

**TERMS OF REFERENCE  
OF THE ESG COMMITTEE  
OF THE SUPERVISORY BOARD  
OF ROYAL KPN N.V.**

Adopted by the Supervisory Board on 15 December 2023

## **0. INTRODUCTION**

- 0.1 These terms of reference have been drawn up by the Supervisory Board pursuant to clause 5 of the By-Laws of the Supervisory Board.
- 0.2 The ESG Committee (“the Committee”) is a standing committee of the Supervisory Board.
- 0.3 These Terms of Reference and the composition of the Committee are posted on the Company’s website.
- 0.4 Certain capitalised or uncapitalised terms used but not defined in these terms of reference have the meanings given to them in the By-Laws of the Supervisory Board and the List of Definitions attached to those By-Laws as Annex 1.

## **1. PURPOSE**

- 1.1 The purpose of the Committee is to support the Supervisory Board in overseeing the development and implementation of the company’s sustainability strategy and the goals related thereto, as part of the company’s overall strategy for sustainable long term value creation. The Committee will act as sounding board towards the Board of Management on sustainability related topics and provide guidance from the Supervisory Board in this respect. It will oversee compliance with sustainability related laws and regulations, as well as alignment with the Paris climate goals and EU “Fit for 55 ambition”, in as far as this has not been specifically assigned to another committee.
- 1.2 The Committee performs its task in preparation for joint decision-making by the Supervisory Board.

## **2. COMPOSITION**

- 2.1 The Committee shall consist of at least 3 members. All members of the Committee must also be members of the Supervisory Board. More than half of the members of the Committee shall be independent within the meaning of clause 1.5 of the By-Laws of the Supervisory Board.<sup>1</sup>
- 2.2 The members of the Committee shall be appointed and may be replaced at any time by the Supervisory Board.
- 2.3 The Supervisory Board shall appoint one of the members of the Committee as chairman of the Committee.

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<sup>1</sup> Dutch Corporate Governance Code, best practice provision 2.3.4

- 2.4 The term of office of a member of the Committee will generally not be set beforehand. It will, inter alia, depend on the composition of the Supervisory Board as a whole and that of other committees from time to time, provided that membership rotation shall be effected where practicable.
- 2.5 The Company Secretary shall act as secretary to the Committee. The secretary may delegate his duties, or parts thereof, under these Terms of Reference, to a deputy appointed by him in consultation with the chairman of the Committee.

### **3. DUTIES AND POWERS**

- 3.1 The Committee is an advisory committee to the Supervisory Board. The Committee has the following duties towards the Supervisory Board:
- (a) Overseeing the development, as part of the company's overall strategy for sustainable long term value creation, of a sustainability strategy, as well as management's assessment of the opportunities, impacts and risks of the Company and its affiliated enterprise in the field of sustainability, in particular on the following sustainability matters:
    - (i) Environmental (including, but not limited to climate change, circularity, pollution and biodiversity) ;
    - (ii) Social and human rights (including, but not limited to equal treatment, diversity and inclusion, labour conditions and human rights compliance); and
    - (iii) Governance factors (including, but not limited to sustainability governance, internal sustainability control systems, culture, ethics and whistleblowing);
  - (b) Reviewing management's goal and target setting for the implementation of the sustainability strategy;
  - (c) Periodically reviewing the progress made in the implementation of the sustainability strategy and the goals and targets set in this respect;
  - (d) Overseeing compliance with sustainability related laws and regulations, as well as alignment with the Paris climate goals and EU "Fit for 55 ambition", in as far as this has not been specifically assigned to another committee;
  - (e) Providing input to the Remuneration Committee for determining sustainability targets as part of the company's remuneration policy;
  - (f) Providing input to the Audit Committee in relation to sustainability reporting;
  - (g) Supporting the Supervisory Board in obtaining a sufficient level of expertise on sustainability matters to enable it to properly perform its tasks in this respect.
- 3.2 The Committee may only exercise such powers as are explicitly attributed or delegated to it by the Supervisory Board and shall not exercise powers beyond those exercisable by the Supervisory Board as a whole.

- 3.3 The Committee may, in exercising its duties, seek the assistance or advice of one or more experts, at a price and conditions to be agreed by the Committee in consultation with the Chairman, at the expense of the Company.

#### **4. MEETINGS**

- 4.1 The Committee shall meet as often as required for a proper functioning of the Committee, and for that purpose shall meet at least twice a year. The meetings shall as much as possible be scheduled annually in advance. The Committee shall meet ad hoc if this is deemed necessary by the chairman of the Committee, or by two other members of the Committee.
- 4.2 Meetings of the Committee are in principle called by the secretary of the Committee in consultation with the chairman of the Committee. Save in urgent cases, to be determined by the chairman of the Committee, the agenda for the meeting shall be made available to all members of the Committee as early as possible, and where possible at least seven calendar days before the meeting. Supporting documentation shall be made available as soon as possible.
- 4.3 The Committee shall decide if and when members of the Board of Management should attend (part of) its meetings. In addition, other individuals, including company or independent experts, may be invited to attend (parts of) meetings of the Committee.
- 4.4 Each member of the Committee has the right to cast one vote. All resolutions must be adopted by an absolute majority of the votes cast. If there is a tie in voting, the chairman of the Committee shall have a casting vote.
- 4.5 The secretary of the Committee or any other person designated for such purpose by the chairman of the meeting shall draw up minutes of the meeting of the Committee.
- 4.6 The Committee shall exercise utmost discretion when making written records of its deliberations and recommendations.

#### **5. REPORTING TO THE SUPERVISORY BOARD**

- 5.1 The Committee shall, as soon as possible after its meeting, report to the Supervisory Board on its deliberations and findings, including major developments in the area of its responsibilities.<sup>2</sup>
- 5.2 The minutes of the meetings of the Committee shall be circulated among all members of the Supervisory Board once available.
- 5.3 Every Supervisory Board member shall have unrestricted access to all records of the Committee.

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<sup>2</sup> Dutch Corporate Governance Code, best practice provision 2.3.5

## **6. MISCELLANEOUS**

- 6.1 The chairman of the Committee (or one of the other Committee members) shall be available to answer questions regarding the Committee's activities at the annual General Meeting of Shareholders.
- 6.2 The Committee shall review and reassess the adequacy of these Terms of Reference periodically, report its assessment to the Supervisory Board and recommend, where appropriate, any proposed changes to the Supervisory Board.
- 6.3 The Supervisory Board can at all times amend these Terms of Reference and/or revoke any powers granted by it to the Committee.
- 6.4 Clause 26 of the By-Laws of the Supervisory Board shall apply by analogy to the Committee, while for the application of these Terms of Reference the powers of the Supervisory Board or the chairman of the Supervisory Board referred to in that Clause shall remain with the Supervisory Board or the chairman of the Supervisory Board respectively.
- 6.5 The annual report of the Supervisory Board as referred to in the By-Laws of the Supervisory Board shall state the composition of the Committee, the number of meetings held by the Committee, the attendance rate of each of the members of the Committee<sup>3</sup>, and the main issues dealt with at these meetings.

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<sup>3</sup> Dutch Corporate Governance Code, best practice provision 2.4.4.