WOLTERS KLUWER TAX PRINCIPLES

POLICY DETAILS

Name of policy	**Wolters Kluwer Tax Principles**
Short description	The tax principles display the consistency of Wolters Kluwer with its sustainability strategy and the various tax laws, regulations, and other jurisdiction of the countries where it operates and reports and pays its taxes.
Owner	Corporate Tax
To whom is this policy binding	All Wolters Kluwer entities
Approval level	Executive Board (EB) for material changes; Chief Financial Officer (CFO) for non-material changes

POLICY VERSION CONTROL

Version number	*Last check (year)*	*Last amendments*	*Changes at last amendment*	*Approved by*
1.0	2016	2016		EB
1.0	2018	2016	n/a	n/a
1.0	2019	2016	n/a	n/a
2.0	2020	2020	Non-material updates: Reference to new Code of Business Ethics Added tax strategy responsibilities Added types of taxes the company pays	CFO
2.1	2023	2023	Update for VNO-NCW tax governance code	CFO
2.2	2024	2024	Further Update for VNO-NCW tax governance code	CFO

Wolters Kluwer

Introduction

At Wolters Kluwer, we are dedicated to continuously improving on the sustainability of our global operations. That approach is also reflected in our tax principles. As a global leader in providing information, software and services to the Tax & Accounting profession, we take our responsibility as a corporate citizen seriously. Wolters Kluwer's tax principles are fully consistent with our sustainability strategy and take into account a balanced approach regarding the interests of our various stakeholders, including customers, shareholders, employees, governments, and the global community in which Wolters Kluwer operates.
Wolters Kluwer also subscribes to the principles of the VNO-NCW Tax Governance Code that was issued in 2022. Wolters Kluwer's own tax policy and principles is largely in line with this code and already complies with most elements therein. The main step to full compliance we are planning to take next relates to information as listed in paragraph F (Tax Transparency & Reporting) of the code. To further increase our transparency in line with the code, we are preparing disclosure of such information.

Compliance and monitoring

Wolters Kluwer is subject to taxation in the many countries where it operates and reports and pays its taxes in accordance with all relevant tax laws, rules, and any other regulations in these various jurisdictions. We have procedures and controls in place to monitor compliance on a regular basis.

Wolters Kluwer's internal control activities ensure accurate financial information, compliance with laws and policies, and effective internal processes. Controls are defined at operating entity and process level for key processes, including financial reporting and tax. Compliance is assessed periodically by the internal control department and external auditors, deviations are monitored globally, and management addresses deficiencies through action plans.

In managing tax matters, our employees must adhere to the Wolters Kluwer Code of Business Ethics and Values.

The tax strategy is approved by the Chief Financial Officer (CFO). Any material changes to the tax strategy will be approved by the Executive Board. The responsibility for the tax strategy, supporting procedures and controls, and management of tax risk ultimately sits with the CFO. The day-to-day responsibility for each of these areas sits with the Senior Vice President of Corporate Tax, who reports on these to the CFO. The Audit Committee receives quarterly updates on the overall tax position of the Wolters Kluwer Group including changes to tax strategies, material tax issues, and effective tax rates.

Tax strategies integral part of our business and strategy

Tax strategies and planning follow the commercial operations of Wolters Kluwer's businesses and the overall Wolters Kluwer group strategy.

We consider paying taxes as an integral part of doing business. We pay corporate income taxes, employment taxes, and other business taxes in the jurisdictions where we operate. In addition, we collect and pay employee taxes, dividend withholding taxes, and indirect taxes such as Value Added Tax (VAT) and sales taxes. The taxes we pay and collect represent a significant contribution to the countries and societies in which we operate. See table below for our global total tax contribution in 2023 (table to follow in Q4 2024)

Wolters Kluwer reports income in the countries where the value is created applying domestic and international rules and standards such as OECD guidelines. All our intercompany transfer pricing and policies are based on the “arm's-length principle”, which means those that would apply as if they were agreed between unrelated parties. We respect the rights of governments to determine their own tax regime. As tax is a business expense that needs to be managed, like any other expense, we may legitimately respond to tax incentives and exemptions offered by governments. We do not seek to avoid taxes through “artificial” structures or use of tax haven jurisdictions.

Communication and transparency

In its relationships with tax authorities, Wolters Kluwer seeks transparent and constructive communication disclosing all relevant facts and circumstances. We cooperate proactively in addressing and resolving tax issues in a manner that demonstrates we take our responsibility as a corporate citizen seriously. We aim to comply with the letter as well as the spirit of the law. As we aim for assurance on our tax positions and where a tax law is unclear or subject to interpretation, we seek confirmation from external experts or when deemed appropriate by requesting a tax ruling on the application of the relevant tax law and regulations.

We participate in industry groups that advocate on behalf of businesses. We believe in fostering an open dialogue with tax authorities, investors, non-governmental organizations, business partners, and other stakeholders. This dialogue allows us to collectively address issues related to tax transparency and fair taxation. We value the input and perspectives of these stakeholders in shaping our approach to tax.

Tax disclosures are made in accordance with relevant domestic regulations and any relevant reporting guidelines and standards, including IFRS. On an annual basis, Wolters Kluwer provides the non-public country-by-country report to the tax authorities in the Netherlands, in line with the Base Erosion and Profit Shifting (BEPS) Plan as initiated by OECD and as enacted into Dutch legislation. As of 22 June 2024, and in line with the EU directive, the Netherlands introduces mandatory, public country-by-country reporting for large multinational companies. Reporting commences for financial years starting on or after 22 June 2024. As preparation for this, Wolters Kluwer is building a set of reliable and structured data that can be retrieved from the systems at consolidated group level. This preparation has enabled us in 2023 to start a public country-by-country report on corporate income tax accrued and paid as required under the Dutch Tax Governance Code.

We annually report on (corporate) income taxes paid globally and per region (see our Annual Report 2023 Financial Statements notes 16 and 23). As Wolters Kluwer adopted the Dutch Tax Governance Code, we disclose corporate income tax accrued and paid at the country level, as well as a comprehensive list of legal entities (see https://assets.contenthub.wolterskluwer.com/api/public/content/2190850-wolters-kluwer-list-of-participations-2023).

The Wolters Kluwer group paid income taxes of €325million in total in 2023. See table below for the income taxes paid per key countries and regions.

	Profit before tax (€m)	Income Tax accrued (€m)	Income Tax paid (€m)	FTE (Ultimo 2023)
Australia	6	2	3	270
Belgium	-86	2	2	633
Canada	31	8	7	327
Germany	44	8	16	1.064
India	13	3	5	3.232
Ireland	265	35	35	38
Italy	25	-4	22	1.679
Netherlands	257	55	36	1.378
Poland	19	5	3	342
Spain	21	6	5	612
United Kingdom	16	7	6	473
United States	660	165	174	8.985
Other EMEA	17	6	5	1.337
Other APAC	8	3	3	664
Other Americas	3	1	1	20
Total	1.297	301	325	21.054

Taxes paid include corporate income taxes and withholding taxes paid in 2023. This may include tax payments or refunds relating to previous years. Withholding tax is reported by the recipient country of the source income. The corporate income tax paid in a given year can be lower or higher than the statutory tax rate in a country due to, among others, deferred tax differences relating to timing differences between tax law and accounting standards, carry forward of tax losses, tax exemptions and credits, prior year true-ups, and can be lower or higher than the corporate income tax accrued due to timing differences in payments and/or refunds.