



KPN Stakeholder engagement policy

Version 2018 version 1.4 (February 2018)



Contents

1	Introduction and objective	4
2	Governance	5
3	Stakeholder engagement plan	6
3.1	<i>Stakeholder definition</i>	6
3.2	<i>Engagement methods and frequency</i>	9
3.3	<i>Results of stakeholder engagement</i>	9
4	More information	11



1 Introduction and objective

Our CSR policy is based on the dialog with our stakeholders. We conduct dialogs with our stakeholder to make sure our CSR policy is in line with the expectations of our stakeholders and the trends in society. They are our eyes and ears for developments in society. We carefully listen to their suggestions to KPN and try to understand and learn from this input. We also use these dialogs to maintain a good relationship with stakeholders and to inform the stakeholders about our CSR policy and activities. These conversations are of paramount importance for us.

2 Governance

This policy is applicable to the KPN Group. The Corporate Communications & CSR department is responsible for the corporate stakeholder engagement policy. This is part of the CSR policy. The members of the Board of Management are responsible for our social themes and they are responsible for stakeholder engagement on these themes on corporate level. The programs for the social themes need to include a dedicated team, clear KPI's and reviews, an innovation agenda, a social agenda and a communication toolkit. Part of the social agenda is stakeholder engagement, which is thus a structural part of the programs for our social themes and a responsibility of the Board of Management. As from 2017 we introduced the Director's Table in order to manage the integral communication on relevant themes to key stakeholders. Our mission is to earn goodwill amongst our key stakeholders. Goodwill helps in Engaging and Building Trust in business (B2B & B2C), relationship with stakeholders and decision makers, and license to operate. The 'Director's Table' is in charge of five 'Theme Tables', that all control KPN's communication on relevance, consistency and unambiguity - for all communication channels on the subject. Those themes were chosen based on how relevant KPN can be in society in those fields. Each Table consists of a cross-functional team of experts and relation managers, who deal with all stakeholder aspects of the theme. In a structured manner, they take control of who is talking to who, about which subjects and to what goal.

Stakeholder engagement takes place on other levels in the company as well. Segments, departments and other organizational units are responsible for implementing local stakeholder engagement according to the corporate policy. The Regional Directors Team focuses on the regional and national government with the aim of supporting them in their task of enabling the citizens, institutions and companies in their region to better participate in the digital society. In this way Regional Directors contribute to the experience: KPN the best (ICT) service provider

The plan of the Regional Directors team focuses on the role the team plays for KPN's Board of Management towards the central and local government in the Netherlands:

- **Relationship management**: proactively maintaining contacts with government managers
- **Ecosystem**: active participation in the ecosystem in regions around relevant themes for KPN
- **Sales**: support sales teams with account planning, tendering processes and customer escalations

The regional directors report to the COO which emphasizes the fact that they have a focus on customer service and our networks, rather than a commercial focus.

3 Stakeholder engagement plan

3.1 STAKEHOLDER DEFINITION

To define stakeholder groups and specific stakeholders, the following format can be used:

Stakeholders*	A	B	C	D	E	F	G	H	I	J
Criteria										
KPN has a legal relationship with the stakeholder (e.g. formalized contractual or business relationship).	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Decisions and activities of KPN can have a negative/positive effect on the stakeholder.	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Stakeholder could help to address the negative or positive social impact of KPN.	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Probability stakeholder could be/ is worried about decisions and activities of KPN	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
The stakeholder is relevant to the ICT industry and to KPN's social themes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
The stakeholder influences the fulfillment of responsibilities of KPN	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
If the stakeholder is not involved he can be disadvantaged	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
The stakeholder takes a position in the value chain of KPN	yes	yes	yes	no	yes	no	yes	yes	no	yes
The view of the stakeholders is valuable because KPN's operations impact on the interests they represent.	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Total score	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

*Stakeholders can be defined from at least the following stakeholder groups: Investment experts, financial organizations, Customers/consumers, Suppliers, Social organizations/ NGO's, Media, Professional relations, Government and regulators, Strategic partners, Employees and employee representatives, Sector associations.

First relevant stakeholders and their profile need to be defined. Relevant stakeholders are all parties that at least fit one of the criteria listed in the table. Per stakeholder a profile is defined that includes:

- existing relationship with KPN
- dependency on KPN
- level of influence
- stakeholder group
- geographical scale of stakeholder
- legitimacy
- relationships with other stakeholders

The profile is input for defining the level of engagement with the stakeholder. To define the level of engagement with the stakeholders, a prioritization needs to be made. Based on the level of applicability of a criterion for a certain stakeholder, a score per criterion (e.g. a score from 1-5) can be given. By calculating the total score per stakeholder, a priority list of stakeholders is defined.

Mapping can be based on any of the criteria used to profile the stakeholders. The owners of the engagement can map the stakeholders in any number of ways and may wish to use several maps to gain better insight. For example, the owners of the engagement may wish to map level of influence against willingness to engage, type of stakeholder against level of influence, or capacity to engage and knowledge of issues against expectations.

In general, all stakeholder groups in the table below are of the utmost importance to KPN. Categories A-C are our most direct influencers and therefore most important, followed by categories D-G. Categories H and I have a different status as they directly influence the functioning of the organization.

Responsible persons for stakeholder engagement should define a stakeholder plan according to the following format:

Stakeholder group	Stakeholder	Profile	Method	Frequency	Important topics
A Toplevel relations*	CEO's and top level relations in/at companies, organizations, politics, government, regulators, NGO's, Suppliers and partners, NL Influencers,	Top influencers in NL, to create a sustainable ecosystem in The Netherlands for KPN	See top level relation management Program 2014 Responsible: Corporate Communications and Public Affairs	Program offers several contact and dialogue moments a year	Company actuals Sustainability Security & Privacy ICT Infrastructure NL Health care of future Transparent & reliable service provider New way of working & living
B Customers	All customers in all sectors in the B2B market and B2C market	Customers in all sectors and Consumers in all sectors	Sales has a sector approach by a targeted relationship management program to create a multilevel stakeholder program in the DMU of customers to create a sustainable relationship with customers by dialogues Responsible: Sales management For B2C marketed KPN organize several dialogue sessions, face to face customer meetings to hear with they bring to table and what they want KPN to manage.	Program offers several contact and dialogue moments a year	Security & Privacy ICT Infrastructure NL Health care of future Transparent & reliable service provider New way of Living & Working
C Investors	Investors, financial analysts and other financial stakeholders	Stakeholders with interest in a sustainable financial performance of KPN.	Program with regular updates and face to face moments to creates a sustainable relationship with this stakeholder Responsible: Investor Relations	Quarterly financial updates and several strategic updates Program offers several contact and dialogue moments a year	Financial reporting Security & Privacy ICT Infrastructure NL Health care of future Transparent & reliable service provider New way of Living & Working
D Regulatory & Government	Ministers DG/SG Members of parliament Regulators Public administration etc.	All regulators and governmental parties around the company	Targeted program for stakeholder management of these stakeholders Responsible: Public Affairs and regional directors	Program offers several contact and dialogue moments a year	Security & Privacy ICT Infrastructure NL Health care of future Transparent & reliable service provider New way of Living & Working

Stakeholder group*	Stakeholder	Profile	Method	Frequency	Important topics
E Influencers	Trendsetters, NL Public figures, Sector/Market associations like VNO/NCW and ICT Nederland etc.	Influencers that look after our stakeholders interest of that can help us to maintain a sustainable relationship with our key stakeholders	Communication- and stakeholder management programs to create dialogue and a sustainable relationship with influencers in NL. Responsible: Corporate Communications, Regional Directors & Public Affairs	Program offers several contact and dialogue moments a year	Security & Privacy ICT Infrastructure NL Health care of future Transparent & reliable service provider New way of Living & Working
F NGO's	Veilig Verkeer Nederland Ouderenbond Natuur & Mileu Anbo Etc.	Dutch NGO's in NL that looks after our customers interest or interest of delicate groups in society.	Program with regular updates and face to face moments to creates a sustainable relationship with this stakeholder Responsible: Public Affairs	Program offers several contact and dialogue moments a year	Security & Privacy ICT Infrastructure NL Health care of future Transparent & reliable service provider New way of Living & Working
G Media	Editors and journalist of all Dutch newspapers, news sites, opinion papers and magazines and verticals	Media who are interested in KPN's performance and role in the Netherlands, or has an opinion about KPN.	Communication- and stakeholder management programs to create dialogue and a sustainable relationship with media. Program contains regular updates along the corporate themes and face to face moments to creates a sustainable relationship with Dutch Media Responsible: Corporate Communications	Program offers several contact and dialogue moments a year	Security & Privacy ICT Infrastructure NL Health care of future Transparent & reliable service provider New way of Living & Working
H Suppliers & strategic partners	All suppliers partners of/for infrastructure components, handsets, systems, employee hiring, facilities energy, ICT etc.	Suppliers and partners who KPN is cooperating with to become a sustainable transparent reliable service provider.	A targeted program to create sustainable relations with this stakeholders and once a year KPN organize the supplier day. All Partners has relevant contact persons in within the company and all suppliers are connected via the purchasing department. Responsible: Purchasing Office and Business	Program offers several contact and dialogue moments a year	Security & Privacy ICT Infrastructure NL Health care of future Transparent & reliable service provider New way of Living & Working
I Employees	Employees, fixed and flexible and works councils, employee councils, trade unions	People at work at KPN, direct or indirect on a fixed or flexible base and the councils and unions who take care of their interest	Program with regular updates and face to face moments to creates a sustainable relationship with this stakeholder Responsible: human resource department	Program offers several contact and dialogue moments a year	Security & Privacy ICT Infrastructure NL Health care of future Transparent & reliable service provider New way of working & living

*Stakeholders can be defined from at least the following stakeholder groups: Investment experts, financial organizations, Customers/consumers, Suppliers, Social organizations/ NGO's, Media, Professional relations, Government and regulators, Strategic partners, Employees and employee representatives, Sector associations.

3.2 ENGAGEMENT METHODS AND FREQUENCY

The method and frequency of engagement with the stakeholder is defined based on the goal of the dialog and the priority of the stakeholder or stakeholder group.

Possible methods are:

- regular conventional contacts with stakeholder
- interviews/one-on-one contact
- multi stakeholder dialog/exchange sessions
- survey (e.g. customer/consumer survey)
- websites
- internal and external social media
- customer magazines
- associations and co-operations (within and outside of the ICT sector)
- events in which we and external stakeholders discuss KPN's role in society or issues regarding our social themes.

3.3 CHALLENGES IN STAKEHOLDER ENGAGEMENT

We stay in touch with our stakeholders, even in cases where we are commercially less successful. There can always be overarching goals or broader mutual interests that make stakeholder engagement worthwhile. Public procurement rules within the EU guarantee that KPN can always participate and engage in tenders. Moreover, it is part of Dutch culture to stimulate engagement and participation with all stakeholders concerned.

As we engage quite a lot with our stakeholders, we run the risk of stakeholder fatigue. Therefore, in case of the major stakeholder events, we always make sure that we offer an interesting program in return for their input and we make sure as many members of the Board of Management as possible are present during stakeholder discussions and available for interaction afterwards.

3.4 RESULTS OF STAKEHOLDER ENGAGEMENT

The results of the stakeholder engagement should be recorded and discussed internally and (when relevant and/or appropriate) externally. Below an example of a stakeholder engagement report is shown. A report should be confirmed by the stakeholder(s) involved. If relevant it can also be published on the KPN website and/or in the CSR report.

It is important to discuss the results with relevant KPN employees and define how the results could influence KPN's decisions and activities. Based on the influence actions should be defined.

Example stakeholder engagement results report

Stakeholder group:

Stakeholder:

Participants:

Date:

Topics:

- 1.
- 2.
- 3.

Most important results topic 1

Most important results topic 2

Most important results topic 3



4 More information

This policy is based on the AA1000 Stakeholder Engagement Standard. More information can be found on: <http://www.accountability.org/standards/>