

● Our value for stakeholders: Customer value

Creating value for our customers

Within both our Consumer and Business units, we are constantly listening to our customers and working to meet their growing needs and expectations. Building on our customer-centric approach, we continuously enhance the range and quality of our tailor-made products and services while advocating for secure and responsible internet usage.

KPI	Result 2023	Result 2022
NPS Consumer	17	15
NPS Business	5	2

Chapter contains information on material sustainability matters

- 07. Customer value (entity specific)
- 08. Sustainable ICT solutions and product innovation (entity specific)
- A. ESG product innovation
- 02. Cybersecurity, data and information protection (entity specific)

Consumer

In 2023, we put a lot of effort into enhancing value for our existing customer base, launching compelling new offers and services to attract new customers. Our Net Promoter Score (NPS), the indicator of customer satisfaction with our products and services, improved for consumer market (17).

We realized service revenue growth in broadband, as we prioritized customer satisfaction and rewarded customer loyalty. We continued to provide our existing customers on the copper network with a complimentary product upgrade to fiber. In addition, we offered free speed upgrades to a large number of customers, unlocking the full potential of our network to a growing part of our customer base.

For broadband, the introduction of our new line-up in Q1 2023 improved our value proposition with better prices per

MB and steering towards our higher-value 1 Gig proposition. Consequently, our fiber base grew in terms of volume during the year, and we also observed more customers opting for high-speed subscriptions. These effects, combined with inflation-driven price increases, led to fixed-service revenues returning to growth.

In mobile, service revenue grew, driven by solid base trends and growing ARPU. Our customers value our attractive Unlimited proposition, with an increasing percentage opting for this proposition. A key factor behind the success and rapidly growing popularity of Unlimited has been the facility for our customers to automatically share up to 50 GB a month — more than half the MB sharers responded with interest to this innovation of automatically sharing MBs.

In another step to reward customer loyalty, KPN doubled all mobile data for customers who combine their services on the best fixed and mobile network in the Netherlands. Consequently, instead of 3, 12 or 20 GB, fixed, mobile-converged customers get 6, 24 or 40 GB of mobile data. This allowed everyone in the household to enjoy the our quality network to the full.

Moreover, we successfully launched the KPN Voor Jou program, embodying our commitment to going above and beyond for our customers, daily affirming their decision to choose KPN. This program allows our customers to enjoy extra benefits and gifts from KPN and access valuable tips. A noteworthy initiative, 'Stichting Oud Geleerd Jong Gedaan', involves the sponsorship of online classes tailored for seniors, led by skillfull students. This enables seniors to take part in a complimentary course of

● Our value for stakeholders: Customer value

their choosing, spanning diverse subjects from arts and culture to science.

Products and services

The increase of mobile devices and the growth in both time spent online and data usage, have increased consumers' vulnerability. With personal information at stake, consumers are understandably apprehensive about the security of their data. Security is therefore a priority for them, which has led to a higher demand for related services.

Under the KPN Veilig security services, we have been expanding our range of products aimed at ensuring safe and reliable broadband and mobile connections. We offer virus and malware scanners, a secure password management tool, and all KPN's internet connections use DNSSEC – a technology to double-check IP addresses and prevent customers from unwittingly being led to fake, potentially fraudulent, websites. We help clients assess whether their connected home (domotica) devices are safe to use before we connect them to the internet.

To enhance cyber resilience and data privacy for children and teens, we started offering ChatLicense, a smartphone experience game and an information portal for parents for free.

To provide our customers with the best service and advice on smart devices, we launched a smart home store this year in partnership with tink, a smart home expert. In this store, we guide customers in making informed choices for smart equipment that seamlessly integrates with all their home devices.

We also proactively swapped old equipment for newer versions for tens of thousands of customers.

Customer experience

Consumer NPS, the indicator of customer satisfaction with our products and services, was 17. This score is higher than in 2022 (15). This places the NPS of KPN at the forefront in the benchmark against our key competitors. Key drivers where we distinguish ourselves from these competitors are 'best network', 'best service' and 'appreciated as a customer'.

Through our innovative Household 3.0 approach, we are committed to providing customers with an enriched experience across every life stage, fostering loyalty among individuals, whether they are young or old, single or part of a family. Our go-to-market strategy encompasses flanker brands, segmented offerings, and a localized approach.

CHALLENGE

One of our challenges is showing our appreciation to our existing customer base, while simultaneously acquiring new customers in a competitive market. In 2023, we have implemented an annual inflation adjustment for broadband, which had a negative impact on our NPS. Therefore, we focused on base initiatives such as double data for mobile customers, free (fiber) speed upgrades for residential customers and our Voor Jou loyalty program. To confirm our existing customers daily with making the right choice to be a customer of KPN, we reduced the discounts on the acquisition deals.

Innovations

We continuously seek innovative ways to combine new and existing services to offer to our consumer customers. In 2023, we moved ahead with innovations related to one of our innovation themes 'Digital services enabler'.

At the start of the year, KPN launched KPN TV+, a service that allows users to seamlessly switch between live TV and streaming services like Netflix and Disney+. With features like 'cross-content search', viewers can easily find specific movies or series across both TV and streaming offerings. We made the service available to new KPN Internet customers, offering two subscription options: one with live TV channels and streaming apps and one with a streaming-only option.

In the broadband market, where we realized customer base growth in a price-competitive market, KPN introduced a multigig speed at 4 Gbit/s for both downloading and uploading, creating a new 'SuperFiber' speed category for speeds above 1 Gbit/s. Initially available to fiber customers with XGS-PON technology, the service will expand to almost all customers who are connected to KPN's fiber network by end of 2027. This fast and high-quality fiber proposition enables a top experience for our customers, including those interested in E-sports and gaming.

In mobile, we successfully grew KPN's Multisim product, an additional e-sim that allows customers to seamlessly use their KPN subscription for calls, music streaming, and SMS on their smartwatches. We also continued our trade-ins program, introduced in 2022, offering customers compensation for trading in their old phones. Our customers support our sustainability goals and respond positively to our trade-in program. In 2023, the number of smartphone trade-ins received from customers was more than 20,000.

Improving the customer experience is supported by upgrades of our entertainment, gaming, content and security offering. KPN actively seeks the broadest portfolio of suppliers and partners. We

● **Our value for stakeholders: Customer value**

maintain partnerships with content and entertainment providers, including gaming and video-streaming companies such as Disney and Microsoft Xbox. Furthermore, we have enriched our offerings with new partnerships. Examples include the introduction of Storytel, Amazon Prime Video, the expansion of our security portfolio and the announcement of new cloud gaming service NVIDIA GeForce NOW for our customers to enjoy the power of the best internet.

KPN Ventures made an investment in Perlego, which mostly caters to students and scholars. This digital online subscription-based library focuses on delivering academic, professional and non-fiction eBooks.

Outlook

Under our new corporate strategy Connect, Activate & Grow, we aim to become the market leader in terms of service revenue market share.

With 'Connect' we are committed to providing our customers with a flawless integrated end-to-end fiber experience, promising them an unparalleled internet journey. We not only progress with an extensive fiber roll-out but also dedicate ourselves to enhancing customer service, digital first human assisted.

Under 'Activate', being attentive to the needs of the entire household, we redefine converged on the basis of a new Household 3.0 construct. With a focus on cross- and upsell, we aim to expand our offering of value added Life Centric services, enabled by top-tier partners, innovation and loyalty.

In addition to accelerating our fiber roll-out and offering additional services, we also dedicate ourselves to excellent customer service, digital first, human assisted. As everything becomes increasingly digital, 'Grow' aims to strengthen our personal relationship with customers. Transitioning from one message for everyone to one message tailored for you, the KPN app plays a central role in this transformation. This is supported by our approach of expanding the usage of AI to enhance customer experiences, improve network efficiency, and optimize operations. AI enables us to provide more personalized and reliable services while reducing operational costs and preventing issues before they impact our customers.



What do you think?

Share your opinion now on the statement below and 9 other thought-provoking topics that impact our company and environment.

For a secure internet, protection is more crucial than absolute online freedom

Scan and vote along!



● Our value for stakeholders: Customer value

Business

Our Accelerate to Grow strategy delivered steady growth for KPN Business-to-Business (B2B) in 2023. We saw especially marked performance in our small and medium-sized enterprises (SME) segment, driven by higher demand for mobile, broadband, workplace business and increased data usage. Our other B2B segment Tailored Solutions also performed well. And large corporate enterprises (LCE) segment showed an improving trend, driven by the IoT business, fueled by our machine-to-machine (M2M) business. We aligned our offering with the changing needs of our customers. They prioritize digitalization, cybersecurity, and circular business models, and these guide our efforts to improve and innovate our products and services.

In 2023, we received recognition for the further development of our product portfolio. GlobalData has rated KPN B2B 'very strong' in its most recent company assessment¹. International Data Corporation (IDC) has once again recognized KPN as a 'Major Player' in the 'IDC MarketScope: Worldwide Managed IoT Connectivity Services 2023 Vendor Assessment'². Furthermore, KPN was awarded both 'Service Provider of the Year' and 'Sustainability Partner of the Year' in 2023 by Cisco. In addition, together with other parties, we won three computable awards in the categories 'Partner Project', 'Digital Innovation', and 'Large Corporate Project'. During the computable award night we also won the Dutch Applied AI Award with KLM and Mainblades.

Products and services

As our customers embrace the cloud and hybrid working, they also face increasing cyber risks. We help them safeguard their data and systems with our portfolio of security products and services.

We have designed solutions for different customer segments (self-employed, small office home office Soho and SME) to provide them with the basic security tools in a simple and integrated way. For freelance and Soho customers, we offer five anti-virus licenses with our broadband portfolio, and we also provide a password manager (1Password) and internet protection (KPN Veilig Netwerk Thuis, a smart network security from ESET). In SME, the focus is on enriching our KPN EEN MKB proposition with standardized ICT and security building blocks to become a one-stop ICT shop for SMEs. For SME customers of KPN EEN MKB, Extra Secure Internet (Extra Veilig Internet) is a free service in the broadband line-up. This service is used by 62% of our customers, and we have launched a public campaign to raise awareness among SMEs about this simple and effective first step to improve their security. Moreover, we have introduced a password manager and cybersecurity Censornet, which includes web security, cloud application security broker (CASB), email protection and awareness training, as part of

our security portfolio that also contains, for instance, endpoint protection and back-up (Withsecure, Acronis). In 2023, KPN acquired a majority ownership interest in SuperVision to provide easy, scalable and digital governance solutions for workspaces. Previously we had introduced security solutions developed by Censornet, the cybersecurity startup KPN Ventures invested in, offering our SME customers more security features for the products and services they use to work from home, as well as providing security awareness training to their employees.

For LCE customers, we continue to provide Smart Combinations of Network, IT and Security services, with a focus on the 'Connected Employee' and 'Connected Organization'. A key example is our Secure Networking solution, which combines networking (such as SD-WAN, SD-LAN, VPN), network security (such as Anti-DDoS, Firewall, Secure Connect) and multi-cloud connectivity (such as Elastic Interconnect), allowing our customers to access their data and applications securely from any location, device and time.

To support customers in managing ICT services, we launched OneMonitoring. OneMonitoring offers 24/7 monitoring of a customer's network to ensure early detection of cyber incidents.

We completed a strategic restructuring of our mission-critical business segment, which serves more than 40 customers, reorganizing it into three sectors: public; insurance and banking; and transport and logistics. For each of these sectors we offer integrated products and services, and further strengthened the competence centers for security, workplace, and cloud services, through which we provide these services.

Customer experience

We listen to our customers' needs through various channels, such as our customer panels, events and regular inspirational and learning meetings with customers. We learned that our customers want more convenience – they want simple products that are easy and secure to use and have a strong price-value ratio. With a score of 5, the NPS for KPN Business increased with 3 points compared to previous year. Our clients value our network and products, but they also expect KPN to appreciate them more as customers and simplify and streamline our products and services.

KPN B2B continued its programs to help business customers thrive in a digital world, by further simplifying its portfolio and migrating customers to future-proof propositions such as KPN EEN, KPN Smart Combinations and KPN Smart Integration. Through these actions, we enabled many customers to embrace digital transformation in a sustainable way.

¹ GlobalData, "KPN – Business Services Europe", John Marcus, August 22nd, 2023.

² IDC, IDC MarketScope: Worldwide Managed IoT Connectivity Services 2023 Vendor Assessment, Sandra Wendelken, Jason Leigh, Jitesh Bhayani, Doc # US50404023, July, 2023.

● Our value for stakeholders: Customer value

In SME, we aim to deliver value to our customers by offering them KPN Kleinzakelijk and KPN EEN MKB propositions that are rich in features and easy to use. In order to stay relevant for our customers, we are developing the capabilities to support them with digital solutions for telecom, workspace and security. Our transformation and simplification of our product and services portfolio in the LCE segment is driven by our converged proposition of network, IT and security services (KPN Smart Combinations). This leads to a better customer experience and more opportunities for cross- and up-selling. Our customers appreciate this change, as shown by our indicator for customer satisfaction: the NPS among LCE customers (>150 employees) doubled to 5 in 2023.

Innovations

Our clients prioritize digitalization, cybersecurity, and moving towards circular business models. In turn, these guide our efforts to improve our products and services and innovate where possible. To further accelerate growth in B2B, stay ahead of the competition and remain relevant for our customers, we introduce new innovative solutions and services in various domains. Within SME, key examples include Censornet and SuperVision. Examples for LCE include Secure Networking (including Next-Gen Office), Campus (including Private 5G), Communication Platform as a Service (CPaaS) and Multi-Cloud (including Edge Computing). In addition, we achieved strong growth in IoT services, offering customers value through global connectivity for IoT and management of the complete IoT solution.

Network Platform as a Service

KPN's Business segment has two innovation themes around platform play. On the one hand, for our LCE customers, we aim to deliver connectivity solutions, compute and storage through easily accessible and secure Application Programming Interfaces (APIs). On the other hand, KPN is innovating for SME on Network Platform as a Service (NPaaS) to enable third-party solutions developed by business partners and vendors on our platform related to, for example, IoT, hardware, security, and workspace to sell to these customers. As described above, in collaboration with a business partner, we acquired a majority ownership interest in SuperVision, to co-develop a service for better virtual workplace governance. Several other business partners contributed their expertise and services to this platform too, resulting in an offering for virtual workplace governance and other cloud services. With this proposition we serve the KPN Partner Network, our indirect sales channel for products and services offered by partners, which consists of approximately 1,700 partners.

Cybersecurity-4ALL

We explore new opportunities to offer embedded security platforms for large corporates and SME businesses, by providing security consulting and security as a service to customers. Within KPN EEN, we have a good, secure portfolio with elements

such as endpoint protection (WithSecure), backup (Acronis), EVI, password manager (grip), and awareness (Censornet). Both distributed, direct as well as indirect, via KPN EEN. With Censornet and Microsoft Defender, we enrich security services.

Mission and business critical

Businesses increasingly create private 5G converged grids within their organizations to enhance flexibility, reliability and security, to enable mission end-to-end business & mission critical use cases. Key verticals for Private 5G are Manufacturing, Transport, Logistics and Health. Private 5G is also a key element of KPN's Campus solution. Building on our expertise and experience with highly secure networks, such as for emergency services, we see opportunities for innovative private network products and services.

KPN is committed to deliver on innovative products and services that address the needs of the healthcare sector. Demand for our products and services geared to the healthcare sector remained strong, confirming the relevance of this offering. We have acquired Itzoo, a leading provider of health-exchange solutions, to simplify and accelerate the digital transformation of information sharing among health organizations.

We continued our manufacturing field-lab initiative in Eindhoven, where we work on 5G private and 5G private-over-public networks in combination with on-premise edge computing for network-centric applications with our ecosystem partners of the Brainport Digital Factory foundation in the Netherlands. We are well-positioned to provide these crucial and sensitive services, thanks to our reputation as a reliable partner offering high-quality services.

KPN is further developing in advanced monitoring, 5G private networks and multi-cloud to offer our LCE customers the highest level of security. Furthermore, we offer IoT solutions and Health solutions to our LCE customers. For the top-end of the market, we build onto Smart Combinations with domain-agnostic professional services and further specialize ourselves in cloud, security and networking services.

We launched KPN Drone Connect, our service enabling customers to connect their drones to our mobile network in a secure way. Alongside this, with our partners LVNL (Dutch Air Traffic Control) and ANWB, we started an experiment with a digital drone corridor in Dutch airspace to enable drones and manned aircraft to move safely through the skies. The first corridor is between two locations of the Dutch Isala hospital, in the cities of Zwolle and Meppel, facilitating the urgent transport of blood, medicines, and diagnostic samples by medical drones.

● Our value for stakeholders: Customer value

Secure data exchanges

With our Data Services Hub (DSH), our Platform as a Service for real-time information exchange, we enable customers to analyze and share data with partners in a secure and controlled environment. Businesses increasingly need secure data-exchanges that offer data owners full control, flexibility, safety and integrity of their shared data. Demand for data-exchange services is also driven by European regulations that companies need to abide by. Today, KPN is already facilitating the secure exchange of medical data with the KPN Health Exchange platform, and is able to exchange vast quantities of streaming data with its Data Services Hub platform. In 2023, we developed Logfilemanagement, based on DSH and contracted major companies, to handle data from IT components to security monitoring tools (SOC/SIEM).

Circularity

We are committed to enhancing circularity in our products and services. We are preparing services for circularity by focusing on closing the loop for KPN-owned equipment. This includes circular process flows (where viable), embedding circular clauses in vendor contracts and measuring circularity. For 2023, we set a target of six services. For the following five services this was realized: Premium WiFi for our SME customers, and SD-WAN, SD-LAN, KPN VPN and E-Zorg for our LCE customers. We strive to introduce more recycled or renewable materials in the production of the products used. We will enable collection of the customer equipment and make sure it is either reused or recycled.

CHALLENGE

Despite commitment from all staff involved, it can take more time to bring innovations to market. Sometimes, managing the delivery of existing products and services absorbs more time than expected, preventing our people from working on new products. A shortage of skilled labor in some of our business domains can be a hindering factor too, as is the time needed to develop or adjust the IT systems before we can launch a new product or service. To reduce the 'time-to-market' we aim to improve cooperation between IT and business and we explore if we can use AI to develop software quicker.

Outlook

We strive to improve customer satisfaction in every aspect of our business. To achieve this goal, we have different strategies for each segment of our business. In SME, we will enhance our user-friendly business app, simplify the business partner platform, and use AI to provide better solutions. In LCE, we will improve our customer experience by increasing digitalization and streamlining the delivery and service process. In Tailored Solutions, we will listen to our customers more closely and customize our services and expertise to three key segments: Public (Critical), Main Ports and Logistics, and Financial Services and Insurance. For Health, we see more opportunities for enhancing access to healthcare through digitalization in the near future. Home diagnostics, self-monitoring, early detection, and even remote treatment of patients in their homes could potentially make life easier for both patients and healthcare professionals. Our aim is to offer health-specific solutions that meet the needs and expectations of our customers.

To accelerate the energy transition, the exchange of data is crucial. Real-time information on renewable energy can enable decentralized energy grids and virtual power plants. KPN is actively assisting energy hubs in the Netherlands through data exchange, providing insight and control in electricity use in office parks.

European policies and regulations, such as the CSRD and the Data Governance Act, will increase the adoption of secure data exchange. The emergence of data intermediaries is already apparent. We collaborate with our European partners to set business standards for data exchange and participate in the European Alliance for Data, Edge and Cloud.

● Our value for stakeholders: Customer value

Wholesale

Our Wholesale business segment provides third-party telecom providers access to our fixed and mobile networks. By maximizing the utilization of KPN's assets and ecosystem in this way, and using the utilization of our networks as fully as possible, we create value for KPN and for our customers and end-users.

We apply an open wholesale policy, which means we offer other parties access to our networks on reasonable terms. Our non-discriminatory voluntary commitment decision, which is approved by the Dutch Authority for Consumers & Markets (ACM) in 2022 for fixed access, include Optical Distribution Frame (ODF) access and Virtual Unbundled Local Access (VULA). We have committed to these fiber wholesale access tariffs for an eight-year period until 2030.

The wholesale telecom market is becoming increasingly competitive, with more market players offering fiber broadband access. However, we grew again, confirming and maintaining our competitiveness. Our fixed and mobile access business continued to grow to 1,180k broadband connections and 811k postpaid connections, respectively. We extended contracts with existing mobile phone clients, mostly big telecom providers. The number of end-consumers increased, as did end-users' demand – for both mobile and broadband capacity.

A continuing shift from prepaid to postpaid mobile phone subscriptions drove growth in the mobile segment. Our wholesale fiber network activities accounted for most of our overall growth in the KPN wholesale business. Revenues for large accounts SMS services remained relatively flat compared to 2022. Price increases offset the decrease in volume.

Product and services

We continued to phase out our legacy services on copper lines, migrating consumers to faster fiber connections. In 2023, we reached agreements with our customers on passive copper lines. This will enable us to phase out our copper Unbundled Local Loop services in the coming years, thereby reducing the number of central offices needed and contributing to energy savings.

Over the past few years we offered, and in future years, will be offering VULA passive optical network (PON) and WBA services in our PON footprint as an alternative to fully unbundled fiber lines. In this way, we are preventing a situation where we have many small local installations that require active equipment, thus saving on hardware and maintenance requirements and energy use.

Our roaming footprint and revenues from our roaming services increased in 2023 due to people continuing to travel more after the COVID pandemic. Our e-sim services also contributed to roaming

growth. E-sims are part of an increasing number of travel products that are sold internationally. People use these when travelling abroad, leading to more roaming.

In 2023, we started providing wholesale customers with access to 5G mobile services and we accelerated the voice-over-LTE roll-out for wholesale customers. This technology is expected to become the new standard for voice services. By expanding VoLTE, we also anticipate the phasing out of 2G connections.

We improved our portal for wholesale customers, MyPortal, providing them with access to more services and tools in a single, centralized online location. We also streamlined and further digitalized our internal customer-management tools, shifting to one centralized system (Salesforce) that our wholesale staff use to support customers. With this we create an excellent (digital) customer and employee experience through one ecosystem – an ecosystem that offers our customers better insights into service or network failures more quickly, so they can act faster to help clients.

Customer experience

We ask our customers for feedback on our products and services, and this feedback reflected a high degree of satisfaction. However, customers also pointed out where we could improve, such as in communications with them, processing time and fulfilling customer demands. We are continuously working on enhancing the wholesale user experience.

CHALLENGE

Building a trusted relationship with parties who we compete with in the consumer market forms a challenge. To instill trust, we ensure a strict non-communication policy internally between involved departments, next to secure workspaces – both physically and online.

Innovations

To onboard new partners faster to our mobile network and services we have introduced a new platform: API/GUI Private Label. We see this as an important milestone to leverage our mobile network and roaming footprint.

We continued efforts to further standardize our products and tools to help businesses minimize cybersecurity risk and at the same time safeguard the privacy of their clients. Our multi-cloud solution Elastic Interconnect has become a fixture in our B2B portfolio, offering companies and their employees direct, stable and secure connections to cloud applications such as Microsoft Teams. Demand for this service grew in 2023.

Together with other providers, we offer Mobile Connect, which comprises several services for number verification authentication,

● Our value for stakeholders: Customer value

identification, and extra protection against account and identity theft. It ensures that customers of digital service providers, such as banks and online shops, can conduct, verify and ensure transactions simply and securely.

Through the international Open Gateway initiative, in cooperation with the Global System for Mobile Communications (GSMA), the international industry organization for mobile technology, we seek to develop international standards for online identification verification and authorization products, as well as new network-based services like quality-on-demand. This is part of our new Network Platform as a Service portfolio (NPaaS) development, which also applies to our B2B customer segment. Through further standardization, we not only meet demand in the B2B market but also anticipate potential future government regulation. New regulation is expected to force companies to accept standardized online identification verification, such as KPN's PiM app, to prevent consumers having to create online accounts for every online shop or service they use.

Disruptions in the supply chain, in some cases combined with shortages of skilled technical staff, led to delivery delays for some of our services. There was a threat, for instance, to the delivery of services via our fiber network to some clients who needed more capacity due to growing demand. We met this challenge through innovation by applying bidirectional optical fiber technology (bidi).

Until a few years ago, we built fiber connections to big users, mostly large companies, consisting of two fibers for each user – one for uploads, and one for downloads. We introduced bidirectional technology in 2021, and in 2023 we scaled it up to its full potential delivering upload and download through the same fiber. This allowed us to connect more consumers and provide more services with the existing network, preventing us from having to build additional fiber connections. Using bidi technology saves time, as we can provide more services more quickly. It also saves on material and costs, as we do not need to build additional fiber connections. At the same time, by deploying our network optimally, we lower our ecological footprint.

Outlook

As part of KPN's new business strategy announced in November 2023, KPN Wholesale will, in the next few years, work to provide easier access to our wholesale services by intensifying the use of APIs and allowing faster scaleup of services, both in our home market and internationally.

We expect to further expand our portfolio of broadband services by offering new and higher speeds to our customers on a larger footprint. Furthermore, our copper switch-off program will continue to result in a lower energy consumption.

We are investigating the possibility of broadening and leveraging our access portfolio and creating building blocks that can be used for all segments within KPN. On top of that we continue to identify markets that are expected to grow significantly in the next few years and might require a wholesale relationship. We intend to be ready to serve these markets, resulting in a more segment-specific and demand-driven approach.

Reputation and recognition

Being rooted in and firmly connected to the Netherlands, we value our reputation dearly. Although KPN provides vital services to society, businesses and consumers, we are well aware that our reputation is not merely based on the quality of our networks or products. People also base their view of KPN on the perceptions of how we do business, how we act as a corporate citizen and how we behave as a large employer in the Netherlands. The overall perception of stakeholders and society about KPN, both online and offline, determines to a large extent our license to operate and hence our potential to grow.

KPN continues to lead the benchmark in the telecom industry and remains well ahead of the combined average of the top 30 largest Dutch companies. Ending with an overall reputation score of 73.1 in the last quarter of 2023, we witnessed a small drop of 0.5 points compared to the last quarter of 2022 (73.6). All underlying reputation drivers remains in the 'strong' zone, and with a consistent lead in the benchmark, we maintained our track record as a company with a strong reputation.

Over the past few years, the way in which businesses act on ESG-related matters has become more important in terms of public perception. ESG continues to feature highly on the agenda of our Board of Management and we regularly monitor our ambitions to have a positive influence on society. As a result of our ESG efforts, KPN was awarded the number one spot in the telecom sector on the Dutch Sustainable Brand Index, a perception-based ranking that reflects the public's view of how sustainable they believe a company is.

Sponsorships

As a sponsor, KPN was able to support our partners and connect fans throughout the Netherlands with our sponsorships, campaigns and events. Our sponsorships contribute to our strong brand image, reputation and business goals. In 2023, we spent EUR 3.8m (2022: EUR 3.5m) on donations, sponsorship and community projects.

Our sponsorships can contribute in a way that 'everyone can join in'. They bring people together so that they can be part of the

● Our value for stakeholders: Customer value

group, allowing them to experience special moments with others or simply to participate in everyday life.

With this in mind, we created KPN Mooiste Contact Fonds, which is designed to involve people who find it difficult to participate in society. Key projects include KlasseContact, which allows long-term seriously ill children to participate in the classroom again.

KPN Mooiste Contact Fonds fosters connection

Loneliness is a growing issue in Dutch society. The most recent (2022) Adult and Elderly Health Monitor survey by the Municipal Health Service (GGD), the Central Bureau of Statistics (CBS) and the National Institute for Public Health and the Environment (RIVM), shows that 49% of adults feel lonely, an increase of 2% since the previous measurement in 2020. To fight loneliness, our KPN Mooiste Contact Fonds has supported vulnerable groups since 2007 by financing several large projects in partnership with NGOs. The foundation is supported by KPN employees, our IT resources and financial assistance. We received 898 voluntary contributions and had 671 volunteers to accompany participants during our events in 2023.

Through our most important and longest-running KlasseContact project, this year we connected 776 housebound chronically ill children to their classroom via an IT device, the KPN Klasgenoot.

In March 2023, Her Majesty Queen Máxima visited the joint program Entrepreneurship against Loneliness of the KPN Mooiste Contact Fonds and the Oranje Fonds. She interacted with representatives of both foundations and with four social entrepreneurs (out of a total of 18 who are following the program) who, with the support of the program, combat loneliness in our Dutch Society.

Together with the Bartiméus Foundation, which is committed to help people who are visually impaired or blind, we received guests with a visual impairment at the Boijmans Van Beuningen Depot in Rotterdam. Also, our Pink Christmas Dinner, organized with KPN Pride and social entrepreneurs to allow LGBTQIA+ seniors and youngsters to talk with each other, created meaningful conversations.

An annual survey conducted by an external party shows that in 2023, 19% of the Dutch people were aware of our social responsibility activities and we aim to build this awareness further in the near future. Another survey shows that in 2023, 75% of the respondents appreciate our foundation.

Soccer

Since 2017, KPN has supported soccer in the Netherlands, from the Dutch national teams (Lions and Lionesses) and E-Oranje to the local amateur clubs. With our support, the Orange Lionesses competed in 2023 at the World Cup in Australia and New

Zealand. Together with the Dutch Soccer Association (KNVB) we organized many activities to engage fans, including an Orange Fan Day, tickets for the farewell match, a Lionesses Xperience and the KPN Soccer Camp aimed at aspiring young lionesses. This year we extended our sponsorship with the KNVB until 2026. As the main sponsor of the Eredivisie since 2017, we enable KPN customers an experience to watch all simultaneously played matches live during the last two rounds of the competition, by realising six extra soccer channels on KPN TV, so that all matches could be followed live by fans.

E-sports and gaming

KPN is a sponsor of E-sports and gaming, with a focus on E-soccer, and brings together the best E-gamers in the popular soccer game FC24 (formerly known as FIFA). In May, eight Eredivisie (Dutch Premier League) clubs played the Dutch EA SPORTS FIFA 2023 championship during the KPN eDivisie Finals. The matches were played surrounded by gaming and soccer activities.

TEAMKPN Sportfonds

Through the TEAMKPN Sportfonds, KPN supports sports teams representing the Netherlands at top sporting events such as the European Championships, the World Cup and the Olympics. Every year, the fund provides financial support to one or more Dutch national sports teams. In 2023, we supported women's beach tennis, men's bowling and women's canoe sprint, helping teams to perform optimally to realize their ambitions.

Art and culture

Since 2013, as main sponsor of the Rijksmuseum, it has been our mission to make its internationally renowned art collection accessible to everyone in the Netherlands and across the globe, both in the physical museum and online. To ensure that art remains accessible and appealing to younger and future generations, KPN supports the Rijksmuseum in making its artworks available to view online for free in high resolution, for instance through the Rijksmuseum app. In 2023, we created the online experience for the Vermeer exhibition, which was visited by more than 890,000 people. We also invited customers and employees to see what was the biggest Vermeer collection ever. More than 650,000 visitors attended in total, making Vermeer the most visited exhibition in the history of the museum. We also received more than 5,000 customers to the Rijksmuseum to endorse our new loyalty program for our customers. This year we extended our partnership until March 2025 and continue to engage fans with all the artworks of the Rijksmuseum.

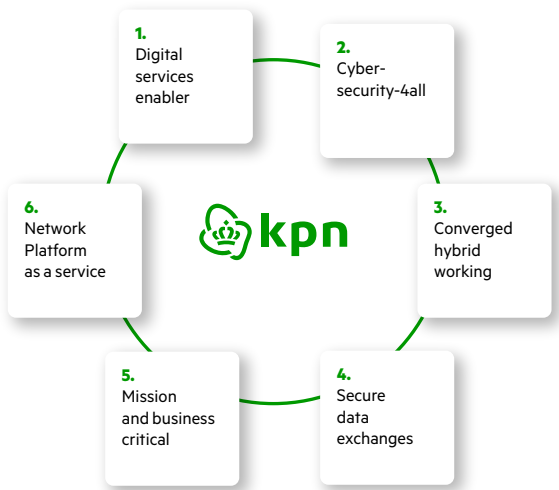
● Our value for stakeholders: Customer value

Central innovation

Innovation is crucial to KPN's future business growth. Developing new products and services enables us to meet new customer demands and help digitalize society further in a responsible way.

Innovation themes

Guided by our focus on our six innovation themes, we achieved good results in innovation in 2023. Several projects from our innovation pipeline made it to the product portfolio. For details, see the paragraphs on innovation in the Consumer and Business segments earlier in this chapter. Despite these achievements, we saw room for improvement, particularly around speed to market for our innovations.



Innovations supported by startups and venturing

Innovation at KPN is supported by KPN Ventures, KPN Liaison Management Scaleups, KPN Technology Innovation Roadmaps and Architecture and KPN Field Labs. KPN Ventures is our venture capital investment fund. It invests directly and indirectly in innovative European technology companies to build value-creating partnerships. KPN Liaison Management Scaleups supports startups, scaleups and other partners to connect with KPN. It provides a joint platform where our partners and customers can share expertise and seek financial support, based on the open-innovation concept.

KPN Ventures has invested in RangeForce, a team cyber-readiness platform, which is expected to strengthen the security offerings to KPN's customers.

KPN continued its partnerships with several Dutch universities. The goal of these partnerships is to enable thought leadership and positioning in relevant research areas. We do this by collaborating with top universities in strategic areas. We engage with data and network science talents through Masters and PhD thesis projects. Subjects vary from what a future network will look like to how KPN can continue to be a frontrunner in emerging digital ecosystems.

IPR

KPN's current portfolio of intellectual property rights (IPR) consists of 305 registered trademarks relating to our core brands and 355 patent families. Around 92 of the patent families that KPN owns are deemed essential for the commercial use of telecommunications technology and services, including in 5G and virtual/augmented reality, in total corresponding to 152 telecommunication standard declarations. Throughout 2023, the research entity LexisNexis has ranked KPN as 36th among the worldwide 5G innovation leaders as measured by patent strength: KPN sits in fourth place among the telecom operators.

Outlook

In addition to working on the six focus areas, we will continue to explore topics we consider relevant for the longer term, such as artificial intelligence (AI), Web 3.0 and metaverse, and what these developments mean for KPN. In 2023, KPN's strategy team developed use cases in the area of AI, and although metaverse moved out of the public eye in 2023, we continue to closely monitor this development. Another area of interest in 2023 was satellite communications. We began exploring whether we can develop products with partners aimed at providing connectivity in remote regions with little or no connections to mobile or fiber networks.

We will continue developing partnerships, and intensifying our cooperation with Microsoft, Google and Amazon Web Services (AWS), Amazon's subsidiary offering cloud computing and APIs. Together with Google and accounting consultancy firm Deloitte, we began exploring assessing the market for sovereign clouds. With Amazon we will explore if and how to apply their Thinking Backwards innovation method for KPN's innovation projects.

We have established an effective innovation process at KPN, consisting of clearly defined steps: explore, validate, create proof of concept, and scaleup. At the same time, we seek to continue to provide room for experiments outside of this well-established process, to ensure we remain flexible in our innovation and do not miss out on opportunities.