

Sustainability- Linked Finance Framework November 2021



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1 Introduction

1.1 About KPN

KPN (“the Company”) is the leading telecommunications and IT service provider in the Netherlands, serving both consumer and business customers with our fixed and mobile networks for telephony, broadband and television. KPN offers small-, medium- and large-size business customers a portfolio of services including fixed and mobile telephony and internet, and solutions in core connectivity and close to core IT services such as cloud, security and workspace. In addition, KPN offers third party telecom providers access to our nationwide fixed and mobile networks.

1.2 Our Customers

As the market leader in the Netherlands, we are committed to millions of households and businesses. From mobile data users to households that purchase all-in-1 packages and business customers with ICT services and workspaces. More and more customers are combining fixed and mobile services. Customer satisfaction is essential for KPN. An important indicator for this is NPS (Net Promotor Score). The higher the NPS score, the more strongly a customer would recommend KPN to others.

5.630 million

Mobile subscribers¹

3.136 million

Broadband lines¹

3.096 million

FtTH homes passed
(own roll-out)

1.485 million

Fixed-mobile households

+15

NPS Consumer

+3

NPS Business

Note: data as per Q3 2021

¹ Consumer and Business segments, excludes Wholesale

1.3 Our Strategy

The core of our strategy is that we are speeding things up in line with the digitalization of society. Every day, we are working on the network of the future – a network of people and technology that facilitates progress. We are doing everything within our power to connect everyone in the Netherlands to a sustainable future. With our strategy ‘Accelerate to grow’ we are focussing on three pillars:

Accelerate to Grow strategy supported by three key pillars



Three strategic pillars...

1. Leverage & expand superior network

- Covering the Netherlands through fiber
- Low Latency services via 5G and edge computing

2. Grow & strengthen customer footprint

- Outstanding digital experience
- Differentiated services for families and businesses

3. Simplify & streamline operating model

- New ways of digital working
- Continue strong and disciplined cost control program

...to support our ambition to

Connect the Netherlands to a sustainable future

- Leading the Dutch digitalization wave
- Recognized as ESG front runner

Grow mass-market service revenues and EBITDA

- Fiber fueling household revenue growth in B2C
- Segmented B2B approach, stabilize SME first

Provide attractive shareholder returns

- Covered by growing Free Cash Flow
- Progressive dividend, +3-5% annually

With this strategy KPN will grow mass-market service revenues and EBITDA and enable KPN to continue its progressive dividend policy, covered by growing Free Cash Flow. It will also lead the Dutch digitalization wave to connect the Netherlands to a sustainable future.

1. Leverage & expand superior network

KPN has built a state-of-the-art network architecture with the vast majority of mobile sites built for high capacity and connected to fiber. KPN has already connected over one-third of households in the Netherlands directly to fiber. In the coming years KPN will leverage and expand this superior network by accelerating its fiber rollout to approximately half a million homes passed per year with the intention to cover 80% of Dutch households by 2026 (together with Glaspoot, KPN's joint venture with APG).

2. Grow & strengthen customer footprint

KPN is focused on growing mass-market services revenues through a strengthened and growing customer footprint in the Consumer, SME (small and medium-sized enterprises) and Wholesale segments, which represent approximately 75% of KPN's revenues and 90% of its adjusted EBITDA AL. KPN will be the preferred digital partner for households through (i) the best digital access with fiber, 5G, and in-home WIFI; (ii) the best digital omni-channel experience with a mobile-first and app-centric customer approach; and (iii) the best third-party services through entertainment partnerships. In Business, KPN has a clear segmented customer focus for SME, LCE (large commercial enterprises) and Tailored Solutions. In Wholesale, KPN continues its open access policy to offer access to third-party operators with fiber contributing to continued growth of Wholesale revenues.

3. Simplify & streamline operating model

KPN will further simplify and streamline its operating model to prepare for the next wave of digitalization, which will truly change customer experience, enhances KPN's time-to-market and contributes to a next wave of cost efficiencies. Along with portfolio simplification, digital customer journeys, and IT and network rationalization, KPN is executing on COVID-accelerated cost opportunities e.g., moving to more remote working and an adjusted office footprint.

2 Sustainability at KPN

2.1 Our purpose

We believe connections bring people closer and take them further. That's why we go all out to connect everyone in the Netherlands to a sustainable future. Every day we build the network of the future, a network of people and technology solutions that move us forward. We enable new secure ways of working and strive to offer first class connections, flexibility and outstanding customer experience - safely and simply. This way people can relax, do business, make friends, collaborate and discover new worlds. We want to make the Netherlands the most connected country in the world.

2.2 Our vision on sustainability

We want to lead the country's digitalization and become the preferred partner in digital life. Our business model also highlights our long-term impact on society in terms of secure and future-proof connectivity, enabling societal innovations, encouraging inclusion and reducing environmental impact. This business model starts with our key assets, our network of technology and people, which includes our state-of-the-art and converged networks, our customer base, workforce and partnerships.

Via our network, we're connecting everything and everyone. This creates convenience and tremendous freedom. At the same time, KPN's technology is helping to find answers to social questions of today and tomorrow. Whether it's reducing CO2 emissions or maintaining affordable healthcare.

We contribute to a connected society by contributing in a number of areas:

- Climate/energy
- (Social) Innovation
- Diversity and Inclusion

Our contribution to the SDGs - ICT is key to solving societal challenges

We continue our strong support of the UN Sustainable Development Goals (SDGs) as a shared ambition for peace and prosperity for people and the planet. We have identified three SDGs we believe we can contribute to most, as an employer, business partner and telecommunication-services provider.

Each of these SDGs presents an opportunity for us to provide solutions while reminding us to act in a responsible way. We have tied our strategy to each of the SDGs, summarized in the figure below. We work to embed ESG themes in the organization through secure future-proof infrastructure and by focusing on social and digital inclusion, energy efficiency and circularity.

Our strategy to drive impact at scale



Innovation

Make the Netherlands safer and resilient by offering best-in-class connectivity and security

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Society

Provide internet access for everyone and everything and stimulate social inclusion

11 SUSTAINABLE CITIES AND COMMUNITIES



Environment

Build the most efficient network technology to reduce energy consumption despite higher data usage

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Innovation: accelerating the installation of fiber and modernizing our mobile network

Innovation gives meaning to technology. Our solutions aim to help the Netherlands progress and become safer and more resilient. We serve customers in the field of public security, defense, industry, transport and the maritime sector. KPN solutions help to accelerate digitalization in the Netherlands. Our fiber roll-out gives households and businesses access to superfast, stable and reliable broadband via the most modern infrastructure. At the end of 2026, about 80% of all households in the Netherlands will have fiber either through KPN or through the cooperation with APG (Glaspoort). Our network forms the basis of our innovation.

Society: Human well-being

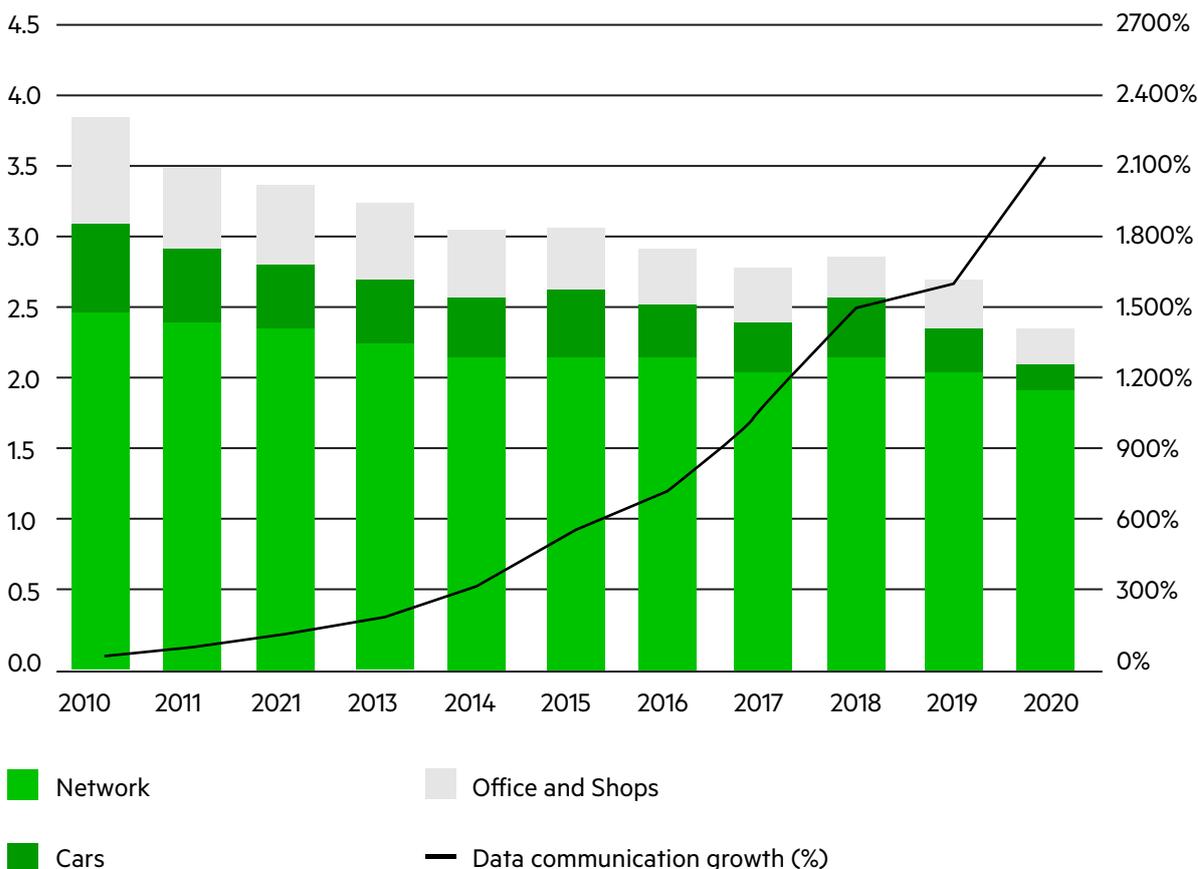
Our technology contributes to a connected society. We provide internet access for all and promote social and digital inclusion. We provide the means to make cities smarter and cleaner, facilitating services such as smart parking and traffic lights, autonomous driving and crowd control. We continuously explore how our technology can help address the themes and challenges that society faces today. Our new technologies and digital solutions make people more comfortable and safe in their homes, prevent online fraud, increase the efficiency of businesses and healthcare and reduce traffic by facilitating hybrid working, make cities smarter and cleaner and connect ill children with classmates.

Environment: Climate neutral and on our way to become a circular company

KPN's own operations are already climate neutral, therefore all our services are low carbon services. By using our cloud services, video conferencing and audio conferencing, our business customers can meet online, reducing the need to commute or use office space. Our long-term goal is to avoid as much energy via our services as we consume via our fleet, electricity and value chain.

Our energy consumption is as follows:

Energy consumption (PJ) compared to data communication growth (%)



KPN's energy consumption

Our energy consumption in 2020 was 2,428 petajoules. This amounts to a reduction of 37% compared to base year 2010, while the data communication volume has increased almost 21-fold in the same period.

Our energy savings in the network were mostly related to fixed network rationalization and the migration of mobile network equipment to next-generation equipment. We are also improving our capability to forecast long-term energy usage per type of infrastructure.

Our targets

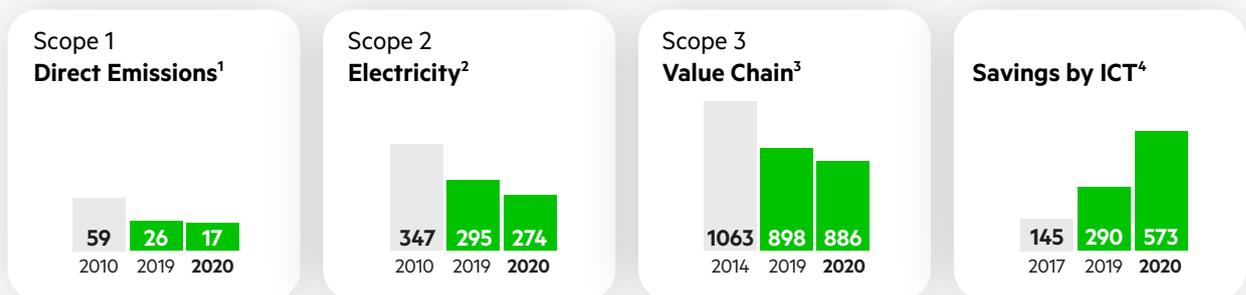
By 2030, we aim to reduce our energy consumption by 55% compared to 2010. KPN commits to reduce

scope 1 greenhouse gas emissions by 100% by 2030 without offsets for our fleet from a 2010 base year. For our electricity consumption we use 100% green electricity generated by local and European wind farms. So our market based Scope 2 emissions are zero. Our business has been climate neutral since 2015. KPN's long-term target is to maintain yearly zero scope 1 and 2 emissions from 2030 to 2050.

KPN will reduce its scope 3 emissions by 30% by 2030, from a 2014 base year and achieve "net zero" emissions in the value chain by 2040.

The targets as approved by the Science Based Targets initiative cover greenhouse gas emissions from company operations (scopes 1 and 2) and the value chain from suppliers to customers (scope 3) consistent with reductions required to keep global warming to 1.5°C, in line with the Paris Agreement.

Overview of own emissions (scope 1 and 2), value chain emissions (scope 3) and savings by ICT (in kTon CO2e)



¹ Gross emissions, mainly relating to our fleet; our net emissions are zero with compensation of fossil fuel cars

² Location based emissions, relating to our usage of electricity; our market based emissions are zero

³ Upstream and downstream emissions in our value chain

⁴ Savings realized through services used by our customers

Overview of CO2e emissions

Scope 1 and 2:

Climate neutral since 2015

Scope 3

Emissions improved by 17% compared to base year 2014

Savings by ICT

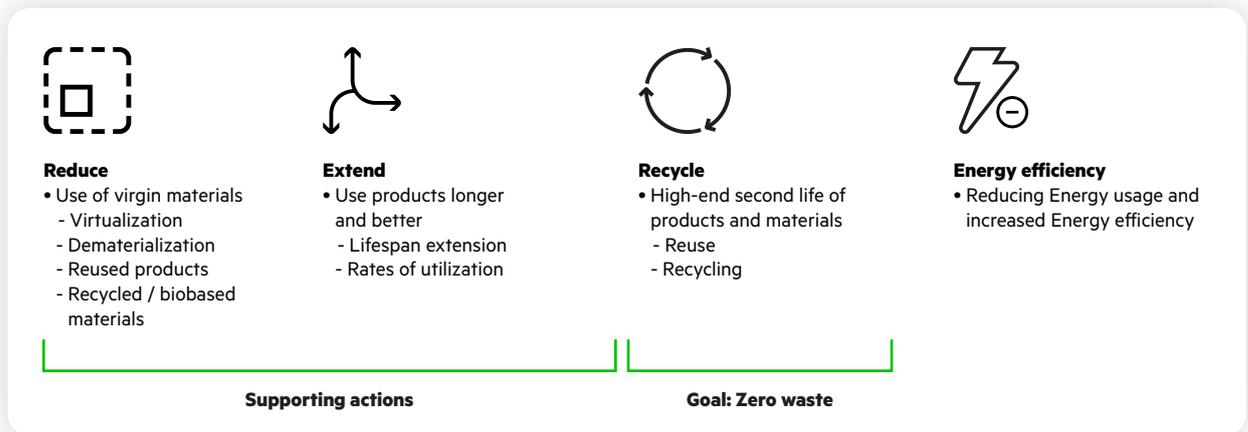
Digitalization is accelerating and in 2020 CO2e savings for our customers from using our ICT services doubled to 573 kTon also driven by COVID-19

We deploy our infrastructure and networks to co-create solutions for more sustainable use of the environment. We reduce negative environmental impact by the way we produce, use and recycle our equipment. Our approach to circularity starts with our procurement process, operations and the impact of our products and services before, during and after use. We have set intermediate targets and use a road map to track our progress in reducing the impact of our products and materials.

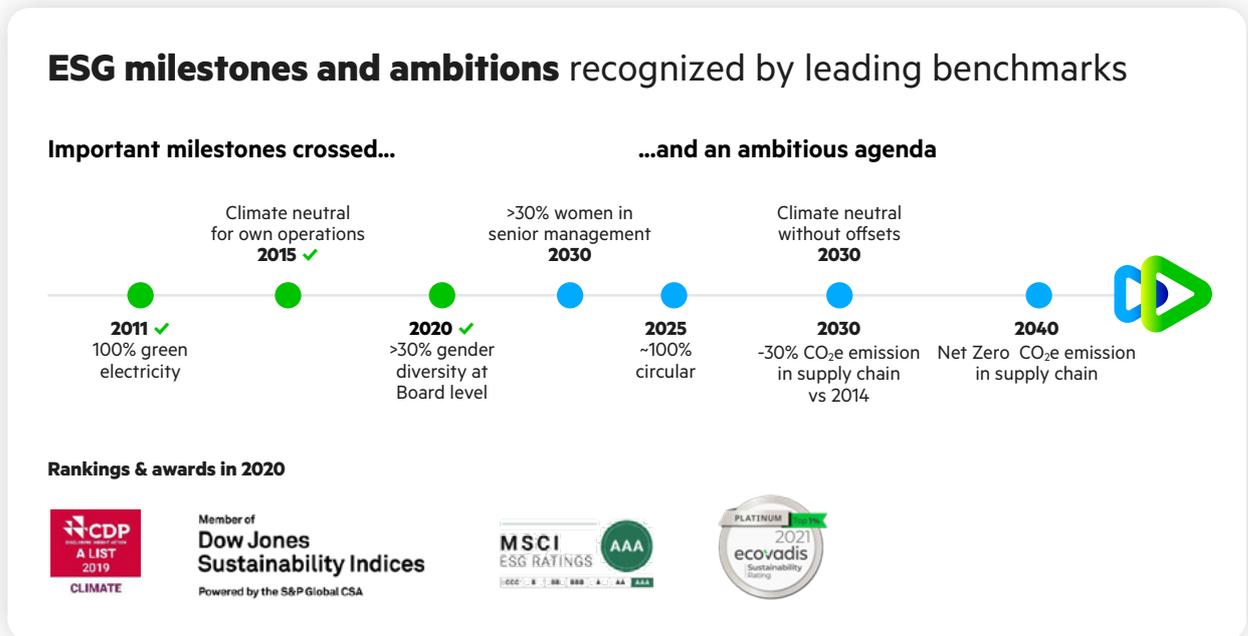
For inflow of materials, we have set a target to redesign for circularity a minimum of 15 typical KPN products, for example by using recycled materials. These include in-home and outdoor equipment.

For outflow of waste and materials, we aim to maximize reuse and recycling and avoid incineration and landfill. For KPN owned customer equipment, our circular ambition is a closed-loop supply chain. We aim to save energy and reduce use of materials by replacing some of our hardware with software.

Our Circular economy approach is as follows:



ESG milestones and ambitions: aiming for net zero emissions by 2040



3 KPN Sustainability-Linked Finance Framework

3.1 Rationale for issuing sustainability-linked instruments

As part of its commitment to sustainability KPN has designed this Sustainability-Linked Finance Framework (the “Framework”), to issue sustainability-linked finance instruments (“Sustainability-Linked Finance Instruments”) enabling the Company to meet its environmental and social objectives. It will link KPN’s funding with its sustainability objectives, leveraging ambitious timelines to achieve sustainability performance that is relevant, core, and material to its business.

3.2 Basis of this Framework

KPN has established this Sustainability-Linked Finance Framework as an overarching platform under which the Company intends to issue sustainability-linked finance instruments, which may include bonds (including private placements), loans, promissory notes (Schuldscheindarlehen) and any other sustainability-linked finance instruments in various formats and currencies.

This Framework is aligned with the five core components of the International Capital Market Association’s (“ICMA”) Sustainability-Linked Bond Principles¹ (“SLBP”, June 2020) as presented below and also takes into account LMA’s Sustainability-Linked Loan Principles² (“SLLP”, April 2021):

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Characteristics
4. Reporting
5. Verification

¹ To be found [here](#).

² To be found [here](#).

3.3 Selection of Key Performance Indicators (KPIs)

KPN has identified the value chain CO₂e (Scope 3) KPI that is material to its core sustainability and business strategy and addresses relevant environmental challenges of the sector.

KPI: Percentage reduction of value chain CO₂e (Scope 3)

- **Perimeter:**

Business units and subsidiaries that represent 98% of KPN's consolidated opex/FTE

- **Methodology:**

Scope 3 includes:

- Emissions in the upstream value chain
(during the production phase of products, services and equipment at suppliers)
- Emissions in the downstream value chain
(during the use phase, including recycling and disposal of the products, services and equipment)

KPN uses two main methodologies to calculate Scope 3 emissions:

- The spend based method - which takes procurement data and calculates the emissions within an environmentally extended input output (EEIO) model to assess the emissions
- The process-based method, which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods

In both cases KPN uses actual data covering January to November, extrapolating it to a full year.

All parameters used in the Scope 3 calculations are checked annually whether new values are available or not. Suppliers with zero net emissions are assessed and adjusted accordingly. The table below describes the calculation of emission methods, coverage and assurance. In 2020, the CAT13 calculation method was improved, using the number of customers instead of the number of installed devices. This gives a more accurate and reliable figure of the electricity consumption and corresponding carbon impact of the installed base.

Scope CO ₂ e	Standard	Scope	Coverage	Approach	Location- / Market- based	Assurance	Emission factor / Green enegery
Scope 3 Cat: 1,2,5,9	GHG Protocol Scope 3 Guidance	Netherlands	98% of all KPN busines units and subsidairies (opex/FTE)	Spend-based (Evironmentally Extended Input Output data (EEIO) approach)	Location-based	Limited	UK DEFRA 2014 (Indirect emissions from the supply chain) and CBS Statline The EEIO-factors are corrected for inflation
Scope 3 Cat: 3, 6, 7, 11, 13	GHG Protocol Scope 3 Guidance	Netherlands	98% of all KPN busines units and subsidairies (opex/FTE)	Proces-and activity- based	Location-based	Limited	co2emissie-factoren.nl version 4-1-2021
Scope 3 Cat: 8, 10, 12, 14, 15	GHG Protocol Scope 3 Guidance	Netherlands	98% of all KPN busines units and subsidairies (opex/FTE)	Not applicable for KPN	Not applicable	Limited	Not applicable

• **Baseline and historical data:**

kTon of CO ₂ e	2014 base year	2017	2018	2019	2020
Total upstream CO ₂ e emissions	886.8	753.0	722.7	722.1	714.3
Total downstream CO ₂ e emissions	176.5	191.8	176.2	175.5	171.1
Total Scope 3 CO ₂ e emissions	1,063.2	944.7	898.9	897.5	885.4

Reporting dates: annually on 31 December

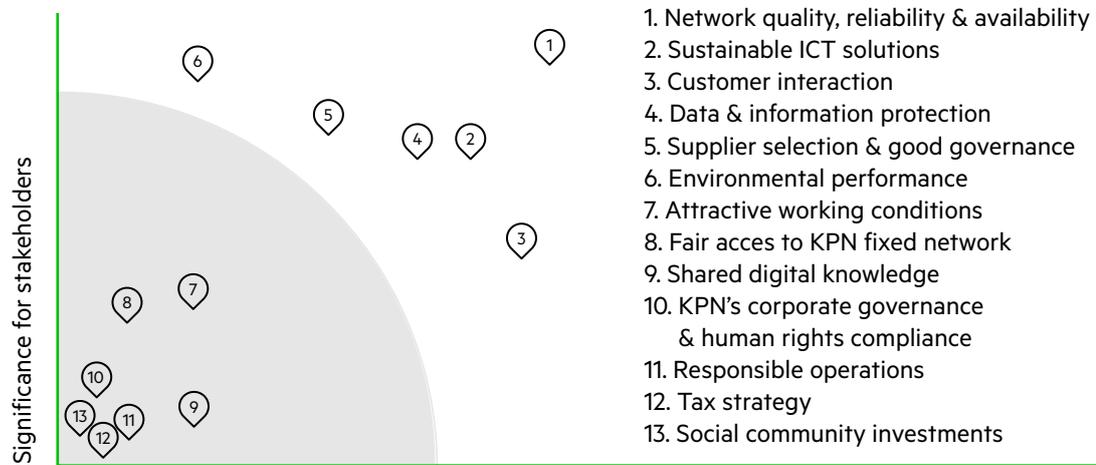
• **Reporting frequency and data assurance:**

Annually, KPI performance will be included in the Annual Report or corporate responsibility report, or a similar report. KPN will engage an external auditor to provide at least a limited assurance regarding such KPI performance information.

• **Materiality to business:**

As a large owner and operator of infrastructure assets, climate change is a critical long-term risk for KPN. KPN is committed to understanding the extent and impact of the risk to be able to mitigate the challenges that climate change brings to itself. We are therefore taking the necessary steps recommended by the Task Force on Climate-related Financial Disclosures (TCFD) to assess the potential severity of the risks, and the potential value of the opportunities, so that KPN can maximise the positive impacts and minimise the negatives on its business.

Materiality matrix 2020



1. Network quality, reliability & availability
2. Sustainable ICT solutions
3. Customer interaction
4. Data & information protection
5. Supplier selection & good governance
6. Environmental performance
7. Attractive working conditions
8. Fair access to KPN fixed network
9. Shared digital knowledge
10. KPN's corporate governance & human rights compliance
11. Responsible operations
12. Tax strategy
13. Social community investments

Materiality matrix 2020

KPN has identified environmental performance as one of six most relevant materiality risk factors that has a significant impact on both its stakeholders as well as economic, environmental and social impacts for KPN. Material risks are those that could have a significant effect on operations, strategy, and financial planning if not managed appropriately.

Further Information available from [KPN's Annual Report](#).

• **Contribution to UN SDGs:**

SDG 9 Industry, Innovation and Infrastructure, SDG 11 Sustainable Cities and Communities, SDG 12 Responsible Production and Consumption and SDG 13 Climate Action

• **Contribution to EU Environmental Objective:**

Climate Change Mitigation

• **KPN's strategic ambition:**

In 2017, KPN set approved Science-Based Targets in line with reductions required to limit global warming increases to 1.5°C above pre-industrial levels, the most ambitious goal of the Paris Agreement. In 2021, KPN updated its ambition to reduce Scope 3 emissions by 20% by 2025, 30% by 2030 and to become "net zero" in the chain by 2040 compared to 2014.

3.4 Calibration of Sustainability Performance Targets (SPTs)

SPT1a and 1b: Percentage reduction of value chain CO₂e (Scope 3) by 2025 and 2030

- **Sustainability performance targets**

SPT1 a: To reduce absolute scope 3 emissions by 20% by 2025 against a 2014 baseline.

SPT1 b: To reduce absolute scope 3 emissions by 30% by 2030 against a 2014 baseline.

- **Baseline:**

In line with SBTi (Science Based Targets initiative) criteria, 2014 constitutes the baseline as the most recent year for which final figures were available when the targets were being set. Also see “Baseline Recalculation Mechanism” below.

- **Baseline year performance:**

1,063.2 kTon of CO₂e in 2014

- **Target performance:**

851 kTon of CO₂e in 2025

744 kTon of CO₂e in 2030

- **External validation and ambition:**

The SBTi validated KPN's commitment in February 2017 to reduce absolute Scope 3 emissions by 20% by 2025 and by 50% by 2040 from a 2014 base year as being in line with a 1.5 °C scenario.

In 2021, KPN increased its sustainability ambition and is aiming for net zero emissions in the chain by 2040. Therefore, this updated target is more ambitious than the previous version of the target as reported in the Annual Report 2020. KPN will achieve this target by reducing GHG emissions to the maximum extent possible, and then capturing or removing the remaining scope 3 emissions, avoiding any further increase of GHGs in the atmosphere.

SPT 1a and 1b are absolute emissions targets that are part of our broader “net zero” commitment.

The Science Based Targets initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi defines and promotes best practice in science-based target setting and independently assesses companies' targets in line with the latest climate science.

• **Strategy to achieve SPT 1a and SPT 1b:**

- KPN engages with suppliers on carbon reduction in the value chain. This is covered by the scope extension of KPN's ISO 14001 certificate with energy management and carbon reduction management. Together with its suppliers KPN implemented sustainable solutions which resulted in cost reductions, as well as reductions in energy and material use.
- KPN will engage with key suppliers in collaboration with other telecom members of the Joint Audit Cooperation to accelerate implementation in its value chain of circular economy applications and transition to renewable energy. As more suppliers in the telecom sector become climate neutral that helps with KPN's Scope 3 emissions. The largest suppliers in the telecom sector tend to be delivering products and services to most telecom providers, which creates critical mass for improvement.
- KPN will engage with suppliers on refining the data basis of emissions calculation with primary data from tier 1 suppliers and approaching suppliers regarding improvements in reporting and data quality. KPN collaborates with other telecommunications providers and its supplier base to refine the data basis for emissions calculation to stimulate reporting on value chain emissions. Based on these efforts KPN is joining forces with suppliers on identifying measures and setting targets to reduce emissions in the value chain.
- For upstream emissions KPN stimulates customers to use energy saving features for in-home equipment.
- KPN has integrated the EcoVadis Scorecard for its suppliers. This is an evaluation of how well suppliers integrate the principles of CSR into their business and management system. The assessment is part of KPN's tender process. The scope criteria are across four themes: environment, labour & human rights, ethics & sustainable procurement. KPN aims for at least industry average scores.
- The reduction of value chain emissions will also be facilitated by growing political support (including EU regulation) for renewable energy and phase-out of high-emission fossil fuels as electricity production sources, leading to lower-carbon country energy mixes in countries of operations.
- Other supporting macro-trends include continuously increasing efficient heating systems, as well as the broad roll-out and regulatory support for e-mobility. In addition, increasing energy efficiency of devices and societal awareness will contribute to relative lower downstream emissions.

• **Main risks to reaching target:**

- Suppliers may be impacted by uncertain availability and prices of (or prices of certificates for) renewable energy (their scope 1 and 2 emissions), which may impact their progress towards climate neutrality and therefore impact KPN's Scope 3 emissions.
- Change in renewable energy and/or carbon pricing: increased prices vs traditional electricity supply, impacting suppliers' and customers' economics of meeting KPN's net zero target.
- Strategic transformation: organisational transformation and portfolio activity (such as integrations, mergers or separations).
- Instability of grid electrical supply, that requires the use of fossil fuel generators to keep sites operational.
- KPN's operation is dependent on a wide range of global suppliers. Disruption to the supply chain could mean that KPN is unable to execute its strategic plans, resulting in increased scope 3 emissions.
- Adverse political and regulatory measures impacting KPN's strategy.

Baseline Recalculation Mechanism

Baseline Recalculation Mechanism of GHG emissions with respect to a base year: the levels of Scope 3 GHG emissions during the base-year 2014 will be recalculated to reflect any significant changes in KPN's Group structure (e.g. acquisitions, divestitures, mergers) or methodological changes. Any recalculations of GHG emissions base year or targets must be stated in the annual KPI reporting.

3.5 Characteristics of the Sustainability-Linked Financing Instruments

For each Sustainability-Linked Finance Instrument issued under this framework KPN may use a single SPT or a combination of multiple SPTs. If the SPT(s) has/have not been reached at the target observation date, as per the annual reporting published following the target observation date, a financial penalty will be payable by KPN.

The financial and/or structural characteristics of KPN's Sustainability-Linked Finance Instruments may vary depending on whether or not the selected KPI reaches the predefined SPT(s). They are to be specified in the final terms of each Sustainability-Linked Finance Instruments issued and may include coupon step-up(s), coupon step-down(s) and/or a higher repayment amount.

If, for any reason, the performance level against each SPT cannot be calculated or observed, or not in a satisfactory manner (non-satisfactory manner to be understood as a verification assurance certificate provided by the independent auditor containing a reservation or the independent auditor not being in a position to provide such certificate), the financial penalty (as defined above) will be applicable. If, for any reason, the company does not publish the relevant SPT within the time limit as prescribed by the terms and conditions of the notes, the financial penalty will be applicable.

3.6 Reporting

KPN will communicate annually on the relevant KPIs and SPT(s), making up-to-date information and reporting available on its website:

- KPN's integrated annual report and/or corporate responsibility report will include the performance of the selected KPIs, including baselines where relevant, covered by an assurance statement of the independent auditor.
- Following a target observation date, a verification assurance certificate confirming whether the performance on the KPI meets the relevant SPT will be published on KPN's website.

Any information enabling investors to monitor the level of ambition of the SPT (e.g., any update in KPN's sustainability strategy or on the related KPI/ESG governance, and more generally any information relevant to the analysis of the KPIs and SPT(s)) will also be published on KPN's website.

3.7 Verification

This Framework and the associated annual reporting will benefit from three layers of external verification:

- **Second Party Opinion** by a recognised ESG agency on the alignment of the Framework and the associated documentation with the Sustainability-Linked Bond and Loan Principles, including an assessment of the relevance, robustness and reliability of selected KPIs, the rationale and level of ambition of the proposed SPTs, the relevance and reliability of selected benchmarks and baselines, and the credibility of the strategy outlined to achieve them, based on scenario analyses, where relevant.
- **An assurance statement** by an auditor on the KPI information included in KPN's integrated annual report annually.
- **A verification assurance certificate** confirming whether the performance of the KPI meets the relevant SPT, published on KPN's website following a target observation date.

4 Disclaimer

The information and opinions contained in this KPN Sustainability-Linked Finance Framework (the Framework) are provided as at the date of this Framework and are subject to change without notice. None of Koninklijke KPN N.V. (KPN) or any of its subsidiaries assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current KPN policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations.

This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by KPN and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by KPN as to the fairness, accuracy, reasonableness or completeness of such information.

This Framework may contain statements about future events and expectations that are forward looking statements. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the Framework.

No representation is made as to the suitability of any Sustainability-Linked Finance Instruments to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of Sustainability-Linked Finance Instruments should determine for itself the relevance of the information contained or referred to in this Framework or the relevant documentation for such Sustainability-Linked Finance Instruments and its purchase of Sustainability-Linked Finance Instruments should be based upon such investigation as it deems necessary. KPN has set out its intended policy and actions in this Framework in respect of reporting and verification, in connection with the Sustainability-Linked Finance Instruments. However, it will not be an event of default under the terms and conditions of any such Sustainability-Linked Finance Instruments if KPN fails to adhere to this Framework, whether by failing to fund or complete Sustainability Performance Targets, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports as anticipated by this Framework, or otherwise.

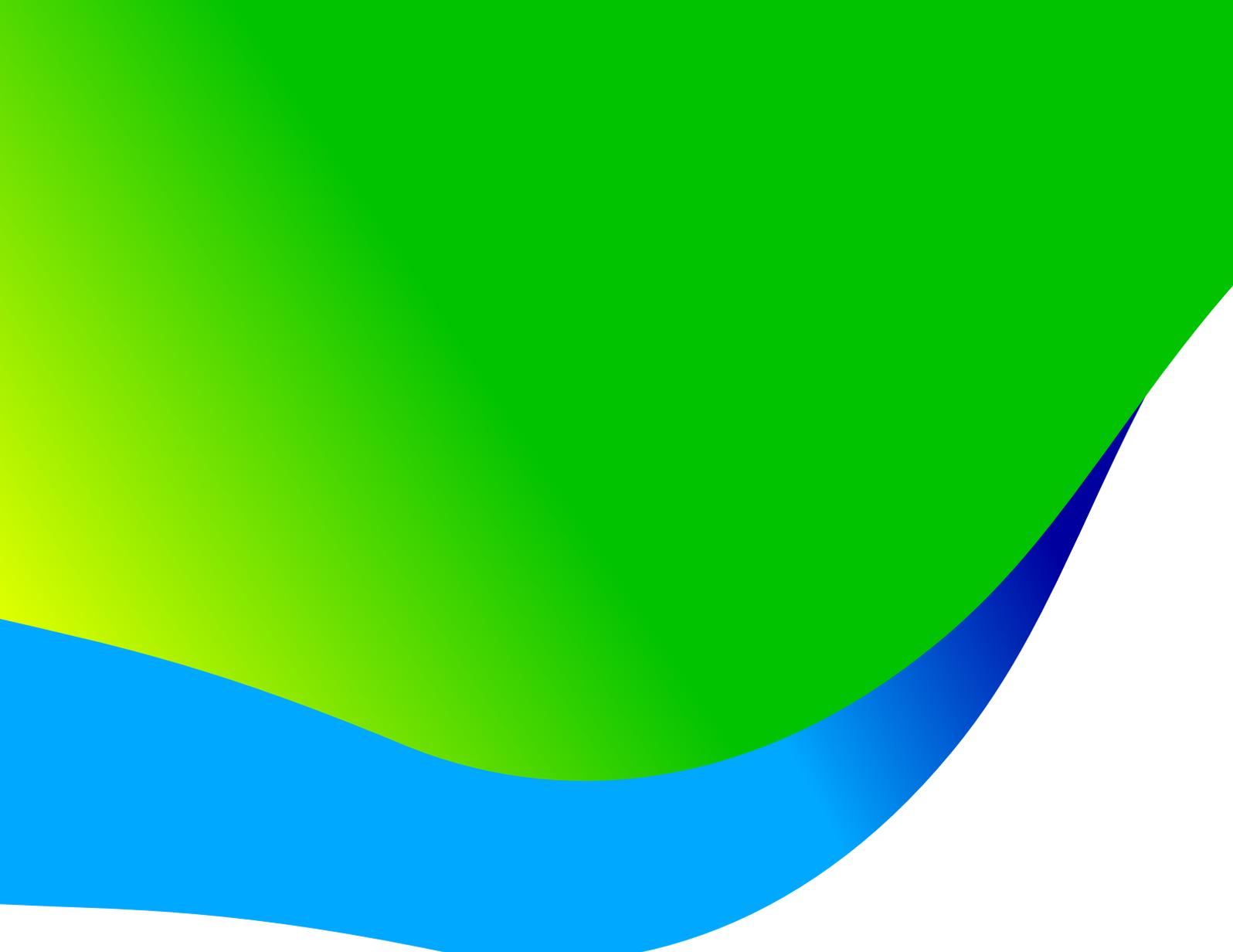
In addition, it should be noted that all of the Sustainability Performance Targets as described in this Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives. Each environmentally focused potential investor should be aware that the Sustainability Performance Targets may not deliver the environmental or sustainability benefits anticipated, and may result in adverse impacts.

In particular, neither this Framework nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution.

KPN has and undertakes no obligation to update, modify or amend this Framework, the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any addressee if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.

This Framework is not intended to be and should not be construed as providing legal or financial advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities, nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority. In particular, neither this Framework nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them. Any decision to purchase any Sustainability-Linked Finance Instruments should be made solely on the basis of the information to be contained in any offering document provided in connection with the offering of such Sustainability-Linked Finance Instruments. Prospective investors are required to make their own independent investment decisions.

The information in this Framework has not been independently verified. The addressee is solely liable for any use of the information contained herein and KPN shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of this Framework by the addressee.



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AD-20460/10-21/KRE

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