



Tax report 2022

Welcome



This report sets out our Tax Policy and explains how we manage our tax affairs. Our approach to managing our tax affairs is aligned with our sustainable business strategy.

Welcome to Experian's FY22 Tax Report

We understand that transparency around tax affairs is becoming increasingly important in the context of a fast-changing global tax environment. For several years, we have published our Tax Policy, which explains how we approach our tax affairs. This year, we have gone one step further and published a Tax Report. Included in this report is our Tax Policy, along with additional information relating to our tax affairs which we hope our stakeholders will find informative and useful. For example, we have included information on our approach to tax governance, details of our regional corporate tax contributions and explanations of how tax fits into Experian's broader sustainability agenda.

Lloyd Pitchford
Chief Financial Officer

Contents

- 03 Experian at a glance
- 04 Our sustainable business strategy
- 05 Our tax policy
- 06 Our approach to tax governance
- 07 Our corporate tax contribution
- 08 Abbreviations and definitions
- 09 Appendix – Extracts from our Annual Report

Experian at a glance

We are focused on bringing financial power to all. We want to deliver the full power of data, analytics and technology to transform lives and deliver better outcomes for people and businesses. Our work empowers individuals, families, businesses, communities and governments to make smarter decisions and navigate the world with confidence. Our supportive, inspiring culture helps encourage our people to become the best versions of themselves.

The accelerating shift to digital underpins our business. We embrace innovation and technology to take advantage of the possibilities data holds. Through our range of products and solutions, we help millions of people gain access to financial services, and better protect themselves against fraud and identity theft. We help businesses understand their customers better, lend more responsibly, effectively and swiftly, while minimising credit and fraud risk. Our talented and diverse workforce serves customers worldwide from 43 countries.

Our purpose

To create a better tomorrow for consumers, for businesses, for our people and for our communities.

What we do

We create opportunities by turning data into information, and by deploying advanced technologies and analytics.

Why this matters

As the world's leading information services company we play a pivotal role in the societies in which we work. We believe it is our responsibility to use our capabilities and data as a force for good.

Our global footprint

We manage and organise ourselves across five geographic reporting regions, with EMEA and Asia Pacific reported together. We show below our FY22 revenue in each of these regions – North America, Latin America, UK and Ireland, and EMEA/Asia Pacific.

Revenue from ongoing activities

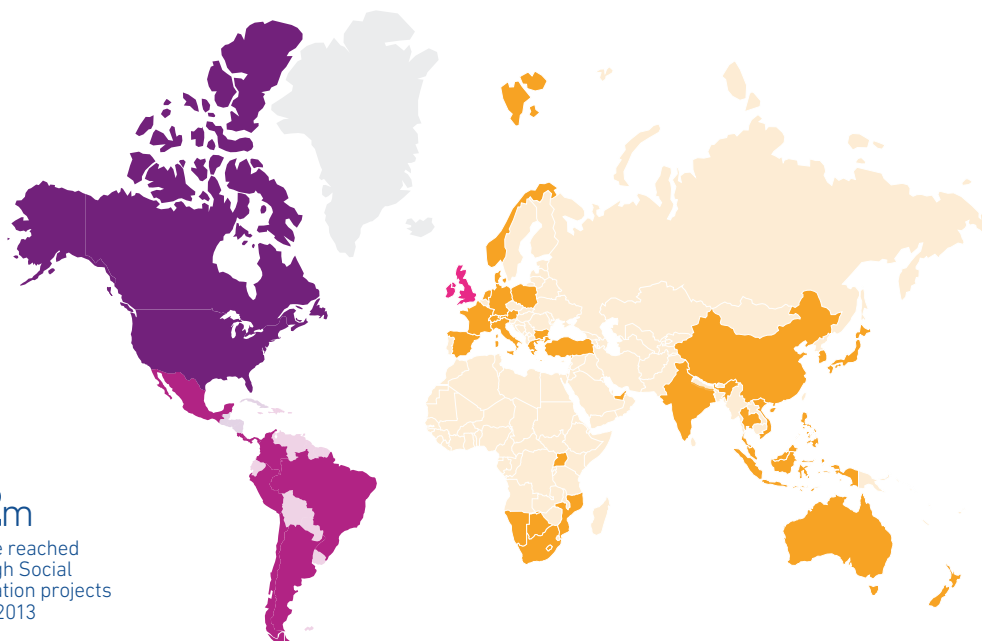
	US\$m	% split
North America	4,122	65%
Latin America	791	13%
UK and Ireland	847	14%
EMEA/Asia Pacific	507	8%
Total	6,267	

Since the establishment of Experian plc in 2006, our corporate headquarters have been in Dublin, Ireland. Our Irish operations include some of our Group functions, such as Group Corporate Secretariat, Group Tax and Group Treasury, alongside our Irish business operations that provide business services, such as credit risk management and marketing services, to client organisations in Ireland.

20,600
employees globally

191m
business credit
history records

82m
people reached
through Social
Innovation projects
since 2013



1.4bn
consumer credit
history records

43
countries

North America

Latin America

UK and Ireland

EMEA/Asia Pacific

Our sustainable business strategy

ESG at Experian

We're helping people to thrive, at every stage of their financial journey, by empowering them to make the most of their data to transform their lives. Building trust through our strong focus on environmental, social and governance (ESG) risks and opportunities is critical to realising this ambition, growing our business and fulfilling our purpose of creating a better tomorrow.

Our approach to tax is aligned with our strong ESG focus. Our commitment to sustainable business is stronger than ever, and we have rigorous processes in place to mitigate ESG risks. Full details can be found in the ESG section of our [Annual Report](#).

Our sustainable business strategy

Working with integrity is one of our core values and supports our sustainable business strategy, which you can read about in the ESG section of our [Annual Report](#). The key focus of our sustainable business strategy is to improve financial health for all, through our core business, Social Innovation products and community investment, as outlined in our [Improving Financial Health Report](#).

Managing our tax affairs with integrity

Our commitment to doing business responsibly and working with integrity includes our approach to tax. We understand that tax transparency is important to all our stakeholders, including our clients and consumers, our communities, our people, our shareholders, our suppliers and governments.

Our Global Code of Conduct – [Our Global Code of Conduct](#), available in several languages, sets out clear guidance to help everyone at Experian make the right decisions. It is supported by detailed policies on specific topics such as anti-corruption, gifts and hospitality, fraud management, complaint management, fair treatment of vulnerable consumers, product development and marketing, whistleblowing and tax.

Our Tax Policy is one of the many policies which support our Global Code of Conduct and is provided later in this report.

Operations across the globe – We are a global technology company, with operations in 43 countries. Our data assets, both for businesses and consumers, are extensive. We have global reach and the capability to constantly innovate to fulfil new and emerging needs. We do not have any operations located in territories which either the Organisation for Economic Co-operation and Development ('OECD') or the European Union ('EU') categorise as "non-cooperative" jurisdictions, with the exception of one company in Panama. In FY22, we agreed to acquire a 70% stake in APC Intelidat, the only credit bureau in Panama, founded in 1957. APC Intelidat supports the operations of banks, cooperatives, telecommunications, and retailers in that country, and its operations are fully aligned with Experian's businesses across the globe. We are awaiting regulatory approvals to complete this purchase.

Working with governments – We pursue open and co-operative working relationships with tax authorities and governments. In some cases, governments offer tax incentives and exemptions, which are often designed to encourage investment in certain aspects of the economy. Where these incentives are properly legislated and in line with policy objectives and best practice, we make use of those incentives appropriately. We do not use any company-specific incentives or any rulings that are not available to all companies in any given region, or that are not specified within legislation.



Our tax policy

Experian is a global business with a presence in 43 countries. We require every Experian business to operate lawfully and responsibly. Every employee has a responsibility to act at all times with honesty and integrity in all business dealings. We do not tolerate tax evasion or assisting any third party to carry out tax evasion.

The two overriding objectives of this Policy are:

1. To comply fully with all applicable laws, rules and regulations, in line with our Global Code of Conduct and stakeholders' expectations; and
2. To manage our tax affairs, to protect value for the Group, in line with our broad fiduciary duties.

The principles that will guide our approach to tax are:

Compliance with tax laws – Our policy is to comply with all relevant tax laws, regulations and tax reporting requirements in all jurisdictions in which we operate, including utilising available tax allowances and incentives. We aim to file returns on time and pay tax in accordance with relevant legislation.

Relationships with tax authorities – We pursue open and co-operative working relationships with tax authorities. We will discuss and consult on our interpretation of the law with relevant tax authorities as required and we will seek to resolve potential areas of contention or uncertainty. Where appropriate, we will seek tax clearances and rulings prior to undertaking transactions. We will participate in relevant consultations around tax issues, to assist with the development of global tax policy.

Tax impact of business decisions – As a large, growing business we face choices in how we manage our business operations. As we approach these decisions, we ensure everything we do is aligned with our commercial operations and has appropriate economic substance. This ensures that our business grows and develops in a sustainable manner. We will therefore make decisions that we believe will be of overall benefit to the Group and its stakeholders; this includes utilising reliefs and incentives made available by relevant governments where appropriate. We do not engage in contrived or artificial tax planning.

Risk management – We evaluate risks broadly, including financial, reputational, commercial and other risks, against the potential benefits of any tax arrangement or filing position. We therefore seek to minimise uncertainty over any position, and obtain external advice and engage with tax authorities, as necessary. We monitor and review tax risks regularly in accordance with the Enterprise Risk Management Policy.

Governance – Tax governance procedures, including accountabilities, responsibilities and delegations of authority, are clearly defined through documented expected standards of conduct, which set out how tax activities are carried out within the Group. The Group's Tax Policy is established by the Board of Experian plc, who retain oversight as part of the Group's Governance procedures. The Board is regularly updated on matters relating to tax, with the Group's Chief Financial Officer (CFO) taking responsibility for tax at Board level.

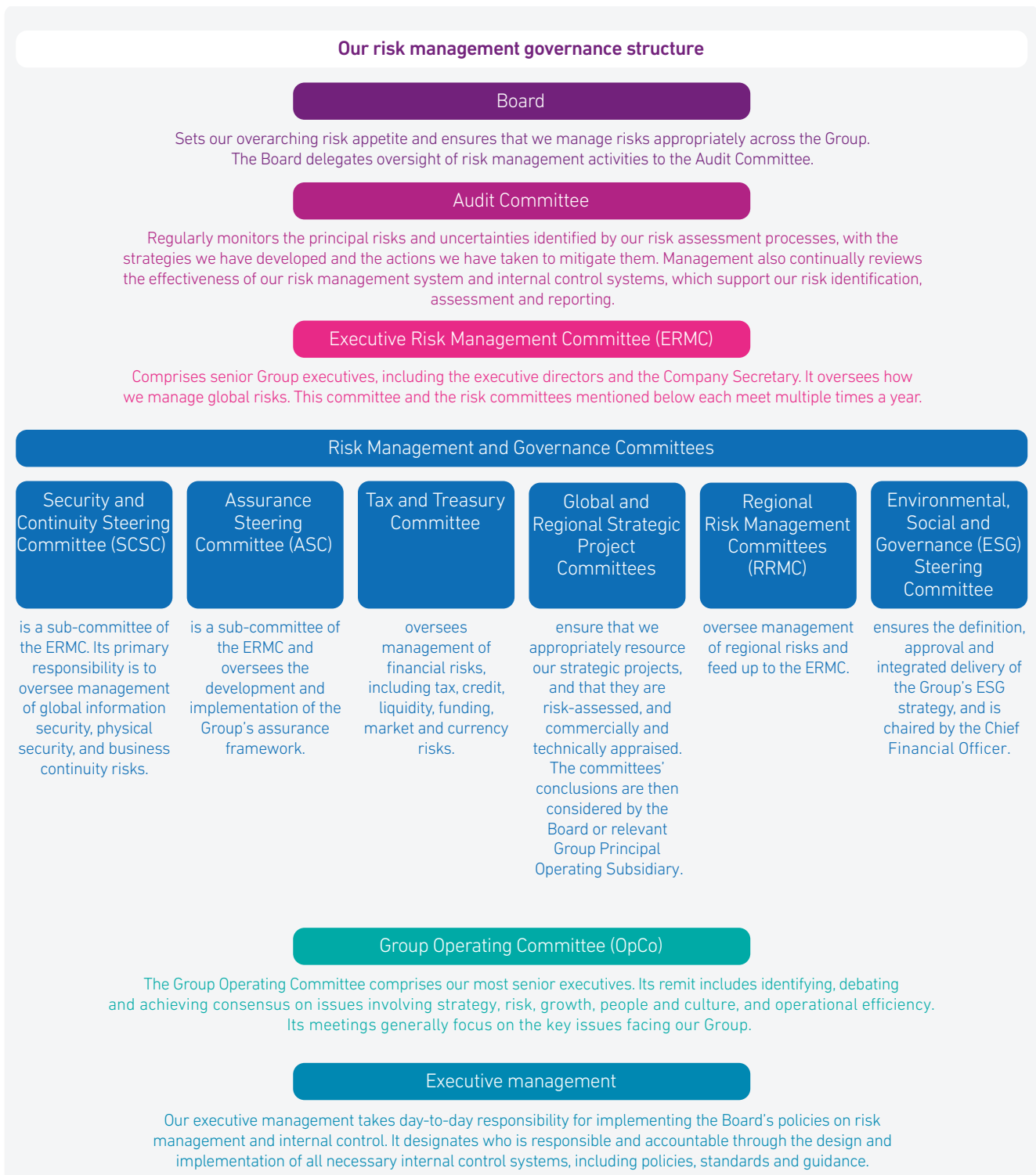
Our approach to tax governance

Our tax policy, on page 5 of this report, provides an overview of our tax governance procedures. As mentioned in the Tax Policy, the Group CFO takes responsibility for tax at Board level.

Governance around our Tax affairs is aligned with our overall risk management governance structure, which is illustrated below. The Tax and Treasury Committee is a key part of our tax risk governance procedures.

Further detail on our risk management processes can be found in the Strategic report section of our Annual Report.

All Experian employees are required to follow both the Tax Policy and the Global Code of Conduct. Our Global Code of Conduct states that we do not tolerate tax evasion or assist any third party to carry out tax evasion.



Our corporate tax contribution

Experian organises its operations across five geographically aligned reporting regions – with North America, Latin America, and UK and Ireland being our largest markets. Our tax contribution across these markets is significant and includes both taxes borne, and taxes collected.

Our corporate tax contribution by region:

During FY22, we paid US\$366m of corporate tax globally, which represents a cash tax rate of 23.8% (Benchmark PBT of US\$1,535m). The chart on the right shows how this compares to the Revenue and Benchmark PBT in each region.

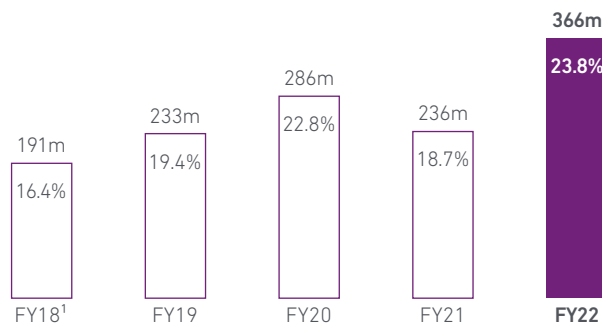
Over the last five years, our corporate tax contribution has grown steadily as our business has grown. Our cash tax rate is built up based on a number of factors, including underlying profits, timing differences between the recognition of income and expense items for tax purposes vs. accounting purposes, tax relief on goodwill amortisation and the utilisation of losses. We anticipate that our cash tax rate will continue to move closer to our Benchmark effective tax rate over the coming years, as tax amortisation of goodwill on earlier acquisitions and prior tax losses are utilised.

We apply appropriate transfer pricing policies to ensure that we report our profits in the countries where they arise. This means that our related entities trade with each other as if they were unrelated, and arm's length pricing is applied. In determining arm's length pricing, we comply with relevant international standards. We ensure that we adhere to transfer pricing documentation requirements as set out by either the OECD or by local governments.



We paid US\$366m of corporate tax in FY22. This represents a cash tax rate of 23.8%. The cash tax rate is corporate tax paid as a proportion of Benchmark PBT.

Corporate tax paid (US\$m) and cash tax rates (%) FY18-FY22

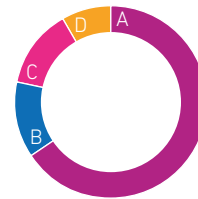


¹ Results for FY18 are restated following the adoption of IFRS 15

Revenue, Benchmark PBT and Corporate tax paid by region US\$m

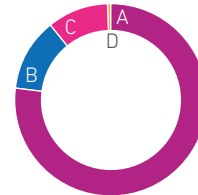
Revenue from ongoing activities (US\$m)

A. North America	4,122
B. Latin America	791
C. UK and Ireland	847
D. EMEA/Asia Pacific	507
Total	6,267



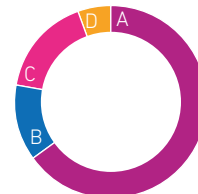
Benchmark PBT (the chart excludes Central Activities, which had negative PBT in FY22) (US\$m)

A. North America	1,377
B. Latin America	222
C. UK and Ireland	183
D. EMEA/Asia Pacific	7
E. Central Activities	(254)
Total	1,535



Corporate tax paid (US\$m)

A. North America	238
B. Latin America	47
C. UK and Ireland	61
D. EMEA/Asia Pacific	20
Total	366



Abbreviations and definitions

Arm's length pricing	The valuation principle commonly applied to transactions between related parties, meaning they are valued as if they had been carried out between unrelated parties, each acting in their own interest.
ASC	Assurance Steering Committee
Benchmark PBT	Profit before amortisation and impairment of acquisition intangibles, impairment of goodwill, acquisition expenses, adjustments to contingent consideration, Exceptional items, financing fair value remeasurements, tax (and interest thereon) and discontinued operations. It includes the Group's share of continuing associates.
Benchmark EBIT	Benchmark PBT before net interest expense.
Benchmark tax charge	The Benchmark tax charge is the tax charge applicable to Benchmark PBT. It differs from the tax charge by tax attributable to Exceptional items and other adjustments made to derive Benchmark PBT, and exceptional tax charges.
Benchmark effective tax rate	The Benchmark effective rate of tax is calculated by dividing the Benchmark tax charge by Benchmark PBT.
Exceptional items	Exceptional items include those arising from the profit or loss on disposal of businesses, closure costs of major business units, costs of significant restructuring programmes and other financially significant one-off items.
CFO	Chief Financial Officer
EMEA	Europe, Middle East and Africa
ERMC	Executive Risk Management Committee
ESG	Environmental, social and governance
EU	European Union
Group	Experian plc and its subsidiaries
Indirect taxes	Taxes imposed on goods or services rather than income and profit.
OCI	Other Comprehensive Income
OECD	Organisation for Economic Co-operation and Development
OpCo	Group Operating Committee
Related parties	Refers to a party which is controlled by Experian
RRMC	Regional Risk Management Committees
SCSC	Security and Continuity Steering Committee
UN	United Nations
UK	The United Kingdom of Great Britain and Northern Ireland
VAT	Value-added tax

Appendix – Extracts from our Annual Report

The following extracts are copied from our [FY22 Annual Report](#).

Basis of preparation

The Group financial statements are:

- prepared in accordance with the Companies (Jersey) Law 1991 and both UK-adopted International Accounting Standards (UK-IFRS) and International Financial Reporting Standards (IFRS or IFRSs) as adopted for use in the European Union (the EU) and IFRS Interpretations Committee interpretations (together EU-IFRS). The financial statements also comply with IFRS as issued by the International Accounting Standards Board (IASB). UK-IFRS, EU-IFRS and IFRS as issued by the IASB all differ in certain respects from each other however, the differences have no material impact for the periods presented;
- prepared on the going concern basis and under the historical cost convention, as modified for the revaluation of certain financial assets and financial liabilities;
- presented in US dollars, the most representative currency of the Group's operations, and generally rounded to the nearest million;
- prepared using the principal exchange rates set out in note 10 of the Group financial statements; and
- designed to voluntarily include disclosures in line with those parts of the UK Companies Act 2006 applicable to companies reporting under that law.

There has been no change in the basis of preparation of the Group financial statements since the Annual Report for the year ended 31 March 2021.

Cash tax reconciliation

Year ended 31 March	2022 %	2021 %
Tax charge on Benchmark PBT	25.7	25.9
Tax relief on goodwill amortisation	(2.4)	(2.6)
Benefit of brought forward tax losses	(1.7)	(2.0)
Other	2.2	(2.6)
Tax paid as a percentage of Benchmark PBT	23.8	18.7

Our total tax charge was US\$296m (2021: US\$275m), 20.5% (2021: 21.5%) of profit before tax. Our effective tax rate on Benchmark PBT was 25.7% (2021: 25.9%), reflecting the mix of profits and prevailing tax rates by territory. We expect our effective tax rate on Benchmark PBT in FY23 will be approximately 26%.

The equivalent cash tax rate of 23.8% remains below our Benchmark tax rate and we provide a reconciliation in the above table. 'Other' includes the phasing of tax payments in FY22, and an acceleration of tax deductions as a result of US legislative changes in FY21. We anticipate that our cash tax rate will increase and move closer to our Benchmark tax rate over the course of the next two years, as tax amortisation of goodwill on earlier acquisitions and prior tax losses are utilised.

Tax charge

(a) Analysis of tax charge in the Group income statement

	2022 US\$m	2021 US\$m
Current tax:		
Tax on income for the year	339	193
Adjustments in respect of prior years	(25)	2
Total current tax charge	314	195
Deferred tax:		
Origination and reversal of temporary differences	(15)	79
Adjustments in respect of prior years	(3)	1
Total deferred tax (credit)/charge	(18)	80
Tax charge	296	275
The tax charge comprises:		
UK tax	87	9
Non-UK tax	209	266
	296	275

Appendix – Extracts from our Annual Report continued

Tax charge continued

(b) Tax reconciliations

(i) Reconciliation of the tax charge

As the Group is subject to the tax rates of more than one country, it has chosen to present its reconciliation of the tax charge using the main rate of corporation tax in the UK. The effective rate of tax for each year based on profit before tax is higher (2021: higher) than the main rate of corporation tax in the UK, with the differences explained below.

	2022 US\$m	2021 US\$m
Profit before tax	1,447	1,077
Profit before tax multiplied by the main rate of UK corporation tax of 19% (2021: 19%)	275	205
Effects of:		
Adjustments in respect of prior years	(28)	3
Tax on Exceptional items	(6)	(16)
Income not taxable	(18)	(5)
Losses not recognised	18	20
Expenses not deductible	18	15
Different effective tax rates in non-UK businesses	36	31
Local taxes	34	33
Movement in uncertain tax provisions	(24)	—
Recognition/utilisation of previously unrecognised tax losses	(9)	(11)
Tax charge	296	275
Effective rate of tax based on profit before tax	20.5%	25.5%

Local taxes primarily comprise US state taxes.

(ii) Reconciliation of the tax charge to the Benchmark tax charge

	2022 US\$m	2021 US\$m
Tax charge	296	275
Tax relief on Exceptional items and other adjustments made to derive Benchmark PBT	98	53
Benchmark tax charge	394	328
Benchmark PBT	1,535	1,265
Benchmark tax rate	25.7%	25.9%

(c) Factors that affect the tax charge

Prior year adjustments reflect the net movement on historical tax positions, including adjustments for matters that have been substantively agreed with local tax authorities, and adjustments to deferred tax assets based on latest estimates and assumptions.

Expenses not deductible include charges in respect of uncertain tax positions, the impairment of goodwill, financing fair value remeasurements not allowable for tax purposes, and losses on the disposal of businesses which are not subject to tax relief.

The Group's tax rate reflects its internal financing arrangements in place to fund non-UK businesses.

In addition, in the normal course of business, the Group has a number of open tax returns with various tax authorities with whom it is in active dialogue. At 31 March 2022 the Group held current provisions of US\$293m (2021: US\$350m) in respect of uncertain tax positions.

During FY22, Experian was in discussions with the US Internal Revenue Service and Her Majesty's Revenue and Customs to seek clarity on Experian's transfer pricing and financing related issues. The net decrease in recognised provisions during the year was driven by agreement of open tax issues in North America and adjustments to our provisions on the utilisation of historical UK tax losses.

Liabilities relating to these open and judgmental matters are based on an assessment as to whether additional taxes will be due, after taking into account external advice where appropriate. The resolution of these tax matters may take many years. While the timing of developments in resolving these matters is inherently uncertain, the Group does not expect to materially increase its uncertain tax provisions in the next 12 months, however if an opportunity arose to resolve the matters for less than the amounts provided, a settlement may be made with a corresponding reduction in the provision.

Appendix – Extracts from our Annual Report continued

Tax charge continued

(d) Other factors that affect the future tax charge

The Group's tax charge will continue to be influenced by the profile of profits earned in the different countries in which the Group's subsidiaries operate. Continued focus on tax reform is expected through 2022, 2023 and future years driven by the OECD's project to address the tax challenges arising from the digitalisation of the economy (including the proposed minimum tax legislation). Experian are continuing to analyse the implications for the Group from these Model Rules and will determine the outcome once the final relevant legislation is available. This may result in significant changes to established tax principles and an increase in tax authority disputes. In turn, this could adversely affect Experian's effective tax rate or could result in higher cash tax liabilities.

The main rate of UK corporation tax is 19% and will increase to 25% from 1 April 2023. This will have a consequential effect on the Group's future tax charge.

Deferred and current tax

(a) Deferred tax

(i) Net deferred tax assets/(liabilities)

	2022 US\$m	2021 US\$m
At 1 April	(275)	(95)
Differences on exchange	(7)	4
Tax credit/(charge) in the Group income statement – continuing operations	18	(80)
Additions through business combinations	(22)	(100)
Tax recognised within OCI	(22)	(1)
Tax recognised directly in equity on transactions with owners	1	(3)
At 31 March	(307)	(275)
Presented in the Group balance sheet as:		
Deferred tax assets	46	86
Deferred tax liabilities	(353)	(361)
	(307)	(275)

Tax recognised in Other comprehensive income is in respect of the remeasurement of post-employment benefit assets and obligations.

(ii) Movements in gross deferred tax assets and liabilities

Assets	Intangibles US\$m	Tax losses US\$m	Share incentive plans US\$m	Accelerated depreciation US\$m	Other US\$m	Total US\$m
At 1 April 2021	226	108	36	18	142	530
Differences on exchange	37	—	—	(1)	3	39
Tax recognised in the Group income statement	6	(12)	14	8	34	50
Tax recognised within OCI	—	—	—	—	(10)	(10)
Tax recognised directly in equity on transactions with owners	—	—	1	—	—	1
Transfers	1	—	(1)	(1)	—	(1)
At 31 March 2022	270	96	50	24	169	609

Assets	Intangibles US\$m	Tax losses US\$m	Share incentive plans US\$m	Accelerated depreciation US\$m	Other US\$m	Total US\$m
At 1 April 2020	246	94	35	10	215	600
Differences on exchange	(12)	(2)	1	1	2	(10)
Tax recognised in the Group income statement	(8)	16	3	7	(77)	(59)
Tax recognised within OCI	—	—	—	—	(1)	(1)
Tax recognised directly in equity on transactions with owners	—	—	(3)	—	—	(3)
Transfers	—	—	—	—	3	3
At 31 March 2021	226	108	36	18	142	530

Appendix – Extracts from our Annual Report continued

Deferred and current tax continued

(ii) Movements in gross deferred tax assets and liabilities continued

Liabilities	Intangibles US\$m	Accelerated depreciation US\$m	Other US\$m	Total US\$m
At 1 April 2021	759	27	19	805
Differences on exchange	49	—	(3)	46
Tax recognised in the Group income statement	19	6	7	32
Tax recognised within OCI	—	—	12	12
Additions through business combinations	19	—	3	22
Transfers	1	(1)	(1)	(1)
At 31 March 2022	847	32	37	916

Liabilities	Intangibles US\$m	Accelerated depreciation US\$m	Other US\$m	Total US\$m
At 1 April 2020	650	24	21	695
Differences on exchange	(14)	(2)	2	(14)
Tax recognised in the Group income statement	23	2	(4)	21
Additions through business combinations	100	—	—	100
Transfers	—	3	—	3
At 31 March 2021	759	27	19	805

These movements do not take into consideration the offsetting of assets and liabilities within the same tax jurisdiction. Items classified as Other assets in the above analyses predominantly relate to future tax benefits deferred in line with local tax laws.

(iii) Other information on deferred tax assets and liabilities

There are a number of critical judgments in assessing the recognition of deferred tax assets. The Group has not recognised deferred tax on losses of US\$641m (2021: US\$581m) that could be utilised against future taxable income or on US\$265m (2021: US\$282m) in respect of capital losses that could be utilised against future taxable gains. While these losses are available indefinitely, they have arisen in undertakings in which it is not currently anticipated that future benefit will be available from their use. The capital losses arising on investments are available for use within five years, and future taxable gains against which the capital losses could be utilised are not currently anticipated.

There are retained earnings of US\$9,699m (2021: US\$8,980m) in subsidiary undertakings which could be subject to tax if remitted to Experian plc. No deferred tax liability has been recognised on these earnings because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. Given the mix of countries and tax rates, it is not practicable to determine the impact of such remittance.

During the current year the main rate of UK corporation tax was 19% (2021: 19%). Deferred tax is recognised at the rate prevailing when temporary differences are expected to reverse.

(b) Net current tax assets/(liabilities)

	2022 US\$m	2021 US\$m
At 1 April	(142)	(197)
Differences on exchange	3	(1)
Tax charge in the Group income statement – continuing operations	(314)	(195)
Tax credit in the Group income statement – discontinued operations	16	—
Additions through business combinations	—	10
Tax recognised directly in equity on transactions with owners	(1)	5
Other tax paid	366	236
At 31 March	(72)	(142)
Presented in the Group balance sheet as:		
Current tax assets	37	34
Current tax liabilities	(109)	(176)
	(72)	(142)

Tax recognised directly in equity on transactions with owners relates to employee share incentive plans.