are committed to creating a workplace where people with other sexual and/or gender identities (LGBTQIA+) are valued and can be themselves. Our KPN Pride platform addresses LGBTQIA+ issues directly related to working at KPN.

In 2023, KPN took part in the Pride by providing sensors on all boats to guarantee a safe distance between the boats. Based on the employee survey, where we asked employees to disclose their identity on voluntary basis, we know that 3% of our workforce

identifies themselves as part of the LGBTQIA+ community. According to the Dutch statistics of year 2022 (~10%), this is lower than expected. In 2024, we will add these identification questions to our employee survey again to be able to compare the data to 2023.

People at a disadvantage in the labor market

To help people find sustainable employment, we hire people who are at a disadvantage in the labor market. Besides the regular hiring process, we do this in our apprenticeship company, where we provide work experience in the customer-service field, combined with vocational training on MBO 3 and MBO 4 level. In 2023, 17 people joined the program; 100% graduated and 38% found a paid job within three months in or outside of KPN.

We work proactively to make our workplace more accessible for employees who are sight or hearing impaired. In order to facilitate this, we set up an accessibility desk with the right expertise in demand of the right equipment for affected employees. For example, we included the Speaksee tool and software within our workplace that enables people with strong hearing impairments to join group meetings. Speaksee captures speech and transcribes it into text in real time.

Pension

The Dutch government, unions and employers reached an agreement in 2020 on a new pension system. The implementation of this new system started on 1 July 2023 and brought changes affecting employees, former employees, and retirees. Companies have until 1 January 2027 to adjust their pension schemes to the new regulations. KPN will implement this on the basis of the new regulations.