

2016

*Sustainability  
Report*



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# CEO Introduction

We are committed to sustainability as part of our day-to-day business. Sustainability is at the heart of our growth strategy and drives the way we interact with our stakeholders. We are a company striving to make a difference in many lives, businesses, and communities. By helping our customers improve the way they do business, provide better healthcare, navigate change and complexity, and build smarter legal systems, we are shaping a better future for us all. The impact of our endeavors and achievements in 2016, along with our ambitions for 2017 underline our strong commitment to the world around us.

In 2016, we made significant progress towards achieving our objectives. We also celebrated our 180<sup>th</sup> year in business. While much has changed over this lengthy period, our intrinsic values and customer commitment continue to define who we are and where we are heading. Our rich heritage is the cornerstone of our corporate culture as we continuously transform and adjust to changing customer needs and market trends. Our heritage is one of reinvention and innovation through almost two centuries of disruption: from the turn of the 20<sup>th</sup> century and the dawn of the modern industrial economy, through the birth of the Internet, to the present digital age... We live in exciting times!

Revenues from our digital products and services grew substantially in 2016, and currently account for 85% of total revenues. These digital products and services reduce paper consumption and at the same time increase the effectiveness and efficiency of our customers. In addition, we continue to reduce our overall footprint by sourcing responsible paper, managing our waste disposal, and increasing our renewable energy use.

We are well into the second year of our *Growing Our Value* strategy (2016-2018), which we believe will empower our internal and external stakeholders by focusing on long-term value creation. The key elements of *Growing Our Value* are respectively: Expand market coverage, Deliver expert solutions, and Drive efficiencies and engagement.



We continue to allocate most of our capital to expanding our market coverage into areas where we see the best potential for sustainable development and competitive advantages. Expansion also enables us to broaden our sales and marketing coverage in global markets. This organic growth strategy is underpinned by value-enhancing acquisitions such as Enablon, the global provider of environmental, health, safety, sustainability, and operational risk management software and SaaS solutions. This acquisition fits well in our strategy and will contribute

to the positive impact our company has on customers and society.

Our focus on expert solutions means combining specialized technology and services with deep domain knowledge to deliver analytics, productivity, and value for our customers and society. We aim at creating an all-around, rich digital experience for our customers by expanding our use of

*Our commitment is to shape a better future for our customers, employees, and shareholders, while creating long-term value.*

new media channels. For the years ahead, we will maintain investments in new and enhanced products at 8-10% of total revenues.

We continue to drive efficiency, engagement and economies of scale while improving the quality of our offerings and the agility of our organization. Our second Enterprise Global Employment Engagement survey helped us to better understand our company, our brand, and our values. Our Global Innovation Awards is an annual program aimed at endorsing an innovative culture within our company. In 2016, sustainability was one of the award categories.

Our company values are guiding principles for our employees worldwide. *Focus on Customer Success* reflects our conviction that customers are at the center of everything we do. Our *Make it Better* promise includes our commitment to continuous improvement and innovation, and emphasizes that our employees are global citizens who care and give back. Our *Aim High and Deliver* proposition emphasizes our responsibility for the right results through personal and professional integrity. And it is our ambition to *Win as a Team*, by collaborating and sharing knowledge within a diverse and inspiring workforce.

In all the countries where we operate worldwide, our employees take many initiatives to support local communities. Various examples of these activities can be found in this report. A good example is the Zika Resource Portal, which provides a trusted information source for evolving clinical knowledge on this rapidly-spreading virus.

We remain committed to the principles of the United Nations Global Compact and OECD, and acknowledge the importance of the Sustainable Development Goals that the United Nations has set for 2017. We are delighted with our inclusion in the globally-respected Dow Jones Sustainability Index for the 10<sup>th</sup> year in a row, as well as the FTSE4Good Index for the 3<sup>rd</sup> consecutive time.

For over 13 years we have reported on our sustainability performance. This year's report is again based on the Global Reporting Index (GRI) G4 standard, and we continue to demonstrate our results under our Sustainability Framework: Customers & Solutions, Employee Engagement, Resource Management, Community Involvement and Good Governance.

At Wolters Kluwer, we strive to be inclusive and respectful of everyone. Our commitment is to shape a better future for our customers, employees, and shareholders, while creating long-term value. The performance of our people in 2016 fills me with pride and I would like to express my sincere appreciation to all those who work with us to create value at Wolters Kluwer through innovation-driven sustainability.

Nancy McKinstry

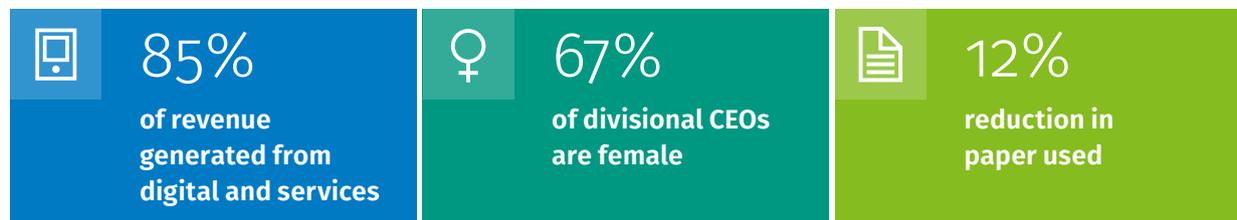


CEO and Chairman of the Executive Board  
Wolters Kluwer

# Sustainability at a Glance

We made major progress in benchmarking our sustainability performance in terms of strategy, policies, targets, and impact. The key achievements and ambitions are summarized below:

## Our Sustainability Achievements



Target	Progress in 2016
<b>Ensure high corporate governance standards</b> 90% of our employees worldwide to receive the renewed training program on compliance by the end of each year.	<b>95%</b>
80% of employees who receive the training, complete the program and are certified on compliance by the end of each year.	<b>97%</b>
<b>Increase environmental sustainability</b> 90% of our printed media and our office paper is certified by the end of 2017 (FSC, PEFC, SFI, EU Ecolabel, Nordic Swan or Blauer Engel).	<b>74%</b>
<b>Improve social sustainability</b> 100% of new or renewed engagements with material suppliers managed by our Global Procurement department include the Wolters Kluwer Supplier Code of Conduct (or equivalent standard) each year.	<b>100%</b>
100% of material suppliers centrally managed by our Global Procurement department from high-risk countries to be certified or audited by a credible sustainability standard by the end of 2017.	<b>62%</b>
As of 2017, 100% of our 100 largest suppliers centrally managed by our Global Procurement department have signed the Wolters Kluwer Supplier Code of Conduct or have provided an equivalent standard.	<b>42%</b>

# Innovation-driven Sustainability

By helping customers improve the way they do business, provide better healthcare, navigate change, and build better judicial and regulatory systems, Wolters Kluwer delivers value for its stakeholders and contributes to shaping a better future for society at large. This is our overarching purpose as a company. Through innovation-driven sustainability, we support our corporate strategy of creating value with our expert solutions, while making a positive impact on society. Our four strategic pillars – Customers & Solutions, Employee Engagement, Resource Management, and Community Involvement – help us create that value. The common foundation is Good Governance. To further develop our sustainability strategy and focus, we conduct materiality analyses that show our stakeholders' interests and the impact of various topics on the strategy and operations of Wolters Kluwer.

## Growing Our Value

Wolters Kluwer provides essential information, software, and services to doctors, nurses, accountants, lawyers, and audit, compliance, and regulatory professionals. We enable our customers to provide world-class service and maximize their potential. Our 2016-2018 business strategy is entitled *Growing our Value*. Our aim is to grow margins and returns by adding value for our customers, our employees, and our shareholders.

The Value Creation Model shows how our organization's business model uses resources and transforms them through business activities to impacts that create value for the organization, its stakeholders, and the environment. We consider the inclusion of this Value Creation Model as a first step in our journey towards Integrated Reporting.

The resources we use in our innovation-driven approach to sustainability are:

- Human Talent – the employees of Wolters Kluwer are competent, capable, and experienced, and they combine these qualities with a strong motivation to innovate;
- Natural Capital - all renewable and non-renewable environmental resources and processes that help Wolters Kluwer provide its expert solutions;

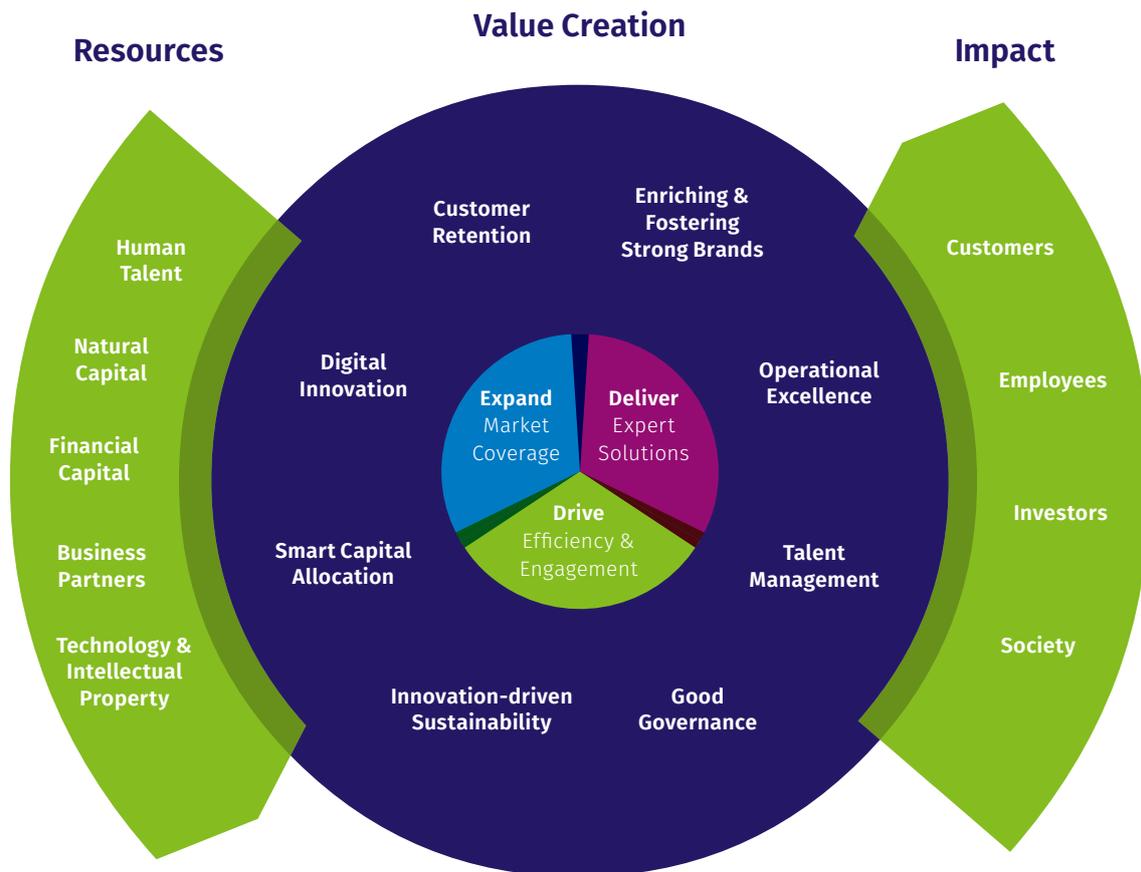
- Financial Capital – available funding for producing information, expert solutions, and services;
- Business Partners – our partners provide us with expertise, materials, and services, thereby enabling us to deliver innovative solutions for our customer; and
- Technology & Intellectual Property – organizational, knowledge-based intangibles that include intellectual property and the company's tacit knowledge.

The core of our Value Creation Model is the corporate strategy, *Growing Our Value*, which enables us to create long-term value for our stakeholders. The key elements of our strategy are:

- Expand market coverage;
- Deliver expert solutions; and
- Drive efficiencies and engagement.

A more comprehensive explanation of our strategy can be found in our [2016 Annual Report](#).

## Value Creation Model



Our business processes generate value for our stakeholders and create various impacts:

- Our customers make critical decisions every day; we help them move forward with confidence through our high-quality expert solutions and services. Wolters Kluwer provides essential information, software, and services, that enables healthcare, tax, finance and legal professionals to be more effective and efficient. Our products are used to improve healthcare, promote prevention, enhance financial security, achieve accuracy, mitigate risks, ensure compliance, drive resource efficiency, and grant access to education and information, and as such have a positive impact on society.
- Wolters Kluwer creates value for its employees by continuously improving their working environment and development opportunities, by paying salaries and wages, social security and other employee benefits, and by providing employment.
- The company aims at long-term financial value creation for its shareholders and other investors through a healthy return on investment, including dividend payments, and interest payments.
- As a member of different communities in various stages of development, Wolters Kluwer acknowledges and accepts its responsibility to support underserved

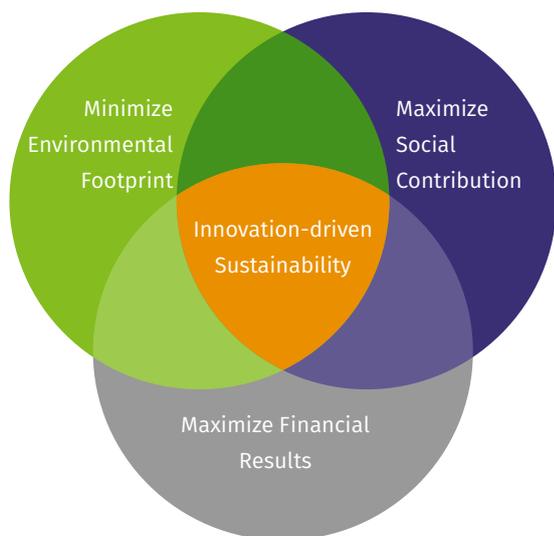
communities in our society. We provide access to our digital information resources for low- and middle-income countries and in global disaster situations. To contribute to society, Wolters Kluwer invests in communities and encourages long-term cooperation with a range of local non-profit organizations and Civil Society Organizations (CSOs). We are global citizens who care and give back.

### Our Sustainability Strategy

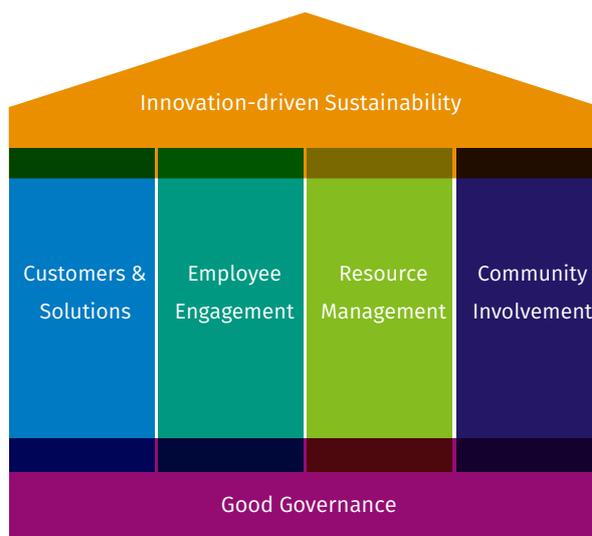
Wolters Kluwer's innovation-driven approach to sustainability is a central part of our business strategy. By attempting to maximize social contribution and financial results while minimizing our environmental impact and contributing to a zero-waste society, sustainability remains an important driver of long-term value creation for all our stakeholders.

Wolters Kluwer has reported on its sustainability performance for 13 years. Over this period, our strategy and markets have changed. Our sustainability framework expresses how we align our various sustainability initiatives.

**Sustainability Strategy**



**Sustainability Framework**



**Innovation-driven Sustainability:** We use innovation as a catalyst for both operational excellence and product innovation.

**Customers & Solutions:** Our innovative solutions contribute to a better society by enabling our customers to take sustainable decisions every day.

**Employee Engagement:** We are an equal opportunity employer, focusing on talent development and growth, sparking innovation that leads to sustainable results for Wolters Kluwer and our customers.

**Resource Management:** We are committed to environmental and social responsibility in relation to both our suppliers and our own operations.

**Community Involvement:** Our products, solutions, and people are available in areas of need to make a sustainable, long-term impact within local communities.

**Good Governance:** Building a successful business with sustainable impact is dependent on good governance.

**Materiality**

Materiality is a principle that defines sustainability topics and their relevance to our business operations and stakeholders and when stakeholders view them as impactful. Wolters Kluwer conducts materiality analyses

to identify critical economic, social, and environmental topics. We classify topics that drive value creation, as well as potential risk areas, as important to our business operations. We do this through a process of internal alignment amongst various departments and through engagement with external stakeholders<sup>1</sup>.

Furthermore, a materiality analysis (see diagram) helps us to further develop the strategy and focus of our sustainability efforts. This way, the materiality analysis contributes to long-term value creation. In 2013, we drew up a list of material topics, and we have updated it every year since. Wolters Kluwer uses the external questions it receives about its sustainability initiatives (from analysts, customers, and other relevant stakeholders) to refine the list of material issues. This year, their feedback has triggered revisions to both the format of the diagram and the positioning of material topics within the diagram. Finally, we provided internal stakeholders with this materiality analysis to gain cross-divisional and functional feedback.

The materiality analysis is divided into four parts based on the relative importance of topics to both stakeholders and our business operations.

Furthermore, the material topics are categorized in the sustainability pillars from our Innovation-driven Sustainability Framework. This shows how we address these topics. More information on the material topics can be found in each of the following chapters.

1 More information on our stakeholder engagement process can be found in the Good Governance chapter.

**Aligning**

When our stakeholders deem topics to be of high importance for our business and these topics make a powerful impact on Wolters Kluwer, we classify them under 'Aligning.' These material topics are of vital importance and are key drivers of our business success. We align our strategy and operations with our stakeholders' opinions and interests.

**Informing**

We classify topics that stakeholders regard as important under 'Informing'. We communicate our ambitions for these topics and evaluate our performance accordingly. Although we do not assess them as critical to our business performance, we acknowledge their importance to our stakeholders.

**Engaging**

We engage with the communities in which we operate. To maximize impact with the available resources, it is important to measure the contributions of our community investment.

**Monitoring**

As a digital information products and services company there are topics that have low impact or do not create value to our operations, in addition to being of low interest to our stakeholders. We therefore choose to monitor these topics by measuring their use and reporting on them. Each materiality topic has been aligned with one of the pillars that together comprise our sustainability framework. More information can be found in the following sections.

**Materiality Analysis**



**Good Governance**

- 1 Good Governance

**Customers & Solutions**

- 1 Privacy and Data Protection
- 2 Effective and Efficient access to Information

**Employee Engagement**

- 1 Talent Development
- 2 Diversity and Equal Opportunity
- 3 Health and Safety

**Community Involvement**

- 1 Support underserved communities

**Resource Management**

- 1 Socially Responsible Supply Chain
- 2 Responsible Paper Use
- 3 Paper Use
- 4 Energy and Emissions Operations
- 5 Waste Management
- 6 Water Use

# Good Governance

The foundation for building a sustainable business is, put simply, good governance. As a provider of governance-related expert solutions, we want to lead by example. It is essential for all our stakeholders that we demonstrate how we do this and how we regard the role of corporate governance within our overall sustainability strategy.

## Good Governance Structure

Corporate governance is the key to improving our company’s decision-making processes. It helps us maintain our credibility amongst external and internal stakeholders. We comply with national and international governance regulations and principles at Wolters Kluwer. These include the Dutch Corporate Governance Code as well as international guidelines such as the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGP). In 2016 we reviewed the new Dutch Corporate Governance Code which will become applicable as of reporting year 2017.

Wolters Kluwer has a two-tier board structure. The Executive Board is responsible for the day-to-day operations of the company. The Board is also responsible

for achieving the company’s strategy as well as managing the associated risk profile, the development of results, and the sustainability strategy topics. The integration of sustainability strategies into the business is driven by the Executive Board. Maarten Thompson, Senior Vice President, General Counsel and Company Secretary, is accountable for our sustainability policy and leads the Corporate Sustainability team. He reports to Nancy McKinstry, CEO and Chairman of the Executive Board.

The role of the Supervisory Board is to supervise the strategic direction of the company and the policies of the Executive Board and to advise the Executive Board, taking the interests of the company’s stakeholders into consideration. In addition, the Supervisory Board has due regard for relevant corporate sustainability topics. All Supervisory Board members are independent of the

## Governance Structure





## Explaining the materiality topics on Good Governance

For a global company with a diverse product portfolio, good governance is an essential element to improve the company's decision-making processes and to maintain and boost credibility among internal and external stakeholders. Wolters Kluwer acknowledges the vital importance of good governance and regards it as the foundation of its innovation-driven sustainability strategy.

company within the meaning of Best Practice Provision III.2.2 of the Dutch Corporate Governance Code. This is company policy and is reviewed annually if applicable. Wolters Kluwer values diversity in its Boards about expertise, experience and gender. The expertise matrix and selection criteria<sup>2</sup> are intended to safeguard this diversity.

The remuneration of the Executive Board is based on three elements: a base salary, a Short-Term Incentive Plan (STIP) on which a cash bonus can be earned, and a Long-Term Incentive Plan (LTIP) on which performance shares can be earned. At Wolters Kluwer, 5% of the Executive Board's STIP is based on revenues from digital products as a percentage of total revenues. The STIP bonus for each Executive Board member is only paid after external auditor verification of the company's financial statements, including the financial performance indicators on which the STIP targets are based. The Supervisory Board has selected revenues from digital products as a percentage of total revenues as the key sustainability indicator at Wolters Kluwer. For more details on remuneration, please review the [2016 Annual Report](#), the Remuneration Report and Note 34.

### Our Company Values and Business Principles

Our [Company Values and Business Principles](#) set a framework for achieving our goals and for conducting business in an ethical manner. Our company values serve as guidelines for our employees and are designed to facilitate the achievement of our company goals.

### Company Values

#### Focus on Customer Success

Customers are at the center of everything we do.

#### Make it Better

We're committed to continuous improvement and innovation.

#### Aim High and Deliver

We're responsible for the right results.

#### Win as a Team

We're stronger together.

They are at the heart of our company's future success and represent the "One Wolters Kluwer" approach, the common bond across all Wolters Kluwer businesses and employees.

Our business principles reflect the high ethical and professional standards we expect our employees to adhere to. In combination with our company values, the business principles act as a framework for achieving goals and for conducting business in an ethical manner.

The business principles encompass:

- 1 Our responsibilities towards society at large.
- 2 Our responsibilities towards our employees.
- 3 Our responsibilities with respect to customers and other business partners.
- 4 Our employee responsibilities towards one another and Wolters Kluwer.

The business principles apply to all Wolters Kluwer managers, employees, and temporary hired staff worldwide. They are not voluntary, nor can they be applied selectively.

The [Company Values and Business Principles](#) policy forms the basis of our other policies. Every year, we review our policies and update them where appropriate. In 2016, the following policies were updated: [Company Values and Business Principles](#), [Acceptable Use Policy](#), [Global IT Security Policy](#), [Insider Dealing Policy](#), and [Supplier Code of Conduct](#).

<sup>2</sup> More information on our selection process, expertise matrix and selection criteria can be found on [our website](#).

## Compliance

The Company Values and Business Principles establish the way we wish to work and be perceived, as well as the rules and regulations with which our all employees are expected to comply. Several other policies provide detailed guidelines for specific subjects across the company.

A company-wide management certification process is in place, requiring management from each of the operating entities and divisions to sign a Letter of Representation every quarter. Management confirms in these Letters of Representation that it complies with all applicable laws, policies, and procedures. In addition, employees of the vast majority of our businesses around the world have been trained in and acknowledge compliance with the Company Values and Business Principles, and most of the policies listed above. The training and implementation of the principles have:

- improved the way employees perform their duties safely, correctly and efficiently;
- enhanced employee knowledge on what is allowed in their communication with customers, colleagues, suppliers, and other stakeholders; and
- improved data security at Wolters Kluwer (including customer, employee, and patient data).

We set the following targets in 2014:

- 90% of our employees worldwide to receive the renewed training program on compliance.
- 80% complete the program and are certified on compliance by the end of 2015.

It is now our ongoing target to have at least 90% of our employees worldwide follow and complete an online compliance training each year.

We implemented a company-wide Compliance Training Program in 2015, in which employees were asked to attend online training and certify their acknowledgement of the Company Values and Business Principles, along with Anti-Corruption, Competition Law and IT Security Awareness policies and regulations. Wolters Kluwer aims to have a continuous awareness and training program in place for its employees in order to raise awareness on topics included in our policies. Therefore, we further enhanced the Compliance Training Program in 2016 by making the online courses more attractive and relevant for employees. The 2016 version included good conduct and ethics, anti-bribery and anti-corruption, fair competing (anti-trust), whistleblowing, IT security, and cyber risks. A new program on cyber security was added, consisting of both online training and face-to-face sessions. Our Global IT Security team visited our business units in various countries to present live cyber security awareness workshops.

Our history as a publishing company and the adherence to our own values make it imperative that we uphold the idea of editorial independence. We strive to deliver high-quality content in an impartial manner, both as a matter of integrity and in the interest of providing the greatest value to our customers. For these reasons, we have incorporated our views on this topic in our Business Principles and Human Rights Policy, stipulating that editorial independence and freedom of publishing are important values at Wolters Kluwer.

## Our Policies

<i>Publicly Available</i>	<i>Internally Available</i>
<u>Auditor Independence Policy</u>	<u>Acceptable Use Policy</u> *
<u>Company Values and Business Principles</u>	<u>Global IT Security Policy</u>
<u>Insider Dealing Policy</u>	<u>Global Travel Policy</u>
<u>Environmental Policy</u>	<u>Mobile Devices and iPad Policy</u>
<u>Human Rights Policy</u>	
<u>Social Media Guidelines / Global Standards</u>	
<u>Supplier Code of Conduct</u> **	
<u>Tax Principles</u>	
<u>Whistleblower Policy</u>	

\* This policy was updated in 2016. However, in certain European countries it is currently under review by relevant Works Councils and thus not yet applied.

\*\* This policy was updated in 2016. For more background please see the section on Resource Management.

<i>% employees worldwide that have received and completed the Compliance Training Program</i>	Received 2016	Completed 2016	Received 2015	Completed 2015
Conduct & Ethics Training	95%	97%	96%	99%
IT Security Awareness Training	75%	97%	96%	99%
Fair Competition & Trading Training	95%	97%	88%	99%
Cyber Security Training	92%	96%	n/a	n/a

The Compliance Training Program took place from October 1, 2016 to December 31, 2016. The numbers above reflect the status as of December 31, 2016. However, employees continued to complete their training throughout January 2017, and as of February 1, 2017 the percentages for training completion are as follows: 98% Conduct & Ethics Training; 98% IT Security Awareness Training; 98% Fair Competition & Trading Training; and 98% Cyber Security Training. Employees in the Netherlands, Belgium, Germany, and Italy did not receive the IT Security Awareness Training due to pending Works Councils approvals; Employees in France, Spain, Czech Republic and Slovak Republic were not invited to participate in the Compliance Training Program due to pending fulfillment of data protection requirements.

<i>Weighted % Of Employees Covered by Measures to Handle Complaints and Grievances</i>	2016	2015	2014	2013
Whistleblowing	100%	100%	100%	100%
Help line	87%	78%	74%	71%
Independent person	99%	99%	93%	98%
Counseling	86%	87%	87%	86%
Strict confidentiality ensured	97%	97%	98%	99%
Policies and related information widely circulated in appropriate languages	100%	100%	96%	96%

Year over year Wolters Kluwer ensures that its workforce has at least one tool for complaints and grievances. The help line has been rolled out in India and Italy which offset increase in coverage. Our counselling tool coverage decreased by less than 1%, was impacted by the growth of FTEs in countries where this tool has not been rolled out.

<i>Significant fines and sanctions imposed on Wolters Kluwer legal entities due to non-compliance with laws or regulations</i>	2016	2015
Aggregate monetary value of significant fines (€)	19,432	85,849
Total number of non-monetary sanctions	-	-

Our employees are made aware of our clearly-defined Whistleblower Policy through our compliance training. This policy is available in 10 different languages and sets forth to whom employees should go in the event of a perceived breach. The whistleblower can report the breach in good faith to a direct manager, HR manager or higher management, without fear of retaliation. Employees can also notify the Wolters Kluwer Compliance Committee. In the event that the breach relates to a member of the Executive Board, Supervisory Board or the Wolters Kluwer Compliance Committee, the employee can also contact the Chairman of the Supervisory Board directly. Those in question will be notified of the report of a breach and given the opportunity to defend themselves. In 2016, the Whistleblower Policy was particularly highlighted in the Compliance Training Program. We are working on an addition to the Whistleblower Policy specifically for employees in the Netherlands, in accordance

with new Dutch legislation Wet Huis voor klokkenluiders (Dutch House for Whistleblowers Act). During 2016, no breaches were reported directly to the Wolters Kluwer Compliance Committee.

Wolters Kluwer complies with local regulations and labor laws while placing special emphasis on the working environment and safety of its employees. We maintain contact with many local labor unions. The specific legislation and requirements around labor unions vary considerably per country. Wolters Kluwer is also responsible and accountable for upholding human rights by monitoring the performance of its companies and business units worldwide. Employees wishing to report breaches or violations with respect to the Wolters Kluwer Human Rights policy can proceed according to the rules and procedures as described in our Whistleblower Policy.

Wolters Kluwer aims at complying with applicable laws and regulations. Most of the fines imposed on legal entities in which the company has a majority shareholding related in 2015 to late tax filings. Wolters Kluwer took measures in 2016 to address these topics.

## Tax Principles

Wolters Kluwer is a global company and we conduct our business in over 180 countries, with offices in over 40 countries. We are aware that each country has its own legislation about levying corporate income taxes. As a leader in tax and accounting products we take our tax responsibility seriously and we understand the business and financial risks that could impact our reputation, brand or the relationship with our stakeholders in the event of non-compliance. We developed the Wolters Kluwer Tax Principles to communicate our commitment to responsible tax payments. We disclose the effective tax rate every year, derived from the average of the statutory tax rates levied on taxable income in the respective countries where Wolters Kluwer operates. We summarize the tax rates of recent years in the following table:

Effective Tax Rate	
2016	25.2%
2015	21.9%
2014	7.4%
2013	28.0%
Benchmark 2016	26.8%

In 2016 the reported effective tax rate increased to 25.2%. In 2014 the reported effective tax rate was 7.4% mainly as a result of non-recurring items: non-taxable revaluation gain on Datacert and positive tax impacts related to previously divested assets, partially offset by the taxable transfer of technology assets within the Wolters Kluwer Group related to the consolidation of its platform technology. We consider our benchmark effective tax rate a balanced average tax rate given our global spread of activities.

## Together with our Stakeholders

Our challenge is to ensure long-term business success while making a positive impact on society. We understand that this can only be realized in harmony with our stakeholders.

We maintain regular contact with stakeholders including investors, Environmental, Social, and Governance (ESG) analysts and rating agencies, government offices, the media, Civil Society Organizations (CSOs), and educational and research institutions. We do this to indicate our commitment to the joint effort to increase the pace of sustainable development. Investors raise questions on sustainability during our Annual General Meeting of Shareholders. We use global surveys to request and determine the views of our employees.

Our active stakeholder engagement process creates opportunities and benefits for both parties. Our approach is as follows:

*Identifying important stakeholders across core activities*  
Alongside the materiality analysis, Wolters Kluwer identifies material stakeholders who either have a high impact potential on our business or vice versa.

*Communicating directly through meetings, calls, and email dialogue*

We are in direct contact with our stakeholders through email, phone calls, and meetings. Some of our stakeholders reach out to us with the request to fill in their supplier sustainability survey and subsequently provide us with their recommendations on how we can improve our sustainability performance.

*Collecting and providing different views and feedback*

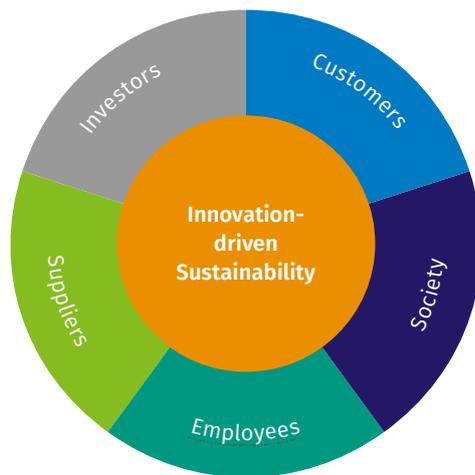
Wolters Kluwer ensures it is abreast of the latest information on trending topics such as tax, diversity, data security, and privacy, through the use of reports and direct communication. Our Annual General Meeting of Shareholders is pen of our platforms to communicate about specific topics such as our targets and our supplier management.

*Integrating the feedback into our sustainability strategy*

We collect information to help us improve our sustainability strategy throughout the year. This may include wide-ranging views and feedback on our material topics, enabling us to revise our materiality analysis. We create optimal value through sustainable solutions by engaging our suppliers, customers, employees, investors and the communities in which we operate. One of the ways we engage with stakeholders is through our memberships<sup>3</sup>.

<sup>3</sup> A list of our memberships can be found in the Appendix of the Sustainability Report on our website.

## Stakeholder Engagement



### Customers

The Wolters Kluwer innovation program is built on understanding and anticipating ever-changing customer requirements. We review the needs and behavior of our customers and keep a close eye on market trends. We realize that engagement and a close relationship with our customers is vital to building the innovative solutions that meet their expectations.

### Employees

Our diverse and talented workforce is our most valuable asset. It is vital to recruit, develop, and retain the right talent for the right jobs in a rapidly-transitioning market. Our employee engagement programs reflect this understanding. Career development is crucial; our programs provide our people with the right tools to work more effectively, and we do what it takes to make them proud to be building One Wolters Kluwer.

### Investors

Responsible investment strategies are becoming increasingly mainstream due to the value they create. Wolters Kluwer is aware of the demands of the financial community for the transparency of these policies. We understand the criteria thanks to our continuous quest for dialogue with ESG experts, and we are able to convey our policies transparently. Our participation in reports and sustainability analyses includes studies from: Carbon Disclosure Project (CDP), Corporate Knights, Dow Jones Sustainability Index (DJSI), Ethical Investment Research and Information Service (EIRIS), F&C Investments (part of Bank of Montreal), Financial Times Stock Exchange for Good (FTSE4Good), Good Growth Fund, Mutuelle

Assurance des Commerçants et Industriels de France (MACIF), Metropole, Morgan Stanley Capital International (MSCI), Natixis, Kommunikationsbüro für Ökologie und Kommunikation (Oekom), STOXX, Sustainalytics, Transparency Benchmark, Vereniging van Beleggers voor Duurzame Ontwikkeling (VBDO) and Vigeo. We also responded to the CDP Supply Chain 2016 Climate Change questionnaire.

We are proud of the recognition we received in 2016:

- 1 We were included in the Dow Jones Sustainability Index for the 10<sup>th</sup> year in a row. We see this as an endorsement of our commitment to corporate responsibility.

MEMBER OF

**Dow Jones**  
**Sustainability Indices**

In Collaboration with RobecoSAM

- 2 As part of their Sustainability Yearbook 2016, we were awarded the Bronze Class Sustainability Award 2016 from RobecoSAM.

### Society

Wolters Kluwer, as a member of different communities and society at large, understands its responsibility to support underserved communities and recognizes the opportunities within them. We provide access to our digital information as part of our charitable donations program. In order to provide assistance in times of crisis, our disaster relief programs operate on a global level. Our Health division pulled their resources together into a special Zika Resource Portal – a single point of access to help the healthcare community stay abreast of the implications of this rapidly growing virus<sup>4</sup>. The Wolters Kluwer community investment program contributes to local communities by encouraging close and long-term cooperation with a range of local non-profit organizations, CSOs and the United Nations.

<sup>4</sup> More information can be found in the chapter 'Community Involvement'.

Rating agency	2016	2015	2014
Dow Jones Sustainability Indices	Included	Included	Included
CDP Investor	Included	Included	Included
FTSE4Good	Included	Included	Included
RobecoSAM Sustainability Year Book	Bronze Class Sustainability Award 2016	Bronze Class Sustainability Award 2015	Bronze Class Sustainability Award 2014
STOXX	Included	Included	Included
Corporate Knights Global 100	Included	Not Included	Included

Around the world, sustainability strategies are becoming increasingly important to tackle current and future challenges. In the endeavor to take global sustainable development to the next level, the United Nations launched the Sustainable Development Goals (SDGs) in 2015. These goals target different sectors and call for the engagement of various stakeholder groups. In this context, private sector involvement has become an integral pillar to improve the 17 SDGs. We acknowledge the importance of this involvement and believe that, as it relates to Wolters Kluwer, the greatest impact can be made by contributing to the following indicators:

- 3 Good health and wellbeing;
- 4 Quality education;
- 5 Gender equality;
- 8 Decent work and economic growth;
- 9 Industry, innovation, and infrastructure; and
- 12 Responsible consumption and production.

As part of a global community and society at large, we further acknowledge our responsibility with respect to the following indicators:

- 1 No poverty;
- 6 Clean water and sanitation;
- 13 Climate action; and
- 17 Partnerships for the goals.

### Suppliers

Wolters Kluwer acknowledges that its responsibility in the supply chain extends further than simply its operations. Together with suppliers, our global procurement office seeks solutions to relevant sustainability challenges. We monitor our suppliers from high-risk countries. And we take the necessary action should they not meet our standards.

### Risk Management

A well-considered outlook with regard to future developments in our business environment is crucial to the long-term success of Wolters Kluwer. We need to anticipate opportunities and mitigate risks. Wolters Kluwer takes financial and non-financial indicators into consideration when managing its internal risk. These risks are classified

*Maintaining a diverse workforce, with a good understanding of current and future customer needs, also contributes to safeguarding future value creation by the company.*

into the following categories: Strategic & Operational Risks, Legal & Compliance Risks, Financial Risks and Financial Reporting Risks<sup>5</sup>.

<sup>5</sup> An extensive description of our internal Risk Management and Control systems is provided in the Risk Management section of our 2016 Annual Report.

Under Strategic & Operational risk, we also classify risks and opportunities emerging from global, macro-economic and demographic trends.

Technological and cultural or demographic developments might impact current business models. These developments could include disruptive technologies, such as the impact of artificial intelligence on the activities of professionals. New generations of professional customers might expect a different approach and different tools and solutions to support them in their daily activities. The company actively monitors relevant trends in the markets in which it operates and general trends that might affect its business in the future. Examples include technological developments which could impact the professional market in the future, as well as changing customer demands due to IT and demographic developments. The company manages potential risks in these areas and aims at protecting itself from potential changes by focusing on innovation and through our continuing digital transformation.

Maintaining a diverse workforce, with a good understanding of current and future customer needs, also contributes to safeguarding future value creation by the company. At the same time, our innovations could help people to adapt to these changing circumstances. By improving our footprint and providing access to new business opportunities, our innovation-driven sustainability strategy reduces our environmental impact. Efficient use of crucial resources, partnering with our customers for innovative solutions, optimization of community citizenship, and talent development of our employees contribute us to mitigating potential risks.

# Customers & Solutions

Our information, software, and services are designed to provide professionals with the information they need to enable them to make critical decisions. Our innovative solutions can help our customers provide better healthcare, improve the way they do business, navigate change and complexity, and build smarter legal systems – ultimately creating a better future.

## Our Ambition: Right Solutions for Right Decisions

Our portfolio directly contributes to people, planet, and profit. Our sustainability efforts are closely aligned with our strong focus on financial results and value creation. Through an ongoing increase in customer satisfaction, we believe we maximize our positive impact on society. Satisfaction in three distinct channels reflects the added value we create for our customers. First, we continuously aim to deliver higher quality products and services. Efficiency is the second characteristic of a Wolters Kluwer solution, as our digital solutions help optimize our customers' activities and enable them to focus on what really matters. Finally, our ongoing emphasis on digital products and services allows us to provide solutions that help reduce our customers' use of natural resources.

## Our Strategy

We achieve high customer satisfaction levels by putting sustainability at the heart of our product development. This drives improvements in the quality, time, and resource efficiency of our solutions. Our innovation-driven sustainability strategy fits entirely within each aspect of the business strategy, *Growing Our Value*. Greater innovation will allow us to expand into new markets with greater ease. It will also drive greater efficiency and engagement internally, while being at the heart of creating expert solutions – and value – for our customers.

### Business Strategy



### Driven by Innovation

Wolters Kluwer invests between 8-10% of its revenues in product innovation every year. We integrate various elements in our business processes that spark new ideas in order to drive innovation and invest in innovation labs and internal contests.

The Wolters Kluwer Global Platform Organization (GPO) group co-creates state-of-the-art digital solutions with company businesses around the world. The GPO mandate is to grow revenue of the company's digital content through innovation in, and adoption of, global platforms and tools to meet local customer needs worldwide.

Wolters Kluwer operates innovation labs around the world where programmers and designers are encouraged to experiment with new technology. Employees generate new ideas to help grow our stakeholder value. These employees are linked to lab professionals during experimentation sessions in order to take innovation to the next level. In some cases, we provide funding for the product to go to market. This ongoing internal drive for innovation is supported from idea conception until the launch phase.

The Tax & Accounting iLab Code Games 2016, a software development coding competition, included 122 teams with more than 500 employees in 10 countries. The teams were given just two days to innovate a new customer solution, and then developed codes 'on the spot' to create a working prototype. The competition culminated in demonstrations by the teams, assessed by a mixed panel of jurors of Wolters Kluwer executives and local customers. Entries were rated on the level of innovation, technical achievement, and potential value generation. The winning teams won an opportunity to further develop their idea in the Wolters Kluwer Tax & Accounting iLab (Innovation Lab).

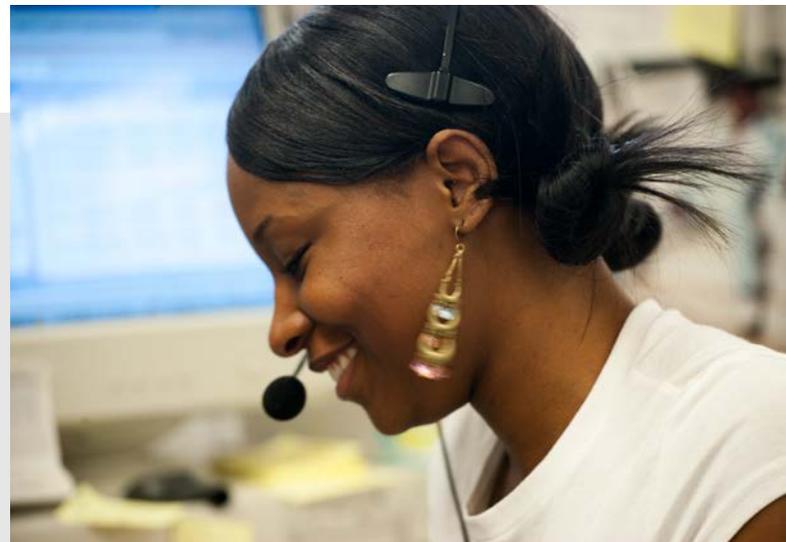
Our company-wide contest to stimulate employees to share solutions and ideas is known as the Global Innovation Awards. We believe that a company-wide commitment to innovation in both products and internal operations can increase organic revenue and profit growth while creating a sustainable competitive advantage. Driven by our 2016-2018 corporate strategy, this year's Global Innovation Award categories were:

**Greatest Value to Customers:** A call-to-arms for ideas that create maximum value for our customers through new product innovations, enhancements, or other expert solutions.

**Business Model/Operational Innovation:** An invitation to company employees worldwide to submit ideas that could re-invent the way we do business to deliver on our mission – a process, a plan, or any other strategic initiative.

**Business Improvements:** Ideas that advance our operational effectiveness and efficiency in line with our strategic priority of driving employee engagement and efficiency.

## Making a Lasting Impression



Compared to the most valuable brands, Wolters Kluwer rose to # 17 in the Brand Finance Netherlands 50 list. In 2015, Wolters Kluwer was in the 22<sup>nd</sup> position. The higher ranking is a result of our good revenue growth and brand visibility. We are also proud that the global customer support teams for

UpToDate®, Ovid® and Lippincott Williams & Wilkins (LWW) each received the NorthFace ScoreBoard AwardSM (NFSB) from Omega Management Group Corp. This marks the fifth consecutive year the teams have been recognized by Omega for excellence in customer service and support.

The award is presented annually to companies that exceeded customer service expectations for the previous calendar year. The NorthFace ScoreBoard Award is considered the only objective benchmark for excellence in customer service.



**Sustainability:** Ideas that significantly change our solutions for or processes toward social and environmental contributions in data access and security, social responsibility in supply chains, or strategic sourcing. In addition, the INnovation VENTure (INVENT) Fund went into its third year of operation in 2016. The INVENT Fund is our internal venture capital fund aimed at helping ideas throughout the company grow into fully implemented solutions. The fund finances itself through replenishment from the funded innovations.

**Improving Customer Experience**

Providing our services professionally ultimately results in satisfied customers. One example of a new solution that enhances customer experience is CCH iQ, a predictive intelligence software and information services solution designed specifically for accountants that will drive efficiencies and redefine how the customer's business is conducted. CCH iQ is the combination of CCH iKnow content and CCH iFirm software to drive actionable outcomes.



Wolters Kluwer's presence in industrial and emerging markets is increasing and represents an additional aspect of improving customer experience. Our mobile and cloud-based solutions are well suited to a country such as India, where smartphones are widely used and can help the country address its shortage of skilled personnel. The Wolters Kluwer Emerging & Developing Markets Group focuses specifically on the acceleration of our company's impact in key high-growth regions, including Brazil, India and China. The group works across all divisions to tailor products to local customer needs, leverage our digital investments, and establish a long-term presence in these fast-growing geographies.

Using different channels to serve global customers, we implement ambitious distribution strategies. Wolters Kluwer increasingly focuses on the online sales and distribution of products thanks to information digitization. Currently, 85% of our revenues come from digital products and services.

*Explaining the materiality topics on Customers & Solutions*

**Effective and Efficient Access to Information**

We make this information widely available to our customers in various ways. First and foremost, we provide information and solutions directly to our customers through the products we sell. We also share important information with the wider community through blogs, seminars, and expert meetings. We also provide free access to relevant information services in disaster situations.

**Privacy and Data Protection**

Customer privacy and data protection are becoming increasingly important due to the digitization of our product portfolio. Stakeholders agree that these topics demand our highest priority from a business and sustainability perspective. Our IT environment, security measures, comprehensive company policies, and employee training courses on these sensitive topics contribute to complying with privacy and data protection requirements.

As a global company with a diversified portfolio, we need to ensure that our products and services are delivered effectively. The Net Promoter Score (NPS) connects the company directly to the voice of the customer. It is the best proxy for measuring the customer experience. NPS is the most complete program for improving our performance by driving change. Its methodology tells us how likely our customers would recommend Wolters Kluwer services on a scale of 1-10. Those who respond with a score of 9 - 10 are called Promoters, and are considered likely to exhibit value-creating behavior, such as buying more, remaining customers for a longer time, and making more positive referrals to other potential customers. The constant cycle of measuring, understanding, acting, and initiating a positive change is monitored against key indicators.

Since the implementation of NPS, the positive response rate has enabled us to better understand customer requirements and adjust our products according to their needs. We measure the scope locally and per product to optimize the feedback and engagement cycle.

### Data Efficiency and Security

Wolters Kluwer hosts applications for the use of its clients. It is our strategy to actively reduce the number of data processing locations and vendors or internal providers of these services. This will have five implications for our customers:

- 1 Enhanced efficiency;
- 2 Improved accuracy;
- 3 Greater agility;
- 4 Better data security; and
- 5 Reduced costs.

This strategy aims to improve customer experience. It also has positive environmental implications. These will be described in the Resource Management chapter.

Wolters Kluwer recognizes that customers, employees, and others care about the privacy and security of their data, and we take our responsibility for this matter seriously. Our cyber security program is managed by the Global Chief Information Officer from Global Business Services. We have established a company-wide governance infrastructure to drive a holistic approach to the stewardship of data. This includes putting policies in place to ensure the continuing confidence of

those who entrust us with their personal information. These policies require transparency, choice where appropriate, and responsible data use and security. Controls over data and security programs are tested regularly to ensure protection of personal data and compliance with relevant legislation and regulatory requirements.

This year, Wolters Kluwer adopted a new IT Security Policy and Acceptable Use Policy with significant enhancements to data protection, classification, and safeguards. The new

*We see a world in which all of our customers are empowered with the deep domain knowledge – and intelligent technology – that will help shape a better future for all.*

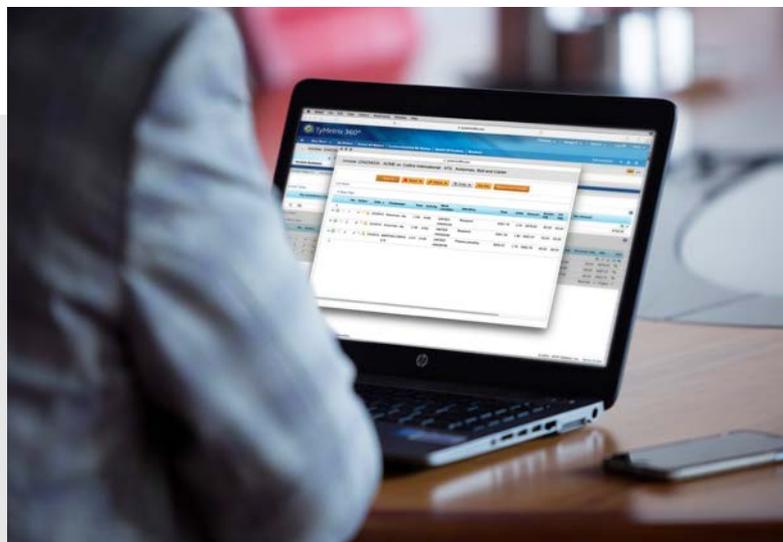
policies are aligned with relevant regulatory requirements and is intended to mitigate significant IT risks. Effective IT security is the joint responsibility of every Wolters Kluwer employee, requiring awareness and participation.

## ELM Solutions Provide Greater Insights into Legal Billing Practices

Wolters Kluwer ELM Solutions, the global market leader in transformational, technology-based solutions for the legal industry ecosystem, launched two new solutions in 2016 that provide data and insights for corporate legal departments (CLDs) and law firms. Both solutions help CLDs and law

firms better manage and benchmark their fees and billing practices. This includes the Real Rate Report® Snapshot edition, the industry standard for benchmarking law firm rates as well as the TyMetrix 360° and Passport® Actionable Insight Reports solution.

The two new offerings from ELM Solutions bring actionable insights to CLDs and law firms that foster collaboration and transparent conversations around resource allocation.



We inform and instruct our employees during the IT Security Awareness and Cyber Security training.

#### **Our Divisions**

Our four divisions operate in industries that continuously demand concise, correct information and high-quality products. We strive to create and further develop a broad product range that provides sustainable solutions to the varying needs of our customers.

#### *Health*

Wolters Kluwer helps healthcare providers build competency, and improve their practice to make confident decisions on patient care, and deliver better outcomes. Wolters Kluwer Health solutions help facilitate evidence-based decision-making in clinical, nursing, and pharmaceutical settings, at the same time supporting continuing education and leading medical research. Customers include healthcare professionals, medical librarians, and corporate researchers.

#### *Tax & Accounting*

Wolters Kluwer enables professionals in tax and accounting firms, businesses, and governing authorities to grow, manage, and protect their business and their clients'

businesses. Our expert solutions — in compliance, collaboration, internal and external audit management, and company management — integrate deep local knowledge with workflows to ensure compliance, effective management, and strengthened client relationships. Customers include accounting firms, corporate finance, tax and auditing departments, government agencies, corporations, libraries, and universities.

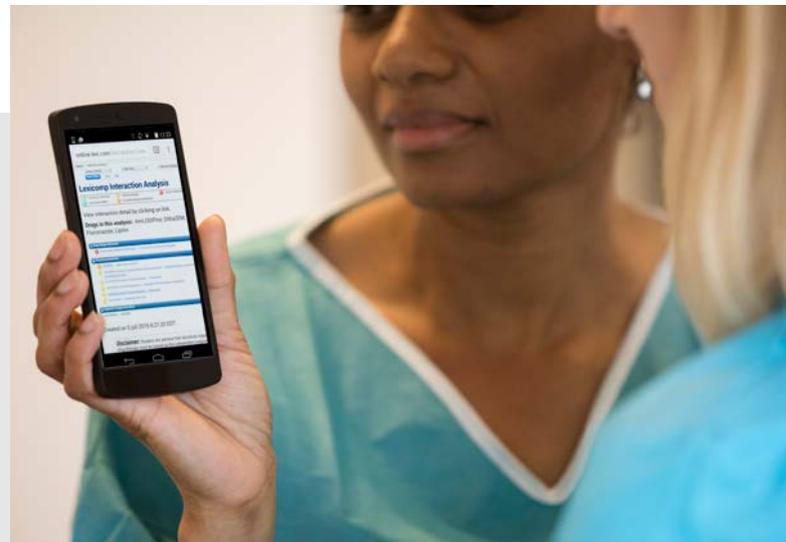
#### *Governance, Risk & Compliance*

Wolters Kluwer helps legal and financial professionals manage complex compliance requirements, helping in reducing risk, increasing efficiency, and produce better business outcomes. Our expert solutions range from legal compliance and enterprise-wide legal management to addressing regulatory and industry requirements through workflow, analytics, and reporting solutions and services in financial markets. Customers include corporations and small business owners across industries as well as banks, securities, and insurance firms.

#### *Legal & Regulatory*

Wolters Kluwer helps legal and compliance professionals drive productivity and performance, achieve confident outcomes, and mitigate risk.

## Partners with American Nurses



Wolters Kluwer released a mobile version of the post-traumatic stress disorder (PTSD) toolkit from the [American Nurses Foundation \(ANF\)](#) and the [University of Pennsylvania School of Nursing \(Penn Nursing\)](#). Developed by [Lippincott Solutions](#), the free mobile app is designed to help nurses and other healthcare

professionals gain rapid access to trusted PTSD information to support and inform care decisions. PTSD is a serious mental disorder resulting from exposure to direct or indirect threat of death, serious injury or physical violence, including sexual violence. According to the National Center for PTSD, part of the

U.S. Department of Veterans Affairs (VA), approximately 8 million adults suffer from PTSD. It is a particularly significant mental health topic among veterans.

## Product Impact Portfolio



### Portfolio

UpToDate Anywhere 1, 3, 4, 5, 7, 11  
 Emmi Solutions 1, 4, 5, 6, 7  
 CCH iQ 1, 3, 4, 8, 9  
 CCH Access 1, 3, 8, 9, 11  
 TeamMate 1, 4, 8, 9  
 CT Lien Solutions 1, 4, 7, 9, 10  
 OneSumX 1, 3, 4, 8, 9  
 Cheetah 1, 3, 8, 9  
 Enablon 1, 4, 8, 10, 11, 12

We provide vital information, analytics, software, and integrated workflow solutions that help customers streamline complex legal and regulatory compliance requirements, make the right decisions, and realize higher productivity. Customers include law firms, corporate legal departments, corporations, universities, and government agencies.

### Products with Impact

In 2015 Wolters Kluwer introduced the Product Impact Portfolio as a framework for inspiring sustainable innovation. This portfolio helps us to identify the sustainable impact that our expert solutions have on our customers. Arranged around economic, social, and environmental impacts, the impact factors show per product how Wolters Kluwer contributes to a better society. This year, we have made three adaptations to the framework: “Improving accuracy” and “Reducing paper consumption” were added and “Enabling compliance” was moved to the social dimension of our impact. The 2016 acquisition of Enablon, a leading EHSS and Risk Management software provider, is fully in line with our innovation-driven sustainability strategy and allows us to expand our Product Impact Portfolio.

### Health

#### UpToDate Anywhere

UpToDate is a trusted resource that improves outcomes for healthcare organizations. Access to this powerful evidence-based content is now available to clinicians at the office, at home, or at patients' bedsides.

#### Emmi Solutions

Emmi combines an intimate understanding of people and expertise in behavioral and educational science to successfully engage people to become owners of their health and well being.

### Tax & Accounting

#### CCH iQ

CCH iQ is a predictive intelligence software and information services solution for accountants and provides an unrivaled end-to-end solution. The technology is purpose-built to be time efficient and cost effective.

#### CCH Access

CCH Access provides the foundation for accountancy firms to offer a full level service, communicating, supporting a collaborative working relationship and accelerating delivery of work and offering valuable add-on services.

**TeamMate**

TeamMate is the global market leader in internal audit management solution, used by corporations and governments that brings significant efficiency to the audit process by automating and standardizing workflow.

**Governance, Risk & Compliance****CT Lien Solutions**

CT Lien Solutions is the U.S. market leader in lien services, serving banks and other lending institutions. It helps lenders to reduce operational and credit risk, and to enhance profitability.

**OneSumX**

OneSumX provides an ecosystem of complementary and comprehensive solutions and services to manage the intersection of governance, finance, risk and compliance.

**Legal & Regulatory****Cheetah**

Cheetah™ for Tax Law is a new, online legal tax experience combining the resources of CCH, Aspen Publishers, and Kluwer Law International product lines.

**Enablon**

Enablon is a provider of a Sustainability and Risk Management software. Users rely on Enablon solutions to manage their environmental and social performance, minimize risks, and improve profitability.

## Financial Services Launches Enterprise Credit Solution for China



Wolters Kluwer Financial Services launched its Enterprise Credit Solution for China in 2016. The solution enables financial institutions operating in China to comply with the official China Enterprise Credit System (ECS) reporting standards, as set by the People's Bank of China (PBOC).

The Enterprise Credit Solution gathers a bank's commercial and corporate banking data directly from its core banking and business systems, performs regulatory computations and creates on-screen forms containing its regulatory data. Once the data is confirmed, the solution

constructs the submission files in the format required for PBOC submission. Through this reporting process, banks obtain a three-dimensional view of their financial conditions, which helps improve their credit risk management.

# Employee Engagement

As an equal opportunity employer, we focus on talent development and growth, sparking innovation that leads to sustainable results for our customers and the company. Our customers trust us to provide them with exceptional customer service and high-quality solutions. We know this makes our employees our most valuable asset. Wolters Kluwer empowers employees to make decisions that lead to the best results. We also help our employees to improve their skills and develop their careers by providing them with a working environment that makes us all proud.

## Our Ambition: Stronger Together – One Wolters Kluwer

It is our ambition to develop an inclusive company culture in which attracting, developing, and retaining excellent and diverse talent is central to everything we do. Our global success is based on the efforts of our diverse workforce, consisting of approximately 19,000 employees who operate in over 40 countries, serving customers around the world. Wolters Kluwer aspires to further improve the working environment of its employees by motivating them to share plans and ideas with one another. This corporate

philosophy, centered on the belief that we are stronger together, is known as One Wolters Kluwer.

## Our Strategy

Our employees are our most valuable asset. We acknowledge that sustainable company performance can only be delivered by the best workforce. It is therefore



## Explaining the materiality issues on Employee Engagement

### Talent Development

Wolters Kluwer talent programs are designed to attract, develop, and retain outstanding individuals with the right skills for the right jobs. We listen to employee feedback through engagement surveys, conduct annual talent reviews, support a global performance management process, and provide training programs to develop employees' skills and careers.

### Diversity and Equal Opportunity

Equal opportunity is conditional to realizing diversity. Wolters Kluwer promotes innovation through its diverse workforce. Our employees reflect the diversity of our customers and the communities in which we live and work.

### Health and Safety

The transition from a publishing company into one providing essential digital products and services has been marked by a decline in production facilities. The risk of health and safety hazards has decreased accordingly. Our local facilities put initiatives in place to safeguard the health and safety of our workforce. We track our performance against the growing number of health and safety standards so we can continue to improve our employees' working environment. This year, work-related incidents resulted in 1328 days of absenteeism.

essential to recruit and retain the right talent for the right jobs. Key to our success is our employee engagement strategy, as it leads to better products and services for our customers and communities.

At Wolters Kluwer, we believe that we are stronger together. We cooperate and share knowledge across the company. We do this in rewarding work environments where we inspire and support each other to achieve success. We believe in the performance of diverse teams that are organized in an open and inclusive manner. We treat each other with respect and are focused on three key areas to further improve our employee engagement:

- ☆ – **Pride in Building One Wolters Kluwer** – Connecting employees with a shared understanding of our mission, strategy, goals, and values.
- 👤 – **Improving Agility** – Making it easier to focus on what matters most by improving basic tools and resources to get work done.
- 📈 – **Developing Skills and Careers** – Supporting employees and managers to develop skills, knowledge, and careers.

We implemented the *Our Enterprise* Global Employee Survey to measure employee engagement and listen to

ideas on how to make Wolters Kluwer an even better place to work. 2016 marks the third year of measuring employee engagement, and the second enterprise-wide survey since 2014. We are pleased to report that 82% of our employees took the 2016 survey and are especially proud that employee engagement rose significantly in 2016. We have listened to our employees and acted. We will be updating both our enterprise-wide and division-specific plans based on the 2016 survey.

**Pride in Building One Wolters Kluwer**



We have completed the rollout of our refreshed company values and, through our 2016 employee engagement survey, we learned that we are living our values and have made One Wolters Kluwer even stronger. Our high employee engagement also provides a competitive advantage as we evolve as a solutions company and adapt to continuously changing dynamics in the marketplace.

**Improving Agility**



Wolters Kluwer’s Global Business Services (GBS) group is responsible for improving the quality and performance of our technology infrastructure, managing key vendor relationships, increasing the efficiency of support functions, and driving operational excellence

## Legal & Regulatory Talent Summit Takes Off!



Emerging leaders from across Wolters Kluwer Legal & Regulatory (LR) participated in the 2016 Talent Summit in Amsterdam - an innovative learning and development opportunity for employees in the division. Participants went through dynamic training sessions focused on different aspects of the business and

organizational environment, while meeting with external experts, senior leaders, and peers. The 2016 meeting brought together 27 employees from 12 countries and many different functional areas. With a focus on digital, the team spent the week together learning about changing market forces, opportunities,

challenges, meeting customer needs, and more. The session also included “design thinking” projects for the attendees, where the teams were charged with coming up with innovative ways to solve real business cases.

programs globally. GBS supports Wolters Kluwer's digital transformation and product innovation by strengthening the company's technology infrastructure and by delivering operational efficiencies. This enables us to unlock value by providing access to tools and resources that help our employees connect, cooperate, and communicate better with colleagues around the world. It also enables our businesses to adapt more quickly to changing market demands, gain access to information faster, and further streamline their work thanks to the introduction of new tools within the company. These solutions include our updated website, our intranet, various social media outlets like Yammer, Rainer cloud software, and our new Microsoft Office 365 e-mail and conference platform that has been rolled out globally. Just as importantly, initiatives at GBS unite our company around common standards and best practices, reduce costs by not duplicating efforts, and deliver economies of scale by concentrating volume. The GBS programs are instrumental in bringing the company closer to becoming One Wolters Kluwer.

Wolters Kluwer also facilitates the Intelligent Solutions blog. The blog enhances internal cooperation by informing colleagues about the available Wolters Kluwer communication tools. It is a publicly-accessible editorial

blog within the information industry that focuses on new developments and technology-related topics. Specialists from Wolters Kluwer or its partners are the main contributors to the Intelligent Solutions blog. Twice a week at least, regular posts are scheduled by members of the blogger team. Their range of expertise covers many professional fields, and they explore trends, content, technology, and new ideas in the global information industry by analyzing the latest and most interesting developments.

#### **Developing Skills and Careers**

At Wolters Kluwer, we support our diverse group of talent as they take their skills, knowledge and careers to the next level. We provide resources for our employees in every aspect of their career, from recruitment and onboarding to benefits, compensation, performance management, and career development.

We encourage our employees to discuss their development needs in their current position and career aspirations with their managers. While the development plan is owned by the employee, the manager plays an important role in overseeing its creation and providing resources to execute it.



## Working Together Towards One Single Content Management System

In January 2016, Clinical Drug Information (CDI) migrated 100% of its data into one single content management system. The challenge started in 2011 and took five years to fulfill. Working alongside two fellow team members and one developer, the CDI team was continuously discussing and cleaning data needed to ensure

the data migration was complete, and that it was possible to work seamlessly in the single system, from the creation of a blank document to the publication on the site and in the book. The team not only had to learn a whole new system but also needed to communicate across offices, with remote employees and contractors.



**Performance management and Learning framework**



Development can take the form of on-the-job experiences and projects, coaching and mentoring relationships, and formal training programs. We actively communicate open positions so that employees can apply through the internal career development page.

This year, Wolters Kluwer launched career development training for people managers and their employees. Over 95% of our managers completed the training to help them conduct meaningful career development discussions with their employees and provide development planning. Almost 5,000 employees completed the complementary training (offered in 14 languages) to help own and guide their own development. We also offer our managers access to online training from the Harvard Manage Mentor, providing 24 modules to gain competence in managing and leading people.

Performance management is critical for our organization as we continuously strive for a culture of high performance and accountability that attracts, develops, and retains the right talent to deliver our business strategy. In direct response to the feedback from *Our Enterprise: Wolters Kluwer Global Employee Survey*, we developed a new global performance management and learning framework.

This framework allows us to:

- 1 Enable a transparent performance management process and promote more frequent conversations for feedback, coaching, and development between employee and manager.
- 2 Improve development planning and provide significantly more company-wide learning opportunities.
- 3 Create consistency in setting goals and assessing outcomes across Wolters Kluwer.

	Skill Assessments	Skills assessments	Capability Development	Capability Development	Skill Assessment and Capability Development	
	2016	2015	2016	2015	2014	2013
Employees	91%	91%	56%	52%	77%	66%
Managers	89%	97%	83%	52%	78%	80%
Executives	96%	85%	64%	70%	78%	79%

Our 2015 data has been updated to include a broader scope of locations. The 2016 data, shows our focus was mainly for the capability development in the managerial level. With the launch of our global tool we expect all levels to be more consistent in both areas.

In 2016, we introduced the new global framework, calendar, and tool via awareness webinars attended by over 5,000 employees. Starting in January 2017, all employees are setting goals using our new global platform, *My Enterprise Performance Management*. Employees can access learning resources to support their development through My Enterprise Learning, supplemented by over 2,000 offerings in multiple languages. Wolters Kluwer focuses on building skills and careers through multiple programs:

- Each division holds an annual talent review process to better understand the skills, capabilities and career aspirations of our talent. This prepares our employees not only for today’s work, but also for tomorrow’s strategy.
- Excellent leadership programs, such as the Leadership Summit and Leadership Essentials, focus on strengthening our leadership pipeline to be ready for growth and expansion.
- The Global Innovation Award<sup>6</sup> is our internal contest to inspire staff to come forward with their ideas and solutions.

Each Division also offers development programs for its employees.

### **Well-being**

In the United States, Wolters Kluwer offers Be Well, an incentive-based well-being program designed to encourage employees and eligible spouses to make positive overall health choices by offering programs that inspire them to be more physically active, handling stress effectively, making healthy food choices, and having an overall awareness of their health status. Employee well-being positively impacts health, engagement, and business results. Employees who take their personal health situation seriously are twice as likely to be engaged in their jobs compared to employees with moderate well-being, and six times as likely to be engaged compared to those who are at risk of unhealthy habits. They also experience 46% fewer unhealthy days because of physical or mental illness and are 32% more likely to stay with the company<sup>7</sup>.

6 More information on the Global Innovation Award can be found in the Customers & Solutions chapter.

7 Source: Gallup, “State of The American Workplace Employee Engagement Insights for US Business Leaders”, 2013

## Health Improvement Program



Wolters Kluwer’s *Be Well* program includes a health improvement component. This program is designed to get fit, reduce stress, and increase energy levels. Two examples are the ‘Get Fit on Route 66’ and ‘Feel Like a Million’ online programs that respectively simulate all the 2,448

miles from Chicago to Santa Monica on the U.S. west coast and encourage users to perform daily exercises to win one million virtual dollars. Additional programs include gym reimbursements, Weight Watchers, Tobacco Cessation and the Life Resources Program.

Since well-being encompasses the whole person, the *Be Well* program focuses on four pillars of well-being: mental, physical, financial, and emotional. Each year, Wolters Kluwer hosts on-site health screenings and flu shot clinics as well as voucher programs for smaller locations and remote employees as well as health improvement challenges to help maintain engagement. Community involvement and giving back are also important components of *Be Well*.

### Diversity

We believe that a diverse inclusive workforce generates better results. Part of creating an inclusive workforce is our active policy in The Netherlands of recruiting employees with an occupational disability. Wolters Kluwer is also willing to incur additional costs for designing or adapting the workplace of an employee with an occupational disability.

Our dedication to employees does not go unnoticed. The Top Employers Institute certified Wolters Kluwer Netherlands as a top employer for the second year in succession. The Top Employers Institute's annual survey recognizes leading employers worldwide; this certification is only awarded to organizations pursuing the highest

standards in HR Management. In its announcement, the Institute said:

*"Our comprehensive independent research revealed that Wolters Kluwer Nederland B.V. provides exceptional employee conditions, nurtures and develops talent throughout all levels of the organization and has demonstrated its leadership status in the HR environment, always striving to optimize its employment practices and to develop its employees."*

It is the aim of the company that at least 30% of the members of the Executive and Supervisory Board are female. Wolters Kluwer achieves this goal for the Executive Board, with 50% female representation. After the envisaged changes at the Annual General Meeting of Shareholders, Wolters Kluwer will also achieve this aim for its Supervisory Board.

As our CEO, Nancy McKinstry, puts it: *"The strong participation of women in the digital transformation of information is a factor that has increased the opportunities for women to attain senior positions."* This reflects the gender balance that also persists throughout our total workforce.

## Women in Leadership: Expanding Influence and Leading Change

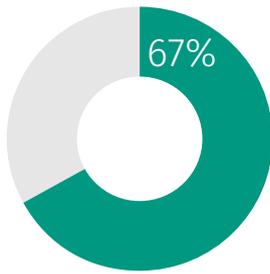


CEO Nancy McKinstry was a guest speaker in a new 2016 program developed by Columbia Business School, one of the world's foremost providers of advanced management training, and Barnard College's Athena Center, known globally for

its work on advancing women's leadership. The program "Women in Leadership: Expanding Influence and Leading Change (November 9-11, 2016)" was designed to help women leaders navigate the business landscape, develop and leverage their

talents, and assume roles of greater influence. Nancy McKinstry shared her experiences in improving gender equality within Wolters Kluwer, and offered insights into what it takes to create and execute a strategic vision for change.

Female Divisional CEOs

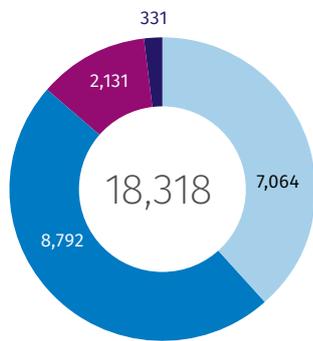


Gender Diversity of Total Employees	2016	2015	2014	2013
Female Executive Board	50%	50%	50%	50%
Female Divisional CEOs	67%	67%	50%	50%
Female Senior Management	24%	25%	24%	27%
Female Employees & Managers	49%	50%	51%	54%

Gender diversity is consistent year over year, and in-line with our ambitions of maintaining a diverse workforce.

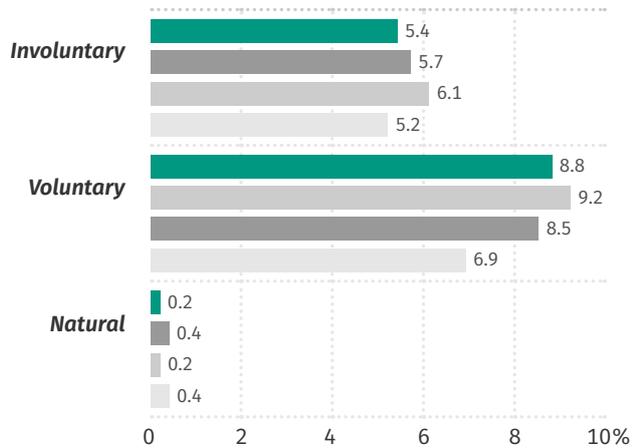
Geographic spread of employees

Full-time equivalent (FTE)



- Europe
- North America
- Asia Pacific
- Rest of the World

Percentage of turnover per average FTE



The 0.3 percent point decrease of total turnover is a result of our continuous focus on, and investment in, the development of our workforce. 2% increase of voluntary turnover is mainly driven by reorganisations in Europe.

Total Employees

By Division in FTEs ultimo	2016	2015	2014	2013
Health	3,064	2,964	2,807	2,779
Tax & Accounting	6,276	6,164	5,867	6,032
Governance, Risk & Compliance	4,363	4,413	4,215	3,650
Legal & Regulatory	4,511	4,411	5,548	5,762
Corporate	104	103	112	106
<b>Total</b>	<b>18,318</b>	<b>18,055</b>	<b>18,549</b>	<b>18,329</b>

# Resource Management

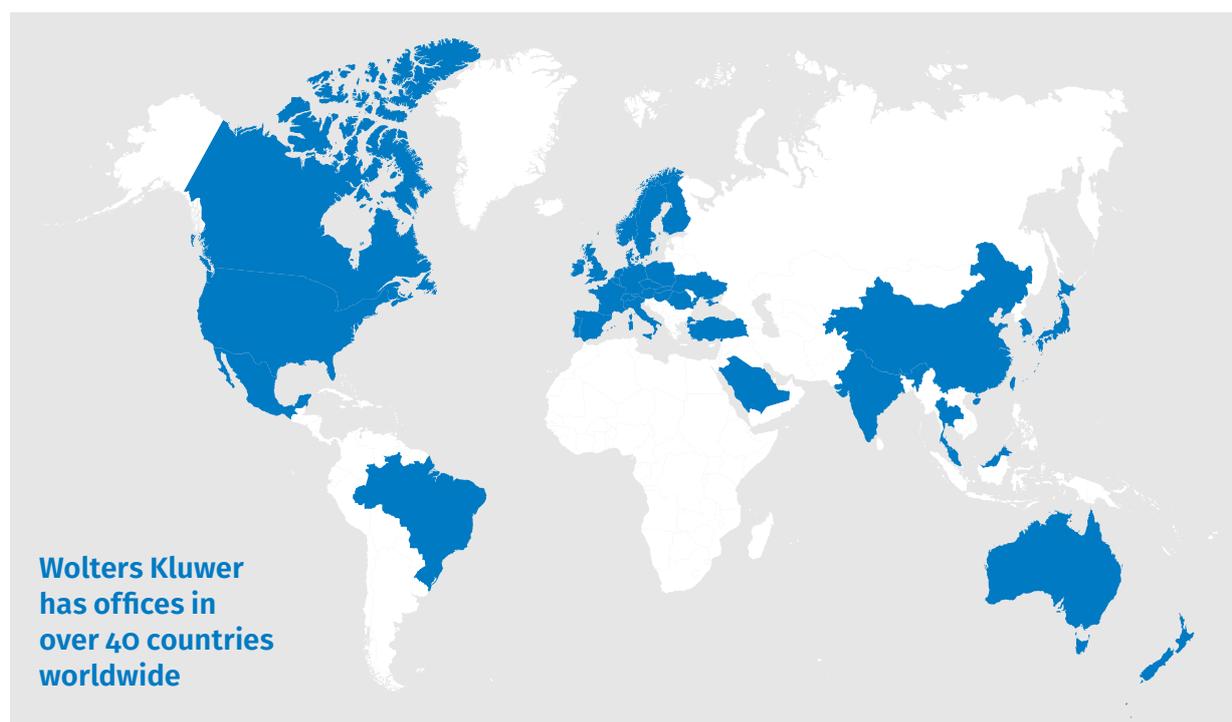
Wolters Kluwer continuously reaffirms its commitment to social and environmental responsibility as they relate to both its suppliers and its own operations. It is important to adapt business practices to manage the sustainable use of limited natural and social resources. The environment is impacted by our own operations and those of our customers and suppliers. By focusing on the resources that can reduce our footprint most effectively, our objective is simple: to reduce our environmental impact. Moreover, our Supplier Code of Conduct helps us to manage the social and environmental impact of our suppliers.

## Our Ambition: Larger Impact with Fewer Resources

Wolters Kluwer continuously explores ways to reduce its environmental footprint and closely monitors the use of natural resources in its operations. We work together with our suppliers to reduce their use of natural resources because we understand our responsibility in the supply

chain. We review our procurement process critically and are striving to achieve an environmentally and socially sustainable supply chain.

## Our Offices



We also aim to increase the efficiency of our customers and reduce their use of natural resources<sup>8</sup> through our Product Impact Portfolio.

### **Operations at Wolters Kluwer**

Wolters Kluwer aims to reduce the use of natural resources in its business operations. Three focal points where the largest impact can be made have been selected: offices, business travel, and data centers.

Our resource-related sustainability ambitions are to:

- Integrate environmental considerations into business plans and management practices;
- Increase our certified office and printing paper: Certification is one of our procurement criteria – We therefore check whether paper is certified in accordance with the standards of FSC, PEFC, SFI, EU Ecolabel, Nordic Swan or Blauer Engel;
- Improve processes to reduce consumption of energy and water, and to improve waste treatment and recycling; and

- Minimize business travel by promoting alternatives such as teleconferencing, videoconferencing, and presentations via Internet.

Our target, as set in 2014, is that by the end of 2017 90% of our printed media and office paper will be certified FSC, PEFC, SFI, EU Ecolabel, Nordic Swan or Blauer Engel.

### **Suppliers**

At Wolters Kluwer, we believe our responsibility goes beyond the social and environmental impact of our own activities. We look critically at the impact of the activities of our business partners. We do not endorse activities that are not in compliance with selected standards of social and environmental conduct. We have set tangible targets for this year and the near future and our suppliers help us in achieving these targets.

<sup>8</sup> For more information please review the Customers & Solutions chapter, and the company profile on revenue by media.

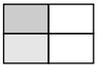
## Environmental Heroes



By changing policies, adapting efficient standards and technologies, embracing adjusted procurement criteria, or by simply changing their own behavior, Wolters Kluwer employees contribute to minimizing the environmental footprint of the company. In Spain, our offices are ISO 14001 certified and in our Madrid office, water consumption has been

cut by 45%. In most German offices, renewable energy use has increased from 25% to 35%. Offices in Canada, China, Belgium, and Sweden use electricity from 100% renewable sources. Alternative transportation such as high-speed trains has prompted employees to change their mode of travel, cutting domestic and short-haul travel by more than 50%.

In the US, a new travel policy has been introduced, explicitly focused on the environmental footprint caused by travel. A 15% reduction of paper usage in the US saved approximately 40,000 trees in 2016. Wolters Kluwer endorses these efforts and will continue its effort to minimize its environmental impact.



## Explaining the materiality topics on Resource Management

### **Socially Responsible Supply Chain**

Wolters Kluwer strives to ensure that the supply chains for our products adhere to selected standards of social and ethical conduct. Our procurement practices offer an opportunity to exercise our influence in these chains. All the new or renewed engagements with material suppliers managed by our Global Procurement department include the [Supplier Code of Conduct](#) or an equivalent standard.

### **Paper Use & Responsible Paper Use**

Wolters Kluwer strives to minimize not only its impact on environmental ecosystems but also its use of natural resources. Our publishing business, in recent history, used large amounts of paper, and this impacts our environment considerably. As our business has turned increasingly digital, we have decreased paper use significantly. Digitalization, according to available research, may decrease energy usage when comparing consumption required for production and transport of paper-based products to energy consumption for producing and accessing digital products. For our printed products, we make increasing use of certified paper to reduce negative impact.

### **Energy and Emissions Operations**

Emissions such as carbon dioxide (CO<sub>2</sub>) result from the use of energy from non-renewable resources. An important sustainability objective is to reduce these emissions. With the transition from a paper-based publishing portfolio towards a digital information product and services company, we reduce the impact of greenhouse gas emissions during the production process. Nevertheless, we continually strive to reduce both our energy consumption and greenhouse gas emissions.

### **Waste Management**

We pursue our policy of exploring each and every opportunity to reduce waste, boost recycling, and address other waste treatment measures. Paper waste is our most substantial waste stream. We rigorously assess and report our progress on the reduction of paper waste. Furthermore, we recycle large parts of our waste production.

### **Water Use**

The environmental impact of our water use is very limited. As water is an important natural resource, we monitor our usage as part of the environmental performance of our business units.

We set the following targets in 2014:

- As of 2015, 100% of new or renewed engagements with material supplier<sup>9</sup> managed by our Global Procurement department include the [Wolters Kluwer Supplier Code of Conduct](#) (or similar standard) each year.
- By the end of 2017, we will require our material suppliers from high-risk countries centrally managed by our Global Procurement department to be certified or audited by a credible sustainability standard.

The Wolters Kluwer Supplier Code of Conduct is a means for Wolters Kluwer to work jointly with its suppliers on the improvement of the sustainability performance of

both the company and its suppliers. For 2017, we set the following target:

- As of 2017, 100% of our 100 largest suppliers<sup>10</sup> centrally managed by our Global Procurement department have signed the Wolters Kluwer Supplier Code of Conduct or have provided an equivalent standard.

## Our Strategy

Our effort to minimize our environmental impact is in line with the agreement reached in Paris at the COP21 in December 2016 and contributes to improving several [Sustainable Development Goals \(SDGs\)](#)<sup>11</sup>.

<sup>9</sup> We define material suppliers as suppliers subcontracted by Wolters Kluwer to deliver products and services that are integral to the products and services Wolters Kluwer delivers to its customers. We put the quantitative threshold at €3 million of addressable spend.

<sup>10</sup> Based on total addressable spend.

<sup>11</sup> See more information on the SDGs in the chapter 'Good Governance'.

Wolters Kluwer takes an active stand against climate change by reducing resources used in its operations and its supply chain.

Wolters Kluwer acknowledges its impact on society throughout the supply chain. In addition to our own policies, we work closely with our suppliers to embed sustainable policies in their operations. Global Business Services (GBS) plays an important role in the implementation of Wolters Kluwer's strategy, and in enhancing our organization's agility, driving operational excellence to fund growth, and enhancing the technology solutions Wolters Kluwer brings to market with minimal use of natural resources.

### **Reducing Environmental Footprint**

Wolters Kluwer intends to improve its environmental footprint by reducing natural resource use from our operations, in our supply chain and for our clients. We focus on our circular economy strategy to reuse and recycle our resources. Digital information products and services account for 85% of our revenue and print accounts for 15% respectively. Our digital business is a circular business, as the multiplication of digital product use does not lead to extra or more use of resources. Furthermore, our strategy

of consolidating the data centers, contributes to reducing energy consumption and the digital nature of our products reduces our customers' waste production. The concept of circular economy is therefore an integral part of our business strategy.

Firmly embedded in our Company Values and Business Principles is our support of and respect for responsible business behavior. We strive to ensure that our activities do not violate these principles. The Wolters Kluwer Environmental Policy can best be an articulation and expansion of this statement.

Our strategy is focused on those areas where material impact can be achieved:

- Energy and emissions reduction;
- Paper use and responsible paper; and
- Reduction of other natural resources.

### *Offices and Warehouses*

Reducing the environmental footprint of our offices and warehouses is another key focal point. Opportunities in this respect include a shift to more efficient use of space. With different office arrangements and the possibility

## Our New Colisée Building



Wolters Kluwer France moved 500 employees from Rueil-Malmaison to Paris (the Colisée building). Before the relocation, employees were asked to discard most paper records and documentation to gain space and work more digitally. With the new efficient organization of the Colisée building, Wolters Kluwer France was able to relocate into smaller premises.

An important outcome of the move is that less energy is needed due to the reduction of office space.

Paper collected during the cleanout was recycled and the money received by Wolters Kluwer from the paper recycling business was offered to the main charity we are supporting: Libraries Without Borders. This gesture for the environment was worth €2,700

for Libraries Without Borders' Ideas Box as part of its program called "The urgency of reading". The Idea Box was conceived with the High Commissioner for Refugees and the designer P. Stark, the Idea Box is a media kit, designed to provide displaced people with access to information, culture, and education.

of home-office work, less space is needed. In the US, an intensive program has been started to determine the footprint of the Wolters Kluwer warehouses. Based on the footprint analysis, improvement options will be put forward in order to improve their resource efficiency and ultimately also to result in financial savings.

We further improved the measurement of the total energy usage in our offices and warehouses in 2016. This includes electricity and natural gas consumption. We also increased the use of certified sustainable paper and were able to further reduce our paper use. Lastly, our data collection is improving on the topics of waste and water use.

Wolters Kluwer searches for renewable energy alternatives as a supplement to using less energy through efficiency gains. We monitor the development of renewable energy technologies with interest. This has already taken effect in Germany, as the percentage of renewable energy in most offices has increased by procuring electricity produced from renewable sources. The progression of these renewable energy technologies offers new solutions for our offices and warehouses. In the years ahead, we will focus on this initiative in order to achieve our aim of reducing the environmental footprint of our facilities.

*Data Centers*

Our current strategy is to actively reduce the number of data processing locations as well as vendors or internal providers of these services. This will have three implications related to our environmental footprint:

- 1 The total energy consumption of our offices will be further reduced.
- 2 It will help reduce energy consumption due to a flexible usage model of the data centers.
- 3 It will increase the energy effectiveness of our products and services due to the use of more efficient data centers. We monitor the PUE ratio (Power Usage Effectives metric) of our suppliers to ensure minimization of the amount of energy used for our products and services.

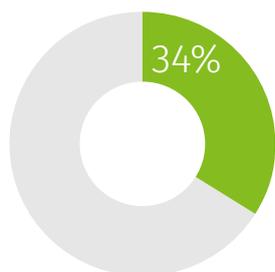
As an information, software, and services provider, we closely monitor the impact of energy use on our solutions. Data center efficiency is of increasing strategic importance. Consolidating and harmonizing the number of data centers in Europe and Australia is a key enabler to leveraging our digital products. Through this transition we have reduced the usage of electricity at the piloting locations based on outsourcing data centers.



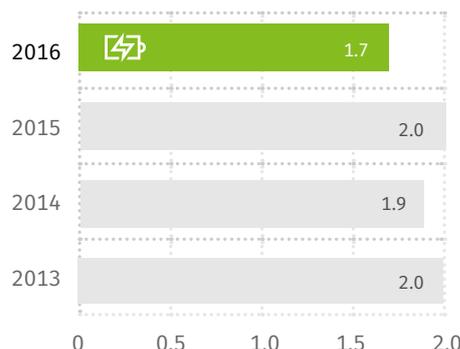
Energy Consumption	2016	2015	2014	2013
Total Energy Use in GWh	92	109	112	118
Electricity from Renewable Sources	34%	15%	14%	12%
Total CO <sub>2</sub> Emissions from Energy in Metric Tons	31,527	37,705	36,313	38,655
Tons of CO <sub>2</sub> Emissions from Energy per FTE	1.7	2.0	1.9	2.0

Energy use is based on electricity, natural gas, heating oil, and district heating. Based on the effort of outsourcing our data centers, electricity consumption has decreased in Europe and in Australia. The consolidation of offices in the Netherlands, France and the United States has reduced total energy consumption by reducing office space. The percentage of renewable energy shows actual reported data that is not extrapolated for non-reporting offices. The use of new conversion factors has adjusted the total GHG emissions in 2015.

**Electricity from Renewable Sources**



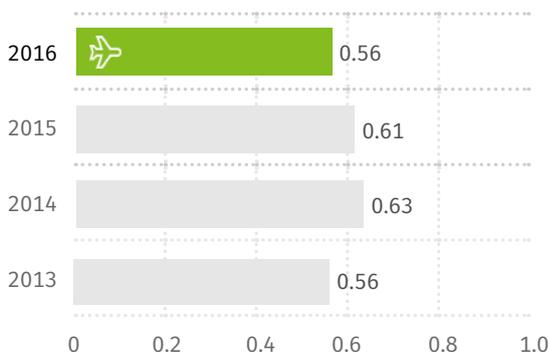
**Tons of CO<sub>2</sub> Emissions (Energy per FTE)**



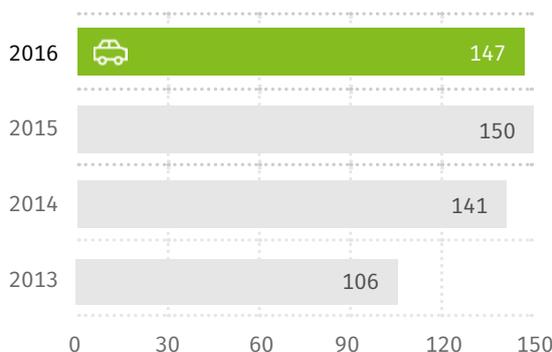
<i>Business Travel</i>		2016	2015	2014	2013
	Total Millions of Kilometers (km) Traveled by Plane	107	114	121	98
	Flight Use (km/FTE)	5,644	5,934	6,220	5,024
	CO <sub>2</sub> Emissions from Business Air Travel in Metric Tons	10,638	11,709	12,205	10,850
	CO <sub>2</sub> Emissions from Business Air Travel per FTE in Metric Tons	0.56	0.61	0.63	0.56
	Total Thousands of Liters Consumed by Car Travel	2,779	2,895	2,727	2,060
	Car Use (Liters/FTE)	147	150	141	106
	CO <sub>2</sub> Emissions from Business Car Travel in Metric Tons	8,549	8,913	8,355	6,337
	CO <sub>2</sub> Emissions from Business Car Travel per FTE in Metric Tons	0.45	0.46	0.43	0.33

Based on new travel policies distributed per local entity, reduced business-class travel has contributed to the reduction of total CO<sub>2</sub> emissions. In 2016 the scope of the data has been increased, including additional entities in Germany. Accordingly, data for 2015 and 2014 has been updated.

CO<sub>2</sub> Emissions from Business Air Travel (FTE in Metric Tons)



Car Use (Liters/FTE)



Compared to the baseline at the end of 2013, Wolters Kluwer has successfully consolidated 14 data centers. We intend to migrate the majority of our volume to the public/enterprise cloud for our strategic applications before the end of 2017.

*Travel*

Wolters Kluwer continuously reaffirms its commitment to environmental responsibility. We use our Global Travel Policy to guide our travel decision-making<sup>12</sup>. The updated policy refers to the environmental benefits of reducing travel by different modes. We focus on the resources that can reduce our footprint most effectively. Avoiding, whenever possible, business travel by air or land and utilizing alternatives such as teleconferencing and videoconferencing contributes to minimizing the environmental footprint of our employees and of the company as a whole.

For example, in Australia, the number of short-haul flights has been reduced by 70%, and it is company policy not to authorize short-haul business class travel. Using alternative means of travel and communication has helped contain the total amount of greenhouse gas (GHG) emitted by Wolters Kluwer. Furthermore, Wolters Kluwer began the migration of its audio and web conferencing tools, thereby enhancing the sound quality and making conference calls an efficient meeting alternative.

12 In 2016, the new Travel Policy was rolled out in the US. Other regions of the world will follow.



Waste	2016	2015	2014
Total Waste Production in Tons	3,598	3,339	4,580
Total Waste Recycled	2,047	2,059	2,235
% Recycled Waste	57%	62%	49%
Waste Production Tons per FTE	0.19	0.17	0.24

Waste increased in 2016 due to the closure of offices in the Netherlands, France and the US. The cleanout of these offices had a significant impact on our waste data. Our case provide more background.

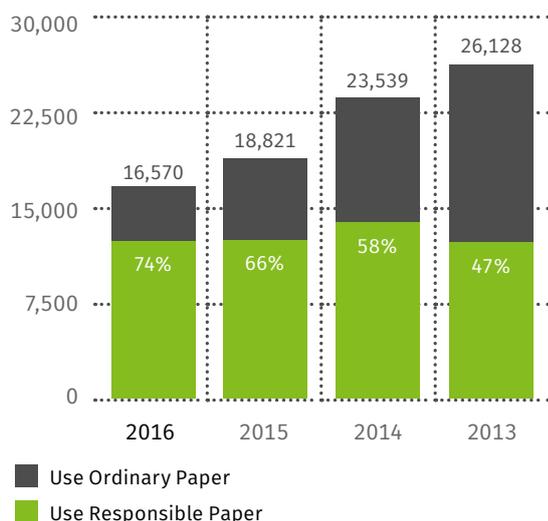


Water Consumption	2016	2015	2014	2013
Total Water Use in Cubic Meters	157,435	175,613	171,492	151,875
Water Use in Liters per FTE	8.3	9.1	8.8	7.8

Water consumption decreased in 2016 due to the use of more efficient water systems.

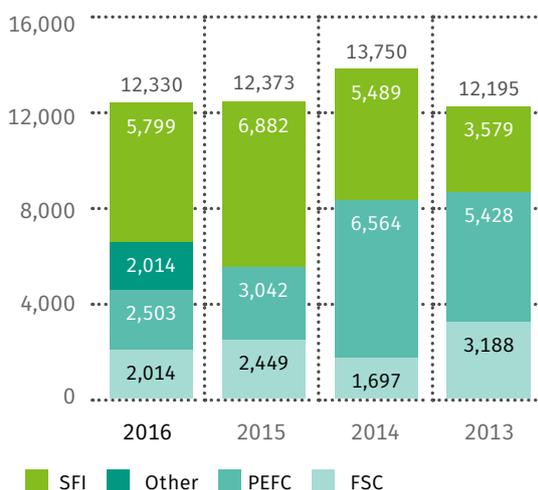
**Paper Use**

Metric Tons



**Certified Responsible Paper Use**

Metric Tons



Total usage of paper decreased further in 2016 in line with the global strategy to reduce the sale of printed products. Simultaneously, the percentage of responsible paper increased by 11%. 'Other' is made up of other in the EU recognized labels.

**Improving Social and Environmental Compliance**

'Increasingly important' is the way that ESG analysts describe active participation in the supply chain. Wolters Kluwer acknowledges this perception and has established its own Supplier Code of Conduct<sup>13</sup>. These social and environmental engagement rules serve as a first step to enhance supply chain participation.

The Wolters Kluwer Supplier Code of Conduct was updated in 2016. In addition to the new name of the policy, the

updates pertain to the inclusion and strengthening of the topics of competition, IP, confidentiality, data privacy, conflicts of interest, implementation of management systems, and the opportunity to perform an audit with suppliers on compliance with the Supplier Code of Conduct. The Code further describes the social topics of health and safety, non-discrimination, wages and benefits, freedom of association, child labor, forced labor, labor conditions and protection against abuse of labor bribery, and environment responsibility.

<sup>13</sup> Formerly known as Standards of Engagement.

Wolters Kluwer expects its suppliers to adhere to the standards described in our Supplier Code of Conduct, as well as with local laws and regulations, the articles of the United Nations Universal Declaration of Human Rights, the core standards of the International Labor Organization, and the principles of the United Nations Global Compact. Furthermore, Wolters Kluwer requires its material suppliers to confirm adherence hereto by signing the Supplier Code of Conduct or provide a similar equivalent to which they are committed.

Wolters Kluwer recognizes the importance of managing third-party relationships and risks associated with these relationships. The six main elements of the Supplier Management Program include:

- 1 Governance & Oversight
- 2 Requirements Definition and Risk Assessment
- 3 Third Party Selection and Due Diligence
- 4 Contract Negotiation
- 5 Ongoing Monitoring and Reporting
- 6 Termination

While these elements apply to supplier activities, the precise use of this process depends on the nature of the third-party relationship, the scope and magnitude of the products or services to be provided by the third party, and the risks associated with the particular supplier relationship. The Supplier Management Program includes initial due diligence and ongoing oversight of third-party relationships. The information gathered from this process helps ensure the supplier is able to provide products or services consistent with our expectations and requirements and with those of our clients.

Wolters Kluwer uses a supplier controlling system to ensure compliance with our Code of Conduct. After identifying the suppliers in scope, questionnaires are distributed to them. The questionnaire enables suppliers to inform Wolters Kluwer about their existing compliance systems that ensure environmental, social, and governance management.

In this questionnaire we ask new or existing suppliers upon contract renewal to read and sign the Supplier Code of Conduct. Wolters Kluwer requests suppliers to provide proof of environmental, social, and information security certifications. Our risk assessment includes information on our suppliers' operations in high-risk countries. As of 2017, the questionnaires will be distributed to the 100 largest suppliers.

The following criteria determine the review of suppliers:

- The importance of a supplier to Wolters Kluwer.
- The importance of Wolters Kluwer to the supplier.
- The capacity of a supplier to work on social and environmental topics.
- The capacity of Wolters Kluwer to engage with a supplier on these topics.

At Wolters Kluwer we expect material suppliers from high-risk countries (see our Supplier Code of Conduct) to be in possession of at least one of the listed social and environmental certifications. In 2016, we added the information security certification ISO 27001 as one of the certifications, which is in line with our material topics.



**Social certifications:**

OHSAS 18001, ICTI, Smeta (Sedex), UL (PGAA), SA8000, BSCI, ETI, ICS



**Environmental certifications:**

ISO 14001, FSC, PEFC, SFI, China Environmental Label, QC 080000



**Information security certification:**

ISO 27001

Target	2016	2015
100% of material suppliers centrally managed by our Global Procurement department with a new or renewed engagement, including the Code of Conduct (previously: Standards of Engagement) or an equivalent standard.	100%	100%
100% of material suppliers from high-risk countries centrally managed by our Global Procurement department certified or audited by a credible sustainability standard.	62%	50%
100% of our 100 largest suppliers that are managed centrally by our Global Procurement department include the Supplier Code of Conduct or an equivalent standard as of 2017.	42%	n/a

# Community Involvement

Knowledge, experience, effort, and funding are the ways we have support local communities. Our people, products, and solutions are available in areas of need to make a sustainable, long-term impact. The scope of our community support framework includes our endeavors in emergency relief activities, support for the underprivileged, as well as rewarding achievements and providing expertise for the community.

## Our Ambition: Caring for the Community

As a company that provides essential information, software, and services, Wolters Kluwer makes a difference in the communities in which it operates. The value we create for our customers and their positive impact on society helps us to make a difference as well. Our employees are used to developing and providing services that benefit numerous communities. As a responsible company, however, Wolters Kluwer wants to do more for the communities in which it is active. We support community initiatives that are aligned with our business strategy, have a high degree of local impact, or create personal engagement amongst our employees. Our community support comes in different forms. Together with employees, we match our resources to create real impact, whether in the form of time, money, products, or expertise. We take a critical look at our community involvement, we measure our contributions, and we distinguish between charitable donations and community investments.

## Our Strategy

Wolters Kluwer continues to use the London Benchmarking Group (LBG) community support framework. The LBG framework provides the structure to measure and report on our community contributions. It separates donations, costs, and time invested and portrays it in a transparent and reliable manner.

We focus on two themes within charitable donations: emergency relief and achieving for our community. Similarly, community investment is comprised of two focus areas: expertise for our community and empowering the underprivileged.

Wolters Kluwer measures its impact both quantitatively (cash and in kind) and qualitatively (through reviews). At a country level, we review the impact of our contributions based on context-specific key performance indicators assessing the benefits achieved for the community, for the environment, for our employees and our business.





## Explaining the materiality topics on Community Involvement

### Community Investment

Wolters Kluwer aims to be a responsible employer in the communities in which it operates. Our global network of employees contributes time and expertise to take care of its communities. We align responsible performance with our mission, vision and business strategy.

We use the LBG Community Support Framework to analyze our contributions.

**Emergency Relief:** The Wolters Kluwer emergency relief program is centrally organized and complemented by local employee-driven initiatives. Donations are invested in essential needs such as food, water, health, and housing. Natural disasters such as hurricanes, floods, or earthquakes require a separate approach.

It is the scope of their impact that characterizes these disasters. Major regional, national, and even global communities are affected, not only local communities. In 2016 no emergency relief took place.

**Achieving for our Community:** Wolters Kluwer donates to organizations that help those who need it most. These initiatives are closely aligned with our business activities such as healthcare and access to information.

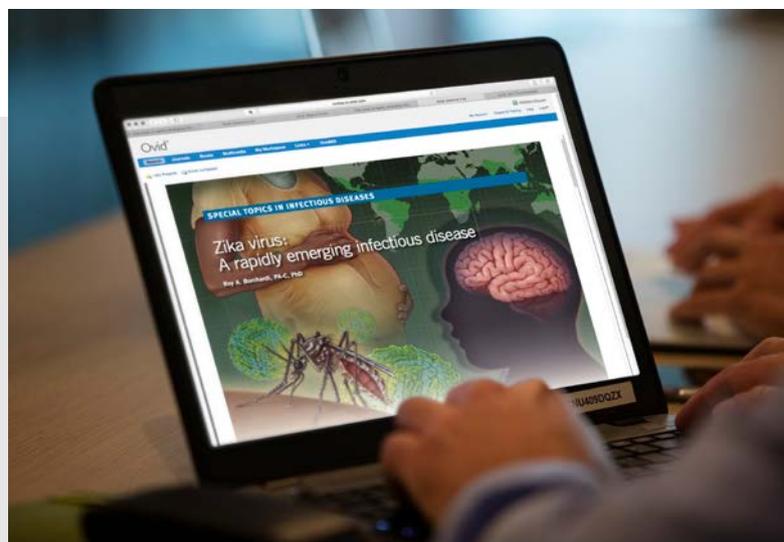
As an example, Wolters Kluwer is a corporate team partner with the American Cancer Society's Relay for Life program. Employees from around the United States form teams and walk (or run) a track with other employers and people in their communities. Events often last for 24 hours and the funds raised are used for cancer research, patient support programs, prevention information, and education. Our employees have raised more than \$270,000 since becoming a corporate team partner in 2010. This year Team SemiColon of Troy, MI, raised \$5,371 for the American Cancer Society. That brings their total contributions to \$24,648 for the five years they have participated in the Relay for Life on the Wolters Kluwer national team.

## Zika Resource Portal to Fight Against the Virus

Wolters Kluwer is helping clinicians in the battle against the rapidly spreading Zika virus. The Health division has launched the Zika Resource Portal, a single point of access to trusted clinical knowledge and current information to help healthcare professionals worldwide stay up-to-date on the virus. The Portal provides complimentary access to our leading evidence-based point

of care clinical, learning, and research solutions, as well as continuous updates from the Centers for Disease Control and Prevention (CDC) and World Health Organization (WHO). By providing clinicians with complimentary access to Wolters Kluwer's trusted medical content, we help them to effectively diagnose and treat those affected, particularly newborn babies.

In conjunction with the Portal, Wolters Kluwer is launching a multi-faceted digital educational campaign featuring Zika experts sharing the latest findings in a variety of formats. The Portal and campaign will feature information for consumers, including symptoms to look for and preventive measures to protect against contracting the virus.



*Expertise for our Community:* In long-term partnerships with local organizations, Wolters Kluwer aims to improve the quality of life in a certain community by providing expertise, skills, knowledge, and motivation.

In many cases, community involvement initiatives coincide with our area of expertise. The long-term collaboration with the [United Nations](#) program Hinari, enabling communities in need to download Wolters Kluwer Health digital solutions free of charge, has resulted in a total contribution of 982,357 downloads over the past three years. The [World Health Organization](#) set up Hinari together with major publishers to enable low- and middle-income countries to gain access to one of the world's largest collections of biomedical and health literature. The large collection of more than 400 [OVID Journals](#) available range from anesthesia to psychiatric practices. Wolters Kluwer Health aims to continue providing its expertise for positive and wide-reaching impact.

Science, Technology, Engineering and Mathematics (STEM) professionals made time in 2016 to work with youth. The [STEMpact 2020](#) program engages STEM professionals in mentoring youth. Wolters Kluwer participated in the program at Wichita State University with volunteer coders and developers, who instructed children in advanced-level skills in coding. The Coder Monthly Meetups are designed to help self-taught coder children take their skills to the next level and learn the many paths to programming and coding careers.

*Empowering the Underprivileged:* Our employees understand and appreciate the challenges of the communities in which they operate. This helps them to create value in partnership with local organizations and to empower the communities in which they work.

## Helping Underprivileged Children to Get Ready for the New School Year



A Wolters Kluwer Legal & Regulatory team participated in the [High-Water Women \(HWW\) 2016 Backpack Drive](#). HWW donates backpacks for less-fortunate households in time for the start of the school year. HWW enables volunteers to teach financial literacy classes to low-income youth, conduct career days and boost computer

skills while mentoring at-risk women and youth.

The annual High Water Women Backpack Drive helps thousands of children in need start the school year ready to learn. The families receiving the backpacks are not able to afford even the most basic school supplies. Examples of age-appropriate

school supplies needed were: notebooks, folders, loose-leaf paper, markers, pens, pencils, pencil cases, protractors, calculators, graph paper, staplers, dictionaries, scissors, erasers, crayons, rulers, and early readers.

On “Giving Tuesday”, with the help of staff, partners from the Tampa Bay Technology Forum, and colleagues from various companies within our office building, TeamMate packed over 8,800 meals for distribution to those in need in the Tampa Bay area. The event was organized in collaboration with [Meals of Hope](#) and [Feeding Tampa Bay](#).

Meals of Hope is an organization that enables volunteers to make a positive impact by bringing food packing events to their local churches, schools, clubs and service organizations. Feeding Tampa Bay, part of the national Feeding America network, provides food to more than 700,000 people in the 10-county area of West Central Florida.



<i>Community Contributions in Thousands of Euro</i>	2016	2015	2014	2013
Community Contributions in Cash	617	724	640	514
Community Contributions in Kind	1,765	1,430	3,693	4,256
Management Cost Related to Community Contributions	32	29	28	25
<b>Total</b>	<b>2,414</b>	<b>2,183</b>	<b>4,361</b>	<b>4,798</b>

Our Community Contributions in Kind decreased due to fewer downloads of Wolters Kluwer products as part of the Hinari program. This trend is visible throughout the Hinari program and is not limited to Wolters Kluwer products.

## TeamMate Builds “Oyster Domes” to Support Environmental Restoration



During Wolters Kluwer’s Tax and Accounting TeamMate sales meeting in 2016, employees rolled up their sleeves and got their hands dirty by building concrete “oyster domes” in conjunction with [Tampa Bay Watch](#), a nonprofit organization dedicated to

the protection and restoration of the Tampa Bay estuary through scientific and educational programs. Oyster domes help replace oyster populations in struggling habitat areas. Originally designed to rebuild coral reefs all over the world, oyster

domes have been an integral part of Tampa Bay Watch's restoration programs, which build approximately 1,000 oyster domes each year. These 100-pound domes are installed along seawalls and shorelines to provide habitat for fish and crabs.

# Company Profile

## Our Mission

Our customers make critical decisions every day. We help them move forward with confidence.

Wolters Kluwer provides essential information, software, and services to doctors, nurses, accountants, lawyers, auditors, and compliance and regulatory professionals. We enable our customers to provide world-class service and maximize their potential.

## Wolters Kluwer serves

90%

Nearly 90% of U.S. academic medical centers

87%

of Fortune 500 companies

100%

of the top 100 U.S. accounting firms

90%

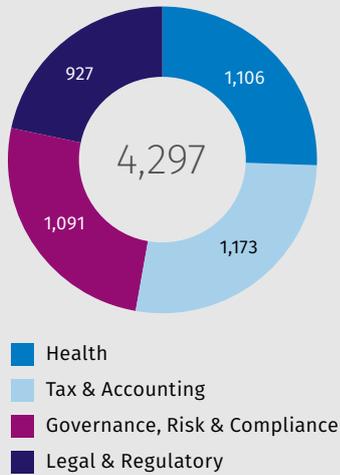
of the world's top banks

- Accounting Firms
- Allied Health Personnel
- Banks
- Compliance Professionals
- Corporate Finance Professionals
- Corporations
- Financial Institutions
- Corporate Legal Counsels
- Government Agencies
- Hedge & Mutual Funds
- Hospitals
- HR Departments
- Insurance Companies
- Law Firms
- Law Schools
- Legal Professionals
- Leasing Companies
- Libraries
- Medical & Nursing Students
- Notaries
- Nurses
- Payors
- Pharmacists
- Physicians
- Small Businesses
- Tax Professionals
- Universities

## 2016 Key Figures

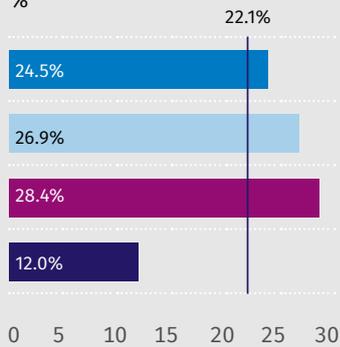
### Total annual revenues

€ mln



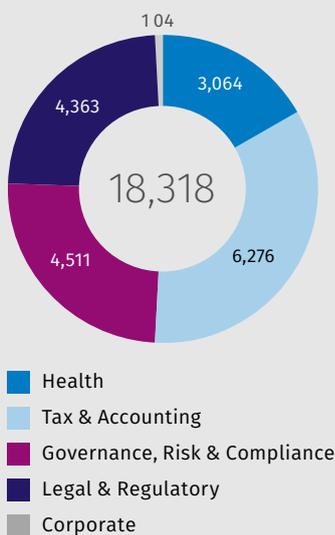
### Total adjusted operating profit margin

%



### Total employees

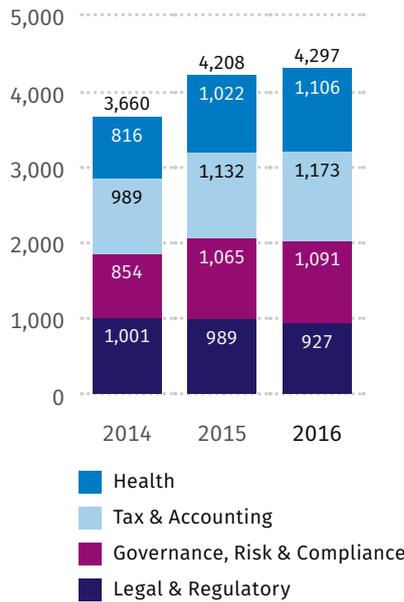
Full-time equivalent (FTE)



## Revenues

### Revenues by division

€ mln



### Revenues by media

in %



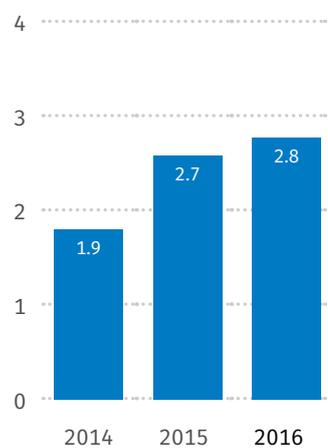
### Revenues by geography

in %



### Organic revenue growth

in %



## Key Performance Indicators

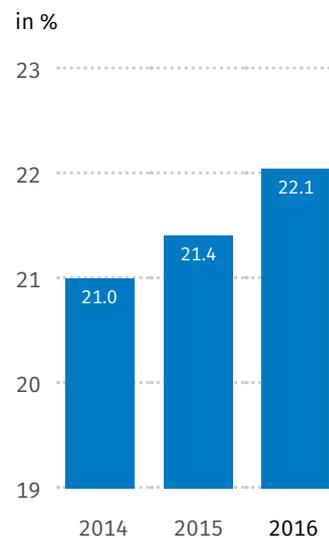
		2016	Target 2016	2015
Adjusted operating profit margin	in %	22.1	21.5-22.0	21.4
Adjusted free cash flow	in € mln	711	650-675	651
Return on invested capital	in %	9.8	≥ 9	9.3
Diluted adjusted EPS	in €	2.12	Mid single-digit growth	2.01

Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (€/ \$ 1.11). Guidance for EPS growth assumes the announced share repurchases are equally spread over 2016-2018. Adjusted operating profit margin and ROIC are in reported currencies.

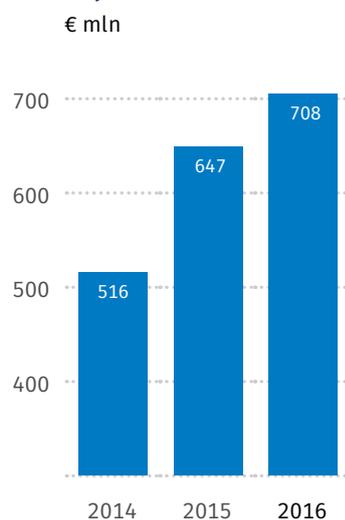
### Adjusted operating profit by division



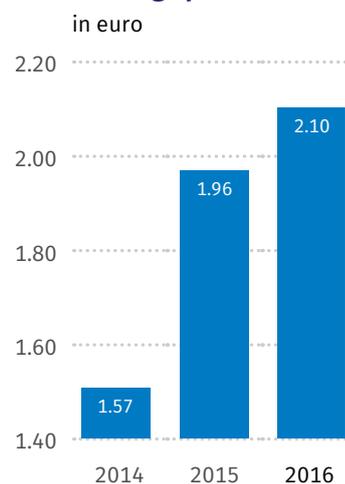
### Adjusted operating profit margin



### Adjusted free cash flow



### Diluted adjusted earnings per share



# About this Report

This is the 13<sup>th</sup> report in which we share our ambitions, strategies, policies, and performance on sustainability. As of 2012, we report our sustainability efforts in line with our Sustainability Framework: Governance, Customers & Solutions, Employee Engagement, Resource Management and Community Involvement. This report is compiled according to the principles of the Global Reporting Initiative G4 and is fully in line with the 'Core' guidelines. This is the fifth year we have followed these guidelines in our reporting processes. We continued using the additional indicators of the last two years to ensure continuity in our reporting processes and historic data. We requested the responsible managers to sign off on the data. This extra step contributes to gathering more complete data. Through the process of data collection more awareness is created on the relevance of sustainable reporting.

At Wolters Kluwer, each division rolls out its sustainability initiatives based on specific local opportunities. These initiatives are required to adhere to our globally-established policies and compliance regulations. The Corporate Sustainability team works together with divisions and departments in discussing principles, processes, data, and design of the annual Sustainability Report. The team coordinates the development of new targets and policies while collecting the annual sustainability data. Furthermore, it focuses on active stakeholder engagement.

By adhering to the G4 reporting principles, we have generated synergies with other reference tables such as the United Nations Global Compact and enabled the harmonization of reporting requirements for the different frameworks. The tables, together with our Awards and Honors, can be found [online](#).

Our efforts are reported in a quantitative and a qualitative manner throughout the report.

Our quantitative data have been provided with regards to clear social and environmental impacts of the last three years. In some cases – due to definition adjustments and progressive insight – we have excluded the data from previous years. Where applicable, we provide explanations

for the fluctuation in the data trends or the exclusion of the data.

Our qualitative data relates to the positive environmental and social impacts we realize with our products and services. Our customers report on elements of their sustainability performance, which are often linked to these products and services. Ultimately, we believe that society benefits from the knowledge, time saving, and increased resource efficiency that our products and services provide and that are addressed in this report.

As our sustainability information is continually updated, this report summarizes our performance during one year. For periodic updates, a separate section on our corporate website reports on the latest developments as they occur. Additionally, new policies, memberships, activities, awards, and engagement opportunities can also be found there.

The data presented in this report are collected on an annual basis by the Corporate Sustainability team. In principle, they represent the reporting period from January 1, 2016, through December 31, 2016. For some locations, the data (energy, water and waste) were not available for the year under review. For example, landlords in some countries provide historical invoice data that can be two years old. To complete the 2016 data, we extrapolated historical data. For five years now, the heads of Global Procurement, Human Resources, Real Estate, Legal, and Communications have been collecting the data from divisions and operating entities within the scope of this report. The Group Accounting department consolidates these data using the financial consolidation system.

These are our scoping guidelines for our sustainability data:

- We collect data from countries that represent at least 1% of total revenue or 1% of Full-Time Equivalents (FTEs);
- Corporate governance data are collected globally, although some exceptions may apply due to local legislation;

- For Resource Management we collect:
  - Energy, water and waste;
  - Data are collected for facilities that cover more than 1,000 m<sup>2</sup> and are extrapolated for all Wolters Kluwer facilities. For the U.S. we only collect data for offices that we own and extrapolate for the leased and rented offices. CO<sub>2</sub> emissions are calculated with location-specific conversion factors, which are adjusted annually based on the newly released conversion factors in 'Guidelines to Defra / DECC's GHG Conversion Factors for company Reporting'. Due to changes in Defra's methodology, Wolters Kluwer uses the data of the International Energy Agency (IEA) for electricity conversion factors as recommended in the DECC conversion factor report;
  - Business air travel: per country;
  - Paper: per country;
- Community contributions: per country; and
- Employee data: per country.

All data expressed 'per FTE' (emissions from energy consumption, business air travel, water consumption, and staff turnover) are based on the average number of FTEs. Where we report data in euro, currencies are converted using the financial year's average exchange rate.

# Contact & Report Information

## **Contact**

### *Stakeholder inquiries:*

Roland Waardenburg

Corporate Sustainability Lead

Tel: +31 (0)172 641 450

[sustainability@wolterskluwer.com](mailto:sustainability@wolterskluwer.com)

### *Investor inquiries*

Meg Geldens

Vice President, Investor Relations

Tel: +31 (0)172 641 407

[ir@wolterskluwer.com](mailto:ir@wolterskluwer.com)

### *Media inquiries*

Annemarije Pikaar

Senior Manager External Communications,  
Corporate Communications

Tel: +31 (0)172 641 421

[press@wolterskluwer.com](mailto:press@wolterskluwer.com)

Wolters Kluwer N.V.

Zuidpoolsingel 2

P.O. Box 1030

2400 BA Alphen aan den Rijn

The Netherlands

[info@wolterskluwer.com](mailto:info@wolterskluwer.com)

[www.wolterskluwer.com](http://www.wolterskluwer.com)

[www.linkedin.com/company/wolters-kluwer](http://www.linkedin.com/company/wolters-kluwer)

[www.facebook.com/wolterskluwer](http://www.facebook.com/wolterskluwer)

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## **Report**

This Sustainability Report is available as a PDF, on our website [www.wolterskluwer.com](http://www.wolterskluwer.com)

Wolters Kluwer also issued a [2016 Annual Report](#), available as a PDF on our website.

We invite you to comment on the report:

[sustainability@wolterskluwer.com](mailto:sustainability@wolterskluwer.com)

Chamber of Commerce Trade Registry No. 33.202.517







Wolters Kluwer

When you have to be right