



## 2023 CARBON REPORTING PRINCIPLES AND METHODOLOGIES

This document sets out the principles and methodologies we use in reporting our carbon emissions for the year ended 31 March 2023.

The directors of Experian Group plc are responsible for preparation of the carbon emissions related information, that is free from material misstatement, whether due to fraud or error, and all the supporting records, including selecting appropriate measurement and reporting criteria, in our Annual Report, the Sustainable Business Report and the additional reports published on our website.

### 1.1 Our general reporting principles

We endeavour to ensure that:

- The reported information reflects our performance and serves the decision-making needs of all users.
- The data is meaningful, consistent, and prepared and presented in line with the relevant external frameworks and guidelines.
- Any specific exclusions are stated clearly and explained.
- We use consistent methodologies wherever possible to allow for comparisons over time. Any significant changes to our methodologies are clearly explained.
- We describe openly any judgements and assumptions we make in our calculation methods.
- We aim for appropriate transparency to enable users to have confidence in the integrity of our report.

### 1.2 External assurance

The following data sets have been subject to external limited assurance by PricewaterhouseCoopers LLP (“PwC”) for the year ended 31 March 2023:

- Scope 1 CO<sub>2</sub>e emissions (thousand tonnes)
- Scope 2 CO<sub>2</sub>e Location-based emissions (thousand tonnes)
- Scope 2 CO<sub>2</sub>e Market-based emissions (thousand tonnes)
- Scope 3 CO<sub>2</sub>e Category 1: Purchased Goods and Services emissions (thousand tonnes)

PwC’s limited assurance engagement is in accordance with the International Standard on Assurance Engagements 3410 ‘Assurance engagements on greenhouse gas statements’, issued by the International Auditing and Assurance Standards Board.

### 1.3 Reporting scope

Carbon emissions data is gathered within each of the Experian Group regions: North America, Brazil, Latin America, UK and Ireland, EMEA, and Asia Pacific, and consolidated and reported for the Experian Group as a whole, using an operational control approach. We do not report carbon emissions on a legal entity basis.

Where we have a controlling stake in an acquired business but not the whole entity, we include data for the whole entity.



Acquired businesses are included in our portfolio from the point that Experian takes operational control of the business. This means that:

- emissions for Scope 1, Scope 2, and Scope 3 category 5: Fuel-and energy-related activities (not included within Scope 1 or Scope 2), either actual data, estimates or a combination of both, is included from the date of acquisition.
- for Scope 3 category 1: Purchased goods and services, category 2: Capital goods, category 6: Business travel, category 8: Upstream leased assets, and category 15: Investments, estimates of emissions are based on data from our financial and operating systems and are included from the date the acquired business is fully integrated and within operational control, which is typically 1-3 months post acquisition date.
- for Scope 3 category 5: Waste generated in operations and category 7: Employee commuting, estimates of emissions are based on employee headcount figures at the end of the reporting period, therefore businesses acquired during the reporting period will be included in the emissions calculations.

Disposed businesses are included within carbon emissions reporting until the point that Experian relinquishes operational control.

No adjustment is made to prior year reported emissions in respect of discontinued or disposed operations. However, should discontinued or disposed operations have a material impact on the prior year reported emissions, these will be explained to enable comparisons to be made between reporting periods.

## 2. Carbon emissions

Carbon emissions are the amount of carbon dioxide equivalent emissions (CO<sub>2</sub>e) emitted during the reporting period as a result of operational activities undertaken by the business. For our calculations we used the total CO<sub>2</sub>e emission factor, which includes other greenhouse gas emissions expressed in terms of CO<sub>2</sub> and based on their relative global warming potential (GWP).

We have adopted best practices and well-established external frameworks and guidelines. These include the UK Government's Department for Environmental, Food & Rural Affairs ("DEFRA") "Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting guidance" (March 2019) and internationally recognised guidelines such as the "Greenhouse Gas Protocol (GHG Protocol)" published by the World Resources Institute and WBCSD. We report all the emission sources required under "The Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013".

### 2.1 Scope 1 emissions

Our Scope 1 emissions are made up of gas used for heating and cooking, diesel used in back-up power generators, and fuel consumption by company cars. We collect data for gas and diesel used in generators (where applicable) at a site level on a monthly basis, and where possible, actual consumption data is obtained from supplier invoices. Where this is not possible, we estimate gas consumption (if applicable) by applying a scaling calculation (please see section 2.4).



Emissions from cars owned and leased by Experian are calculated using mileage data and the type of fuel used (petrol, diesel, or hybrid). Where mileage data is not available, the data is estimated based on the average mileage per car where data has been obtained, to ensure emissions have been calculated for all cars which have been reported under the Group insurance policy.

We apply the BEIS (Department for Business, Energy & Industrial Strategy, UK) emissions factors to our Scope 1 energy consumption to calculate our Scope 1 emissions. Although we recognise there is some variation in the emissions associated with different fuel types in different countries due to the specific local composition of the fuel, the 2021 BEIS factors have been applied to consumption in all countries globally for the current reporting period.

## 2.2 Scope 2 emissions

Our Scope 2 is made of the electricity we consume in our offices and data centres, and district heating. We collect data for electricity consumption and district heating (where applicable) at a site level on a monthly basis from supplier invoices. We aim to collate electricity data from at least 80% of the Group (as defined by offices' total floor area).

We report both "location based" emissions and "market based" emissions under our Scope 2 reporting.

Location based emissions are calculated using the latest International Energy Agency "IEA" emissions factors available and applied to energy consumption at a country level as per the IEA guidance. The IEA Emissions Factors 2022 (updated September 2022) have been applied to our Scope 2 energy consumption for the current reporting period.

Market based emissions reflect the emissions from the energy we have chosen to purchase, and therefore consider the positive impact of using renewable energy on carbon emissions. Market based emissions have been calculated in line with the GHG Protocol Scope 2 Guidance. In the first instance an emission factor supplied by the electricity company and derived from contractual instruments is used. Where this factor is not available, a residual mix factor per country is applied; residual mix factors are obtained from RE-DISS (Reliable disclosure systems for Europe). Finally, where neither a supplier nor residual mix factor is available, IEA factors are used, following the methodology described above for location-based emissions.

For district heating, consistent with our approach for calculating emissions from all Scope 1 and 2 sources other than purchased electricity, we have applied the 2022 BEIS emission factor for our current reporting period. This includes an adjustment for assumed energy losses.

## 2.3. Scope 1 and 2 exclusions

Where we are tenants, energy consumption in shared common areas and facilities that come under landlord control are generally excluded, except in the facilities in which we are the only tenants. In instances where we commence or exit leases, we account for the emissions during operational occupation.



A range of refrigerants are used for air conditioning and cooling, particularly within data centre facilities. These are closed systems and emissions of greenhouse gases are considered to be negligible and are therefore excluded from our reporting. We have previously calculated these emissions for our key locations in the UK and USA that account for over 50% of our Scope 1 & 2 carbon footprint. When the fugitive emissions from these sites are extrapolated the total carbon emissions associated with fugitive emissions account for less than 5% of our total Scope 1 footprint.

#### 2.4 Scope 1 and 2 scaling calculations

Where it is not possible to obtain actual usage data for Scope 1 or Scope 2 emissions for offices, for example where we have not received an invoice from the supplier before the end of the reporting period, we include estimated usage within the data we report. We apply a “scaling calculation” whereby an average intensity factor is calculated for each region based on floor area and applied to the floor area of sites where actual data is not available. Certain adjustments are made when calculating the scaling factor, to exclude:

- Land and property owned by Experian but leased to third parties (i.e., not occupied by Experian).
- Unoccupied sites no longer in use.
- Data centres (as these are high energy consumers and not representative of our general office usage).
- Energy consumed in shared common areas of buildings which we do not own and/or control the building.

#### 2.5 Scope 3 emissions

Scope 3 emissions are those that occur in our value chain. These emissions are not within our direct control. The GHG Reporting Protocol<sup>1</sup> breaks down Scope 3 emissions into 15 categories. In 2019 we performed an in-depth analysis of our Scope 3 emissions to calculate our baseline carbon footprint. As part of this process, we assessed all 15 categories to determine which are relevant to our business. The relevant categories are as follows:

| GHG Category                                                               | Description                                                                                                                                    |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Purchased goods and services                                            | Extraction, production, and transportation of goods and services purchased or acquired by Experian, not otherwise included in Categories 2 – 8 |
| 2. Capital goods                                                           | Extraction, production, and transportation of purchased or acquired capital goods                                                              |
| 3. Fuel-and energy-related activities (not included in Scope 1 or Scope 2) | Extraction, production and transportation of fuels and energy purchased, not already included in Scope 1 or Scope 2                            |



|                                  |                                                                                                                                                                                                                              |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5. Waste generated in operations | Disposal and treatment of waste generated in operations                                                                                                                                                                      |
| 6. Business travel               | Transportation of employees for business related activities (in vehicles which we do not own or control). For Experian this includes air travel, rail travel, grey fleet, taxis, and emissions from hotel stays <sup>1</sup> |
| 7. Employee commuting            | Transportation of employees between their homes and their worksites, and emissions related to employees working remotely from home                                                                                           |
| 8. Upstream leased assets        | Operation of assets leased but not included in Scope 1 or Scope 2                                                                                                                                                            |
| 15. Investments                  | Operation of investments (including equity and debt investments and project finance)                                                                                                                                         |

Calculating Scope 3 emissions is a relatively new process and certain categories of Scope 3 emissions reporting rely on estimations based on secondary sources of data. The process is approximate and provides an illustration of where the most significant carbon emissions in our value chain appear. This enables us to engage with our supply chain partners to reduce our carbon footprint and measure progress towards our targets. We expect our Scope 3 calculations to evolve over time, becoming more accurate as the quality of external data available improves. Our calculation methods for each relevant category are described below.

Categories 1, 2, 8 and 15: Purchased goods and services, Capital goods, Upstream leased assets, and Investments

We have introduced a new methodology for estimating carbon emissions across our supply chain related Scope 3 categories 1, 2, 8, and 15 for the year ended 31<sup>st</sup> March 2023. In accordance with the GHG reporting protocol, we have developed a hybrid calculation, which uses supplier specific data (primary data), supplementing with industry-average data (secondary data) where primary data is not available.

We invited some of our key suppliers (selected based upon spend and carbon intensity) to submit data to CDP (Climate Disclosure Project) as part of CDP's annual disclosure process. We use the data our suppliers have disclosed to calculate emission intensity ratios, taking the suppliers total Scope 1, Scope 2 and Scope 3 (upstream only) emissions divided by their annual revenue (in USD), creating an emission intensity ratio per \$. These emission intensity ratios are then applied to our spend with the supplier (in USD), to estimate our scope 3 emissions with each specific supplier. We apply a hierarchy approach with regards to the data we use to calculate the emission intensity ratios, as follows:

<sup>1</sup> <https://ghgprotocol.org/standards/scope-3-standard>



1. Supplier's Scope 1, Scope 2 market based and Scope 3 (upstream only) emissions. We prioritise market-based Scope 2 emissions over location-based emissions to take into account efforts our suppliers are making to purchase renewable electricity.
2. Supplier's Scope 1, Scope 2 location based and Scope 3 (upstream only) emissions.
3. Supplier's Scope 1 and Scope 2 market-based emissions, with an industry average intensity ratio to estimate Scope 3 (upstream only) emissions. Industry average intensity ratios are used to estimate Scope 3 (upstream only) emissions where suppliers submit incomplete Scope 3 (upstream only) data but have reliable Scope 1 and Scope 2 data.
4. Supplier's Scope 1 and Scope 2 location-based emissions, with an industry average intensity ratio to estimate Scope 3 (upstream only) emissions.
5. Industry average intensity ratios for Scope 1, Scope 2 location based and Scope 3 (upstream only) emissions.

We perform various data quality checks on supplier data to categorise suppliers into the above hierarchy. Such checks include comparing supplier emissions to industry averages, understanding the level of external assurance the supplier has obtained on their data, and ascertaining whether suppliers have set Science Based Targets to reduce their emissions.

Where industry average intensity ratios are used, these are provided by CDP, using the 75<sup>th</sup> percentile median for the supplier's relevant industry. Medians are considered more stable, reliable, and representative than means, with the 75<sup>th</sup> percentile being less likely to fluctuate as sample sizes used to calculate the medians grow year on year.

We covered 70% of our relevant spend for the year ended 31<sup>st</sup> March 2023 using this hybrid methodology. For the remaining 30% of our relevant spend, we calculated an average intensity ratio using the data from the 70% covered by the hybrid methodology and applied this ratio to our remaining spend to estimate emissions across the remainder of our supply chain.

We operate an electronic purchasing system to record the value that we spend with each supplier in each reporting period. We identify spend which relates to purchased goods and services, upstream leased assets, capital goods, and investments by reference to our financial reporting systems.

As the new hybrid methodology is based upon requesting the latest data from our suppliers, it is not possible to apply the methodology retrospectively.

It is only category 1: Purchased goods and services, which is subject to limited independent assurance by PwC for the 12 months ended 31<sup>st</sup> March 2023.

From the 12 months ended 31<sup>st</sup> March 2019 to the 12 months ended 31<sup>st</sup> March 2022, in accordance with the GHG reporting protocol, an Extended Economic Input-Output (EEIO) model was used to estimate emissions associated with our suppliers. This was a purely secondary data-based methodology approach, using a third-party model developed by Quantis and GHG Protocol which generated an industry carbon intensity value (kgCO<sub>2</sub>e per \$ of revenue), based on the contribution of that sector to the economy and the relevant carbon emissions of that industry. We reviewed our largest suppliers and applied the relevant Quantis carbon intensity values for the supplier's industry multiplied by our spend with the supplier. We



then extrapolated the calculation across our smaller suppliers. This calculation provided an indicative GHG footprint for purchased goods and services, capital goods, upstream leased assets, and investments.

Categories 1, 2, 8 and 15: Purchased goods and services, Capital goods, Upstream leased assets, and Investments exclusions

Spend which is not relevant to categories 1, 2, 8 and 15 is excluded. Such spend predominantly relates to intercompany, employee, and tax payments. Spend which is accounted for elsewhere in our GHG reporting has also been excluded (for example utility and travel suppliers).

Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)

Activity data is collected, maintained, and reported using Experian's sustainability software system. Following DEFRA reporting guidelines this category includes emissions from three distinct activities: (1) "Well to Tank" emissions of purchased fuels; (2) "Well to Tank" emissions from purchased electricity; (3) Transmission & Distribution (T&D) Losses from purchased electricity. For calculating (1) BEIS 2021 Emission Factors for WTT of fuels have been applied. For calculating (2) BEIS no longer provide the relevant country specific WTT Emission factors for electricity. Instead, they provide a methodology and formula to calculate these factors separately. We have therefore followed the BEIS methodology of calculating these emission factors using country specific IEA electricity factors. These formulas can be found on pages 101-102 of their June 2022 Methodology Paper for Conversion Factors. To calculate (3) IEA T&D Emission Factors were used and applied to all our sites, using the relevant country specific emission factor.

Category 5: Waste generated in operations

A detailed calculation is used to estimate emissions from waste generated in our operations. This involves obtaining activity data collected in our sustainability software system. Where data sets were complete actual data was used. For sites where data was incomplete, average waste in tonnes per employee has been calculated (using actual reported data) and applied to the total employee numbers for the current reporting period. BEIS 2022 waste emission factors were applied to all sites.

Assumptions applied to FTE calculations: 55% recycled, 24% landfilled, 21% incinerated. (Eurostate, 2020: The European Environment: State and Outlook: 2020).

Category 6: Business Travel

*Air Travel*

Emissions from air travel are calculated in line with DEFRA's guidelines and methodology. Every business flight taken by an Experian employee is broken down into its individual flight leg and categorized as either Domestic (starts and ends within the UK), Short-haul (starts or ends in the UK and up to 3,700km), Long-haul (starts or ends in the UK and over 3,700km) or International (starts and ends outside the UK). Domestic flights taken in countries other than the UK are classified as international flights. This categorisation, along with the class of seat (Economy, Premium economy, Business or First) is used to determine which conversion factor is used to apply to the distance (in km) of each journey. As per the DEFRA recommendations, we apply the emissions factors including RF (radiative forcing), to take into account the additional emissions generated by air travel. BEIS 2022 emission factors have been applied.



#### *Rail Travel and hotels*

Data on rail travel and hotel stays by employees for work purposes is obtained from our supplier who manages rail travel and hotel bookings. BEIS 2022 emission factors have been applied.

#### *Grey Fleet*

We define grey fleet as car travel by employees in vehicles which are not owned or controlled by Experian. Spend data for such travel is obtained from our internal employee expenses system. BEIS's supply chain emission factors, last updated in November 2022, have been applied.

#### *Fuel and energy related activities on business travel*

We recognise that there are emissions related with business travel which are not included within the calculations described above. For reporting purposes, we include fuel-and energy-related emissions on business travel within our category 6 reporting, rather than in our category 3 reporting. BEIS 2022 emission factors have been applied.

#### Category 7: Employee Commuting

A detailed calculation of employee commuting was undertaken to calculate employee commuting emissions for the year ended 31<sup>st</sup> March 2019. This involved using a commuting tool by EcoAct based on data from the World Bank which models commuting patterns, modes of transport and time spent commuting to calculate emissions for each country within which we operate. The total distance travelled was converted to emissions using BEIS 2018.

This detailed calculation has been used to estimate employee commuting emissions for the current reporting period. An average emission per employee has been calculated and applied to the total employee numbers for the current reporting period. As a result of COVID-19, working and commuting patterns amongst our employees have changed. To reflect this, we have factored in occupancy rates of our offices to the estimation to account for the increased number of employees who now work from home.

We recognise that emissions are generated by employees whilst working from home. Therefore, we include an estimate of those emissions within this category. We have identified the number of employees who work from home using our office occupancy rates (actual data from a number of locations across the regions were used to determine an average global monthly occupation rate) and employee numbers. Headcount per site were aggregated to the country-level and then using EcoAct's Homeworking and Commuting Tool and advice from EcoAct's Homeworking whitepaper (2020), assumptions on electricity and gas usage were made and then multiplied by the specific emission factors for gas (BEIS 2022) and electricity usage (IEA 2022 country specific factors).

## 2.6 Estimations in relation to the final month of the reporting period

Due to the reporting timeline the data for March is estimated each year as outlined below:

- Energy consumption: Electricity and gas consumption for March is estimated based on prior year actual values for the same month, or a scaling factor where these are not available. These estimations are included within our Scope 1, Scope 2, and Scope 3 Fuel-and-Energy-related activities emissions.



- Travel data: company cars, air travel, rail travel and hotel data for March is estimated using an average of the eleven months prior. These estimations are included within our Scope 1 (company cars only) and Scope 3 Category 6: Business Travel emissions.

We update our internal reporting for actual data once it is available, however we will only restate our externally reported data if there was a material difference between estimated and actual emissions.