

Member of DJSI World, DJSI Europe

Company Information

Country	Netherlands
Market cap (USD million)*	15,426

*Source: S&P Global BMI, 31 July 2017

Company Description

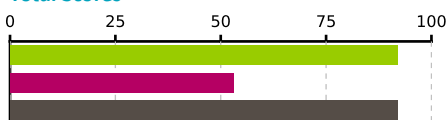
Koninklijke KPN is the largest telecom and IT service provider in the Netherlands. Operating in the segments of Consumer, Business, Network, Operation & IT, Wholesale and iBasis, it offers services ranging from fixed and mobile telephony, data, internet, and television to end-to-end solutions in infrastructure, workspace management, cloud, security and data center services. Through iBasis, KPN also offers a portfolio of voice termination and data services for many of the world's largest fixed and mobile operators, as well as voice-over-broadband. In 2016, KPN's financial performance has stabilized with revenues over EUR 6.8 billion and an EBITDA of EUR 2.4 billion in 2016. With over 14,000 employees, the company focuses on safe and future-proof services and on innovative technologies, such as fiber network, 5G and LoRa network. In 2016, the company completed the roll-out of their LoRa network and made the Netherlands the first country in the world with a nationwide LoRa network for Internet of Things (IoT) applications.

Industry Drivers

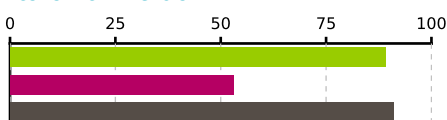
The exploding demand for smart devices and data services has led telecommunication companies to diversify their service portfolios and has also created opportunities for new market players. As a result, the telecommunication industry operates in a highly competitive albeit heavily regulated environment, where exposure to anti-trust issues is pronounced. In order to remain competitive in a market subject to rapid technological change, companies need to adopt flexible business models that enable them to integrate next-generation technologies and produce innovative, energy-efficient solutions that address social and environmental issues. The increased use of smart devices has also augmented the attention that consumers pay to data privacy. Implementing strong systems and policies related to the privacy of customer data is key to retaining customers and avoiding regulatory issues. Insufficient database and network protection could further expose companies to reputational and legal risks. Cybersecurity, but also physical threats to network infrastructure (e.g. extreme weather events) can have significant economic impacts. Investing in data security and upgrading network infrastructure is therefore crucial.

Sustainability Scores

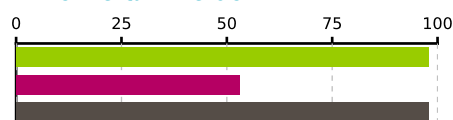
Total Scores



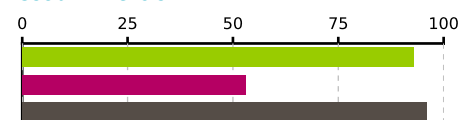
Economic Dimension



Environmental Dimension



Social Dimension



■ Industry best score ■ Industry average score ■ Koninklijke KPN NV

Sustainability Performance

At KPN, sustainability is fully integrated into business operations. The company focuses its efforts on the Sustainable Development Goals (SDGs) its products and services can impact most and clearly connects these SDGs to its CSR targets. 100% climate neutral since 2015, KPN not only continuously strives to use less and cleaner energy, but also aims to make all new equipment and products 100% circular by 2025. Identifying privacy and security as a key material issue, KPN makes improving online security a top priority and has identified key security objectives such as the development of threat intelligence capabilities. Finally, KPN's sustainability performance is further highlighted by its ability to measure the environmental and social impact of its approach "New Way of Living & Working" (NWLW), in which smartphones, laptops and cloud computing enable employees to decide where, when and how they work. KPN initiated a first 'True Value' study into the contributions to society and the SDGs to identify, measure and monetize the environmental, social and economic impacts of its NWLW.

Company Performance for Selected Criteria



■ Industry best score ■ Industry average score ■ Koninklijke KPN NV
For more information on assessment criteria, please visit www.robecosam.com/csa

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