

KPN Supplier Code of Conduct

Introduction

KPN N.V. and its subsidiaries (“KPN”) believe in creating a sustainable world.

(see www.overons.kpn/en/kpn-in-the-netherlands/sustainability).

KPN commits to Responsible Procurement based on KPN’s core values pertaining to business ethics and social and environmental commitments (see <https://ir.kpn.com/governance/code-of-conduct>).

KPN requires her suppliers to comply with the principles as set out below. Supplier shall make every effort to implement said principles across her entire supply chain.

This Supplier Code of Conduct is not intended to replace the applicable laws and regulations in force in the countries in which KPN’s supply chain operates.

KPN may reconsider its relationship with a Supplier that does not comply with this Code of Conduct.

1. Legislation

Supplier shall comply with all relevant national and international legislation and the national legislation applicable in the countries in which they operate.

2. Human Rights

Supplier will support and respect the protection of internationally proclaimed human rights as defined by the International Labour Organization (ILO), will operate in the spirit of the Charter of the United Nations and ensure no involvement in human rights abuses. This includes, but is not limited to, the subjects of article 3.

3. Labor

Supplier will not indulge in acts of:

3.1. Discrimination

Supplier shall treat every employee equally and according to their abilities and performance. The same opportunities shall be granted regardless of race, ethnic origin, religion and belief, political opinion, national origin, disability, age, sexual orientation or gender.

3.2. Child labor

We do not tolerate child labor or any form of exploitation of young employees. “Child labor” means the definition of ILO-IPEC and of Article 32 of the United Nations Convention on the Rights of the Child (UNCRC):¹

3.3. Forced labor

Supplier shall strictly prohibit any form of forced, bonded, compulsory labor, slavery or human trafficking. Employees shall be free to leave work or terminate their employment with reasonable notice and all employment shall be voluntary.

3.4. Working hours

Supplier shall ensure that working hours, including over-time comply with ILO standard. Suppliers shall grant their employees the right to paid vacation at least according to the ILO standard.

3.5. Disciplinary practices

Supplier shall treat all employees with respect and dignity. Physical or verbal abuse or other harassment and any threats or other forms of intimidation are prohibited.

3.6. Grievance Mechanism

Supplier must inform its employees about the availability and usability of KPN’s grievance mechanism “[Speak Up](https://www.speakupfeedback.eu/web/5wudre/)”² to report on workplace concerns, including concerns involving harassment and discrimination, to the attention of management for appropriate resolution. Workers must be given a safe environment to provide their grievances and feedback.

3.7. Freedom of association & Right to Collective Bargaining

Supplier shall seek to implement internationally recognized standards as set by ILO Conventions³ Supplier ensures that all employees and representatives including temporary (agency) workers shall have the right to form, join, and organize trade unions of their choice and to bargain collectively on their behalf with the company and that their doing so will not result in any negative consequences to them, or retaliation, from the company.

3.8. Fair remuneration

Supplier shall pay a fair and reasonable living wage to employees that meets basic needs and high enough to maintain a fair standard of living. Supplier shall not use deductions from wages as disciplinary measure. Supplier ensures equal remuneration for men and women for work of equal value. Supplier ensures the payment of wages in legal tender, at regular intervals.

3.9. Health and safety

Supplier shall operate in accordance with international standards and local laws. Supplier shall provide its employees, contractors, partners or others who may be affected by supplier’s activities with a safe and healthy working environment and ensure correct use of its products. Supplier is encouraged to implement a Health & Safety Management System based on international standards such as ISO 45001 or similar.

3.10. Audit

- KPN will monitor Supplier’s and its subcontractors’ compliance with this Supplier Code of Conduct with questionnaires.
- Without prejudice to any other audit rights KPN may have, KPN may have Supplier and its subcontractors audited by an independent auditor to ensure compliance with this Supplier Code of Conduct. Such an audit would be performed no more than once every two years unless a previous audit provides reasonable grounds for an earlier follow-up audit.
- Supplier and subcontractors will improve its compliance based on the audit outcome or the outcome of the questionnaires.
- Upon request Supplier will deliver, within a reasonable time frame, relevant information to KPN regarding the compliance with this code. Supplier acknowledges that KPN may request further information (e.g. self-assessments/EcoVadis assessment).

3.11. Conflict Minerals

Supplier shall ensure that the materials used in the manufacturing process of products are conflict-free and do not contribute to any ongoing conflict-affected and high-risk countries as defined by the OECD Due Diligence Guidance for Responsible Supply Chain of Minerals as follows:

- Suppliers must ensure that materials used in the manufacturing process are conflict-free and do not come from countries with ongoing conflicts. They should check where their minerals come from and participate in established programs like the “RMI - Conflict-Free Smelter Program”. They must also follow recognized standards such as the OECD guidelines for supply chain due diligence;
- To make available to KPN – upon written request – all documentation and supporting evidence that demonstrate Supplier’s due diligence measures on minerals and metals.

¹ See article 32 of the United Nations Convention on the Rights of the Child (UNCRC) retrieved at: [Convention on the Rights of the Child | OHCHR](https://www.unhcr.org/refugees/article/32-of-the-un-convention-on-the-rights-of-the-child)

² See <https://www.speakupfeedback.eu/web/5wudre/> (code: 70231)

³ See [8.Freedom of Association and Collective Bargaining | International Labour Organization \(ilo.org\)](https://www.ilo.org/)

4. Environment

4.1. Environmental Legislation

Supplier ensures all necessary permits, approvals and registrations.

4.2. Environmental Governance

Supplier shall implement an Environmental Management System based on international standards such as ISO 14001 or EMAS. To reduce the environmental footprint, Supplier shall undertake continuous efforts to minimize negative impact of its business operations on nature, ecosystems and biodiversity with the aim to do no significant harm and where possible generate a positive impact.

4.3. Reduce / Design for Environment

Supplier is encouraged to innovate in products and/or services that offer environmental and social benefits by:

- Reducing the use of (virgin) raw materials and resources;
- Using non-virgin/renewable content where possible;
- Avoiding the use of Critical Raw Materials (CRM) as defined by the European Union as much as possible;
- Designing for disassembly and repair to facilitate re-use and recycling;
- Using materials that can be easily recycled.

4.4. Extend and optimize product use

Supplier shall design products and offer services that enhance longevity of product life cycles and efficient use of resources.

4.5. Increase reuse and recycling and minimize waste

Supplier shall increase reuse and recycling and minimize incineration and landfill of waste and treat waste produced by all her activities to reduce her environmental footprint. Supplier shall identify, monitor and treat liquid and solid waste and air pollutants generated from operations, industrial processes and sanitation facilities before discharge or disposal. Supplier and its subcontractors will support KPN in reaching its objectives for reuse and recycling (in relation to suppliers' products and services).

4.6. Product content

Supplier shall respect all applicable laws and regulations regarding prohibition or restriction of specific substances. Hazardous chemicals and other materials in products, especially those included in the substances of Very High Concern list of the REACH regulation, are to be identified and managed to ensure their safe use, recycling or re-use and disposal. Their use has to be avoided and if required, minimized. Supplier shall have a clear policy and procedure in place to avoid purchasing conflict minerals or unsustainable mined minerals at high environmental and social costs. Supplier shall undertake reasonable due diligence within her supply chain to assure that conflict minerals are being sourced from responsible and conflict-free sources.

4.7. Energy consumption and GHG emissions

Supplier shall actively manage its Greenhouse Gas (GHG) emissions and energy consumption of its own operations, its value chain and during the life cycle of its products and services. Supplier is expected to have emission reduction targets in place and take actions to reduce GHG emissions, e.g. by using renewable energy and engagement of sub-suppliers in its value chain.

Supplier is expected to measure and disclose annually its⁴ Scope 1, and 2 GHG emissions for the last year;

- a) Scope 3 upstream and downstream GHG emissions (all relevant categories) for the last year;
- b) Total energy consumption for the last year;
- c) Total renewable energy consumption for the last year;
- d) Total renewable energy consumption for the last year.

If Supplier is not able to disclose these metrics yet, Supplier shall set up the reporting for Scope 1 and 2 and energy consumption within a year and for Scope 3 within two years after agreeing to this Supplier Code of Conduct.

5. Ethical Conduct

To maintain high ethical conduct and operate responsibly, suppliers shall observe the following requirements:

5.1. Fair business practice & ethics

Supplier shall uphold the highest standards of fair business, advertising and competition. This requires that goods and services offered must be free from anti-competitive practices such as price-fixing with competitors. Supplier shall endorse and observe the internationally accepted standards of business integrity. Supplier will not provide KPN personnel with any form of compensation, reward, gift or other benefit, which may influence KPN's personnel objective decision making.

5.2. Anti-corruption & Bribery

Supplier will refrain from unethical conduct, such as extortion and bribery. Instead, supplier will be committed to prevent corruption in all forms this may occur.

6. Governance

- KPN and Supplier will on a regular basis evaluate the performance of Supplier under this Code of Conduct;
- If or when Supplier cannot (fully) comply with this Code of Conduct, Supplier will actively inform KPN on this non-compliance and propose an improvement plan;
- At request of KPN, Supplier shall produce an annual sustainability report (CSR report).

⁴ See <https://ghgprotocol.org/calculation-tools-faq> for definitions of Scope 1, 2 and 3