Our upstream supply chain operations supports our IT, networking and telecom activities for both our retail and business customers as well as our own activities. In procurement we defined four main purchase categories including adjusted strategies. These categories are IT, Network Infrastructure and Energy (NIE), Consumer and Business Products (CBP) and Marketing and Professional Services (MPS).

### Purchase categories
- Construction, Engineering & Facility Management
- Marketing, Media, Call Center & Logistical Service
- Professional Services
- Information Technology
- Network Access & Customer Premises Equipment
- Energy Management

Within our group of suppliers we have identified environmental and social risk suppliers: companies in low wage countries in Asia, Africa, Eastern Europe, and Central and South America. We regard them as risk suppliers because good working conditions, environmental protection and compliance with human rights are not self-evident in these countries. We define high-risk and medium-risk suppliers. High-risk suppliers produce goods in low wage countries. Medium-risk suppliers provide services in or from low wage countries. The group of risk suppliers are responsible for 50% of our procurement expenditure and supply mainly network equipment, computers and software.

### High risk suppliers
- Contract volume: > 100,000 EUR
- Origin of production: low cost countries
- Product specification: tangible

### Medium risk suppliers
- Contract volume: > 100,000 EUR
- Origin of production: low cost countries
- Product specification: intangible, services

### Low risk suppliers
- Contract volume: <= 100,000 EUR
- Origin of production: non low wage countries
- Product specification: tangible, intangible, services

As a telecom and IT networking provider KPN provides fixed and mobile telecom access and internet and television connection for all retail customers. We service our business market customers with complete IT and telecommunication solutions. Next to that we deliver Wholesale networking solutions to other operators.

Our top suppliers are responsible for 80% of our procurement spend. Our partners are Apple, Samsung, Alcatel, Huawei, ZTE, Ericsson, Arcadyn, TechM, Oracle, Schuring, VolkerWessels and Randstad, which are active in various categories.

### Business customers
- IP TV services
- Network related ITC services
- Fixed-line voice telephony
- Mobile telephony
- Wholesale
- Broadband services

### Retail customers
- Broadband services
- Mobile telephony
- Fixed-line voice telephony
- IP TV services