



2021 ANNUAL REPORT

The New Equifax...

Just Getting Started

The New Equifax... Just Getting Started

Mark W. Begor
Chief Executive Officer

Mark L. Feidler
Independent Chairman of
the Board of Directors

To Our Shareholders:

2021 was another strong year for Equifax as we continue to invest for the future while delivering record financial results for our shareholders. **We are rapidly building a new company – a New Equifax – a faster growing, higher margin, diversified data, analytics and technology company that has expanded well beyond a traditional consumer credit bureau with a total addressable market almost three times larger than the past.** We have delivered 8 consecutive quarters of strong double-digit growth and record revenue of \$4.9B in 2021, which was up an impressive 19%. We made strong progress on our multi-year \$1.5B cloud technology and single data fabric investment, moving over 50% of our revenue to the new Equifax Cloud. We delivered a record 151 new products last year leveraging our new Equifax Cloud for a Vitality Index of just under 9%. And, we completed a record 8 acquisitions totaling close to \$3B to broaden and strengthen Equifax for the future. We have set ourselves apart in the industry by maximizing our investments leveraging the power of the new Equifax Cloud to drive record company growth and unmatched new product innovation. **We are a New Equifax and we are just getting started!**

While COVID-19 continued to impact the communities where we operate, 2021 was another year of tremendous growth for Equifax.

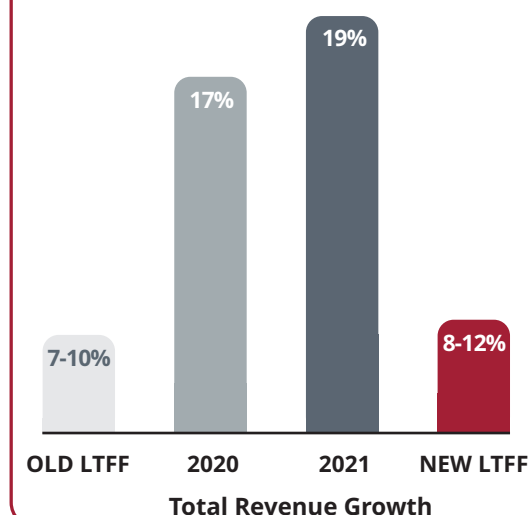
Our revenue of \$4.9B was up 19%, well above our new Long Term Financial Framework growth target of 8 to 12%, reflecting the breadth and strength of the New Equifax growth model.

This was a truly outstanding year, substantially stronger than we expected when we entered 2021, despite a U.S. mortgage market that was down 7.5%. We have delivered two years of above market performance with 17% growth in 2020 and 19% growth in 2021.

In 2021, we drove record growth and unprecedented results:

- **Workforce Solutions**, our fastest growing, highest margin and most valuable business, delivered another outstanding year, with revenue growing 39% over last year to surpass \$2B in annual revenue! This is on top of 51% growth in 2020, demonstrating the power of its unique and fast-growing income and employment data. Workforce Solutions has grown from about 25% of our total revenue 3 years ago to over 40% in 2021 and will likely grow to over 50% of Equifax in the coming years.
- **U.S. Information Solutions** also had a very strong year with total revenue of \$1.8B. Non-mortgage revenue grew 16% and U.S. B2B mortgage revenue grew 19% despite a 7.5% decline in the mortgage market and off of over 80% revenue growth in 2020. The USIS sales team delivered record wins up 25% over last year and the new deal pipeline remains very strong.
- **International** delivered a milestone in 2021, with their first year of revenues over \$1B. As international regions began to recover from COVID lockdowns, we saw five consecutive quarters of revenue growth from Q4 2020 through Q4 2021, with an overall annual growth of 10% in local currency for 2021.

NEW LONG TERM FINANCIAL FRAMEWORK



Information regarding our Long Term Financial Framework reflects forward-looking information; actual results may differ materially from our historical experience and our present expectations or projections. See Annex B.

2021 FINANCIAL PERFORMANCE

Overall Revenue

\$4.9B

Up **19%**, our second year of strong above market performance reflects the strength of the New EFX growth model.

Workforce Solutions

\$2B

Up **39%**, which is up 2X from 2019 revenue of \$971M. Driven by strong performance in Verifications and active record growth of 22M.

USIS

\$1.8B

Total revenue up **4%** despite the 7.5% decline in the U.S. mortgage market. Team delivered strong non-mortgage organic growth.

International

\$1.1B

Milestone year with first year of revenues over **\$1B**. Double digit growth in Asia Pacific, Canada and Latin America.

In addition to this record financial performance, we continued to make tremendous progress executing the Equifax Cloud data and technology transformation. **We now have about half of our revenue being delivered from the new Equifax Cloud.** This will build meaningfully in 2022 as we expect to substantially complete our North America cloud migrations and move towards 80% of our revenue in the new Equifax Cloud. We have completed almost 112,000 business-to-business migrations, over 10 million consumer migrations and 1 million data contributor migrations. In North America, our principal consumer exchanges are in production on our new cloud-based single data fabric and delivering to customers. Our International transformation is also progressing and is expected to be principally completed by the end of 2023. **We remain on track and confident in our plan to become the only cloud native data and analytics company.**

The strength of our New Equifax is supported by our **13,000 Equifax employees in 25 countries** who have anticipated and responded to changing customer needs in a new global economic normal – helping our customers navigate the evolving pandemic and connect with consumers in increasingly digital ways. A few highlights that the EFX team delivered in 2021:

- We have delivered **8 consecutive quarters** of strong, above market double digit growth, reflecting the power of the New vEFX business model and our execution against our EFX2023 strategic priorities.
- We introduced the new Equifax Long Term Financial Framework, with expected total revenue growth of 8 to 12%, up from our prior Framework of 7-10% and expected margin expansion of 50 bps per year up from our prior Framework of 25 bps. This will help us deliver expected Adjusted EPS growth of 12 to 16%, which combined with our 1% dividend yield target will allow us to deliver **total return to shareholders of 13 to 18% in the future.**
- We delivered **a record 151 new products** – up from 134 in 2020 and 70-90 historically – with a Vitality Index of just under 9% – our highest level since 2018.
- We completed **8 strategic and accretive bolt-on acquisitions totaling almost \$3B.** We substantially strengthened and broadened Workforce Solutions through the acquisition of Appriss Insights, as well as Health e(fx), HIREtech, and i2Verify. We strengthened our Identity and Fraud portfolio through the acquisition of Kount, and our USIS differentiated data assets through both the Teletrack and Kount acquisitions.
- The Work Number® reached **136 million active records**, an increase of 19%, or 22 million records, from a year ago, and included 105 million unique individuals, which is almost 70% of U.S. non-farm payroll. We are now receiving records every pay period

from 2.5 million companies, up from 1 million at the beginning 2021.

- USIS is leading the industry in offering a **flexible structure for Buy Now Pay Later companies** to report customer credit data onto the Equifax U.S. credit exchange, which will provide Equifax customers and partners the flexibility to include the fast growth BNPL data in credit decisioning or to exclude it, based on their specific needs.
- We announced an **expansion of our global footprint for Workforce Solutions** with the launch of our new U.K. income and employment verification platform. This adds to our existing Australia, Canada and India WS business launches.

Workforce Solutions: Our fastest growing, highest margin, and most valuable business

Workforce Solutions continues to deliver outstanding performance, and is clearly our strongest, fastest growing, highest margin and most valuable business. It now delivers over 40% of Equifax revenue, up from 25% a short three years ago and will likely grow to over 50% of Equifax in the coming years. 2021 growth of 39% is well above the 13-15% long-term framework for Workforce Solutions and on top of 51% growth in 2020 which is highly accretive to Equifax's overall revenue growth rate. Workforce Solutions is delivering these strong top-line results with EBITDA margins of 55% which are industry leading and over 2000 bps above Equifax's average margin rate. At the end of 2021, The Work Number reached 136 million active records, an increase of 19%, or 22 million records from a year ago, and included 105 million unique individuals, which is almost 70% of U.S. non-farm payroll. We are now receiving records every pay period from 2.5 million companies, up from 1 million when we started 2021 and 27,000 contributors a short two-plus years ago. Our lens is expanding beyond U.S. non-farm payroll to include the 40-50 million gig and self-employed workers and 20-30 million pensioners that will allow Workforce Solutions to significantly increase its data set. Beyond the 136 million active records, we have over 535 million total records that give us the ability to deliver historical income and employment data solutions to many markets.

In recent years, the business has expanded its lens beyond verification of income and employment for financial services and FinTech solutions including mortgage, auto, personal loans, and credit cards into new verticals including Employer Services, Talent Solutions, and Government markets. In 2021, half of Workforce Solutions revenue was in these faster growing verticals outside our traditional financial services markets. We substantially

strengthened and broadened Workforce Solutions in 2021 through the acquisition of Appriss Insights, as well as Health e(fx), HIREtech and i2Verify. The very strong growth of The Work Number and the addition of Appriss Insights and expansion of the Workforce Solutions Data Hub, have dramatically expanded the Workforce Solutions addressable markets across Talent Solutions, Government, and Employee Services including Onboarding, as well as their core Mortgage and Financial Service markets. Our ability to access these markets with our unique and still expanding employment, income and talent based data and services will allow Workforce Solutions to continue to deliver above market core growth and power Equifax in the future.

Global Impact and ESG Priorities

As the needs of customers and consumers have changed worldwide, Equifax remains committed to our Purpose of **helping people live their financial best.**

In 2021, we introduced innovative solutions around the world to tackle the challenge of financial inclusion and help bring more mainstream financial services opportunities to unbanked and underbanked individuals.

As part of this commitment, we introduced the industry's first and only U.S. credit report in Spanish available online or via mail. This vital service that 'Only Equifax' provides will help 62 million Spanish speakers in the U.S. better understand their credit profiles, so that they are empowered to move forward in all aspects of their financial journey – another step that demonstrates our commitment to financial inclusion and ensuring greater access to credit.

We also have a big commitment to expanding access to credit that aligns with our Purpose of **helping people live their financial best.** We strive to create economically healthy individuals and communities everywhere we do business and we play a critical role in people's lives by helping them apply for a job or mortgage, finance their education or buy a car. We have invested heavily in new data sets to enable access to credit for the over 60 million U.S. consumers who are either un- or under-banked and are forced to access higher cost financial products. Utilizing our unique data assets including The Work Number income and employment data, NCTUE cell phone and utility payment data, rental payment data, and our 80 million alternative payment data records from our DataX and Teletrack acquisitions, we can help convert an unbanked or thin credit file consumer to a scorable consumer or help them improve their financial profile to allow them to enter the lower cost formal financial services market.

We are also committed to maintaining and enhancing the accuracy of our data and credit reports. We continue to invest to make it easier for consumers to access their credit reports including extending free access to credit reports through 2022 as U.S. consumers manage the COVID pandemic. Beyond that, we are investing in new technology to make it easier for consumers to address errors on their credit reports including new on-line processes and alerts.

We also continue to recognize that data, analytics and technology is a powerful force in addressing pressing issues facing the world around us. **Last year, we accelerated our commitment to Environmental, Social and Governance (ESG) priorities, announcing a market-leading sustainability commitment to net-zero greenhouse gas emissions by 2040 enabled by the Equifax Cloud.** Our move to the Equifax Cloud is expected to propel the company on its journey to net-zero by significantly reducing the footprint of on-site technology and data centers and leveraging the enhanced energy efficiency of our cloud service providers.

We further committed to making quantitative ESG diversity disclosures available annually in accordance with the Sustainability Accounting Standards Board (SASB) framework, and we are one of the first in our industry to publicly disclose our Equal Employment Opportunity (EEO-1) and SASB diversity reports. We are committed to nurturing a culture where diverse talent thrives. In 2021, 77% of the Equifax senior leadership team was diverse, 38% of Equifax global senior leadership identified as female, and women comprised 44% of the Equifax global workforce. During that same time period, 41% of Equifax U.S. employees identified with diverse racial and ethnic groups.

Beginning in 2022, in support of the expansion of these ESG commitments, all members of our Global Leadership Team will include an ESG goal as part of their performance objectives. We recognize that this is just a start. **There is more to do and we are committed to transparency in our journey.**

WORKFORCE DIVERSITY

77%

Global senior leadership is diverse

38%

Global senior leadership are women

44%

Global workforce are women

41%

U.S. employees are racially or ethnically diverse



EFX2023: Our Foundation

Our compass for the future lies in our EFX2023 strategy, which builds upon our EFX2020 priorities. Executing these priorities, including our industry leading data and technology Cloud transformation, will lead to stronger revenue growth, faster margin expansion and higher cash flow to allow us to continue to invest in Equifax for growth, complete bolt-on acquisitions, and return cash directly to shareholders. **Our EFX2023 imperatives reflect our strategic shift from an era of building, investing, and transforming to one of leveraging our massive cloud investments for innovation, new products, and accelerated growth.** With our new Equifax Cloud foundation in place, we are Leveraging the Equifax Cloud for Innovation, New Products and Growth through these priorities, which provide a foundation for our ongoing performance.



Accelerate Innovation and New Products

New products are a long-term driver of top-line growth for the New Equifax. In 2021, we delivered a record 151 new products – up from 134 in 2020 and nearly twice the number of solutions developed historically. Not only did we speed our time to market by 45% over the last 24 months, we achieved a Vitality Index – which refers to the revenue that comes from new products introduced in the past 3 years – of just under 9%. This was stronger than our 8% Vitality Index expectations when we started in 2021 and the highest level we have achieved since 2018.

The New Equifax launches products at a volume over 60% higher than in our pre-Transformation era. But, it's not just

about launching new products. We have redesigned how our product teams operate to ideate, develop and bring products to market and to ensure that those new products meet rapidly-evolving market needs. Our enhancements are generating a far more efficient pipeline to convert ideas into products that drive value for customers. We're focused on ensuring strong revenue growth and strengthening our Vitality Index. And, we'll continue to drive a balance between multi-generational product lines for customers who want evergreen products that grow with them, alongside net-new product launches each year – all leveraging the unified data from the Equifax Cloud. Our

new solutions help our customers grow and drive our top and bottom line.

The Equifax Cloud and our common data fabric gives us the ability to ingest and manage diverse data types and then develop custom reports through Equifax One and custom scores using Equifax decisioning much more easily, which substantially accelerates our time to market. As we move through 2022, you will see this capability further accelerate our New Product Innovation (NPI) based revenue growth. **Leveraging our new Equifax Cloud capabilities to drive new product roll-outs, we expect to deliver a Vitality Index in 2022 of over 10%, which equates to over \$500 million of revenue in 2022 from new products introduced in the past three years.**



Leverage Equifax Cloud Capabilities

We spent the past three years building the Equifax Cloud and now we are in the early days of leveraging our new and uniquely Equifax cloud-based technology and single data fabric capabilities. As we move into 2022 and beyond, we will increasingly realize the top-line, cost, and cash benefits from these new 'Only Equifax' cloud capabilities.

Our EFX Cloud strategy called for us to transform first in the U.S. with International as a fast follow and we've executed against that plan. The result? **In 2021, over 50% of Equifax revenue was delivered from the new EFX Cloud – and we expect this to build meaningfully in 2022 to 80% of our global revenue as we move towards becoming the only cloud native company in our space.**

Our innovative thinking, technical excellence and transformation execution has been recognized by Google Cloud, who named us as their top financial services customer in 2021. That's a testament to our best-in-class use of cloud technology and our tenacity in implementation.

- In 2021 we completed almost 112,000 business-to-business migrations, 10 million consumer migrations, and 1 million data contributor migrations.
- Our global platform capabilities are now live on 7 Google Cloud regions around the world and we have closed 12 data centers – reducing 1,000 metric tons of carbon emissions.
- In North America, our principal consumer exchanges are in production on our common data fabric, and delivering to customers. We expect to be

substantially complete with our North American cloud transformation by the end of 2022.

- Our International transformation is also progressing and is expected to be principally completed by the end of 2023, with some migrations continuing in 2024.
- And, we've reduced over 1,200 duplicative products globally.

These business actions bring substantial energy and resource savings and are strong indicators of how we will deliver in a more nimble and efficient way as we move forward. A great example of this is our launch of the Workforce Solutions Verification Exchange in Australia, Canada, India, and the U.K. Similar to how The Work Number service operates in the U.S., Verification Exchange helps increase access, reduce fraud, support compliance, and mitigate risk throughout the verification process using automated systems designed in accordance with a country's regulatory framework. Our single data fabric completely changes our approach to data management and revolutionizes the products that we can provide as well as the speed with which we can develop them. With the Equifax Cloud, we can build something once and then deploy it in any of our 25 markets quickly, with market specific customizations that require very little engineering. This speeds our delivery timelines dramatically, while also lowering the costs to our customers.

We remain on track in our plan to move from half of Equifax in the new Equifax Cloud to close to 80% by the end of 2022 as we move towards becoming the only cloud native data, analytics and technology company in our space. We remain confident that the Equifax Cloud will differentiate us commercially, expand our NPI capabilities, accelerate our top line growth, and expand our margins from the growth and cost savings in 2022 and beyond.

Our EFX2023 imperatives reflect our strategic shift from an era of building, investing, and transforming to one of leveraging our massive cloud investments for innovation, new products, and accelerated growth.



Expand Differentiated Data Assets

The New Equifax is a holistic transformation of how we work, including our operating models and structures, to maximize the benefits of our differentiated data assets and the Equifax Cloud to accelerate growth and new product innovation for our customers around the world. Our cloud capabilities and data fabric are helping us deliver new products – with assets from multiple data sources – in ways we could only imagine before.

With this in mind, Bryson Koehler has assumed an expanded role of Chief Technology, Product and Data & Analytics Officer. In this new role, Bryson will take his considerable background across all three of these critical Equifax functions – Technology, Product, and D&A – to lead heightened connectivity and positive synergies across these three critical teams.

Differentiated data that ‘Only Equifax’ can provide is at the heart of the New Equifax:

- **The Work Number Database** – 136 million active payroll records, over 500 million historic records, from more than 2 million different U.S. employers
- **Core Credit** – more than 1.6 billion tradelines with information on 220 million+ consumers across half a billion accounts
- **Appriss Insights** – 170 million incarceration records and 600 million court records
- **Exclusive Partnership with National Student Clearinghouse** – 130 million degrees from 3,600 colleges and universities
- **DataX and Teletrack** – access to 80 million unbanked, underbanked and credit rebuilding consumers – enabling greater access to credit
- **Partnerships for cash flow data** – information on balances, deposits and withdrawals from more than 7,700 participating U.S. financial institutions – allowing access to 99% of the U.S. population
- **IXI** – wealth information with \$20 trillion in anonymized assets and investments
- **Kount** – 32 billion unique consumer identity interactions
- **Equifax Commercial powered with acquisitions of PayNet and Ansonia** – 134 million businesses across 161 million tradelines

These are very unique data assets at scale – information that Only Equifax has that outperform the competition. The addition of Appriss Insights in October,

educational information from the National Student Clearinghouse in August, and significant growth in The Work Number in 2021 substantially expanded the Workforce Solutions Data Hub, supporting continued customer expansion and NPIs.

One of the most impactful elements of our transformation is how we have revolutionized our approach to data management. Siloed data is a huge challenge in our industry. Equifax is now the only company in our space that has implemented a system to bring all of our enterprise data together – in every region, business unit and product line with a common key for every person, place and thing we catalog. **Our global data fabric unifies more than 100 data silos into a single platform. We now have more than 250 billion records keyed and linked in a common format.** This allows us to stream data on demand to our data scientists and customers and eliminates the months of labor required in the past to prepare complex data sets. As important, our single data fabric allows the rapid delivery of multi-data solutions that drives predictability and higher approval rates, lower losses, and higher performance for our customers.



Put Customers First

Equifax is committed to being the most consumer-friendly credit reporting agency. **In 2021, the myEquifax consumer portal surpassed 13 million users, 4 million Core Credit™ subscribers, and 600,000 paid product subscribers.** We evolved this experience by launching personalized savings alerts to consumers and a new service that grants consumers on-line access to their locked or frozen credit files. We also extended the portal to Canada with the launch of monEquifax. And in January, we announced along with TransUnion and Experian that we were extending free weekly credit reports for a 3rd year as a service during the pandemic through the end of 2022.

Our focus on putting customers first enables us to be more proactive in solving problems better and faster for customers while delivering enhanced operational readiness to provide a better customer experience.

A Customer-First mentality for our business customers means continuously helping them to solve problems and working in partnership with them to drive their growth in a rapidly evolving economy. It also means exceeding customer expectations by delivering solutions with speed, flexibility, stability and performance.

With the Equifax Cloud and our cloud-native architecture, our customers are seeing a significant lift in speed and performance. **In 2021, we reduced the complexity of our infrastructure by 50%. As a result, our mortgage platform has seen a 3,500% increase in performance for end users. And the Equifax Cloud is running at “four nines” of end-user measured availability – far better than legacy environments can achieve.**

As part of our commitment to bringing businesses the insights they need to deliver convenience, flexibility and a more personalized experience to their customers, Equifax introduced a new InnovationX immersive customer collaboration experience to help fast growing FinTechs, established financial institutions and other organizations accelerate innovation in today's competitive market. This unique testing ground for new financial services products enables organizations to validate ideas and understand new markets with ready access to real-time, cloud-native data and advanced analytics that only Equifax can provide.

Our focus on putting customers first enables us to be more proactive in solving problems better and faster for customers while delivering enhanced operational readiness to provide a better customer experience.



Execute Bolt-on M&A

Reinvesting our strong cash flow in accretive and strategic bolt-on M&A is central to our EFX2023 growth strategy.

2021 marked the most active M&A phase in our company's history – with 8 acquisitions closed totaling \$2.95 billion that added \$300 million to run rate revenue excluding synergies. We expect to add 1-2% of revenue growth each year from bolt-on M&A.

Our M&A priorities are clear and focused on expanding and strengthening our core, with emphasis on enhancing our strongest and fastest growing business, Workforce Solutions; adding unique data assets; expanding in the fast growing \$19B Identity and Fraud space; and continuing to expand our credit bureau footprint globally.

We substantially strengthened and broadened Workforce Solutions through the acquisition of Apriss Insights, the second largest acquisition in Equifax history, for \$1.825 billion. Their unique 170 million criminal justice and incarceration data is used in the hiring and social services spaces and will expand the breadth of our differentiated data sources, expand Workforce Solutions verification capabilities, enhance our identity and fraud prevention offerings, and advance our strategy for a comprehensive Workforce Solutions data hub.

We further expanded our core Employer Services capabilities with the acquisitions of Health (e)fx, HIREtech and i2Verify. Health e(fx) provides ACA compliance software solutions to employers, serving 25% of Fortune 100 and

75 companies in the Fortune 500. HIREtech offers a robust technology platform that offers businesses access to data and intelligence that helps guide important financial and hiring decisions. Bridging the gap between human resources, tax, and finance, the HIREtech capabilities will help expedite Workforce Solutions innovation. i2Verify, an income and employment verification firm focused on clients in the healthcare and education sectors, helps grow both our Employer Services and Verification Services businesses.

We also strengthened our Identity & Fraud capabilities through the acquisition of Kount, a provider of Artificial Intelligence (AI)-driven fraud prevention and digital identity solutions, for \$640 million. Kount expands the Equifax worldwide footprint in digital identity and fraud prevention solutions with their 32 billion consumer interactions annually, helping businesses better engage with their customers while combating fraud. In 2022, we are integrating our Identity, Fraud and Compliance Platform groups under Brad Wiskirchen, our Kount leader, to unify and scale our Global ID&F product platform. **With our cloud data & analytics capabilities and Kount's e-commerce model, EFX is poised to capitalize on new revenue streams and retail relationships, broadening our digital identity footprint in the fast growing Identity & Fraud space.**

U.S. Information Solutions differentiated data assets were also expanded through the Teletrack acquisition. Teletrack is a leading specialty CRA that provides non-traditional credit data and insights to the alternative financial services industry. The combination of Teletrack with the Equifax DataX business will create a leading U.S. specialty consumer reporting agency, with data on more than 80 million thin-file, unbanked, underbanked and credit rebuilding consumers, that can help to expand access to credit through alternative data insights.

We are focusing on integrating these acquisitions and executing our synergy and growth plans in order to leverage our new data, products, and capabilities. **Leveraging our strong free cash flow to reinvest in bolt-on M&A that strengthens and broadens the core of Equifax and adds 1-2% to our long term growth rate is central to the future of Equifax.**

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Continue Leadership in Security

As a data, analytics, and technology company, we are entrusted with sensitive consumer information, and **we are committed to being a leader in data security.** We are extremely proud of the incredible progress that we have made toward embedding security into everything we do – from our technology infrastructure, data fabric, and product development, to our merger and acquisition strategies, to our incentive compensation plans.

At Equifax, we firmly believe that security should not be a trade secret. We recognize that part of being an industry leader in data security is being transparent about our learnings and actively sharing the best practices that we are collecting as we work to implement change. Our security transformation has set the tone for other companies across industries, and in 2021, we introduced our inaugural Annual Security Report. **Almost every aspect of our security program has been completely overhauled since 2017 and the results speak volumes. In multiple independent ratings, our security capabilities now exceed every major industry benchmark.**

We remain committed to working openly with our peers, customers, and partners to tackle emerging security challenges, document best practices, provide vital data security thought leadership, and work together to deliver solutions that benefit both the security community and consumers.

The tone for our security program comes from the top, with our Equifax Board actively engaged in the oversight of our security program and every Equifax employee and Board member receiving annual security training. In addition, continuing in 2021, all bonus-eligible employees had a security performance measure included in the calculation of their annual incentive compensation – helping them to understand how they contribute to protecting our systems and treat security as a personal priority and tracking progress through a quarterly scorecard. This reinforces our culture and aligns our employees with progress against our security program goals.

Taken together – our technology... our capabilities... our expertise – it's clear that security has become a competitive advantage for Equifax. **We're now able to meet new regulatory requirements – and quickly adapt to ever-changing cyber threats – in ways that others in our industry cannot.**

Almost every aspect of our security program has been completely overhauled since 2017 and the results speak volumes. In multiple independent ratings, our security capabilities now exceed every major industry benchmark.



Act as One Team, One Equifax

In the fourth quarter of 2021, we consolidated our Global Consumer Services operations into our Workforce Solutions, USIS, and International business units. This move aligned our direct-to-consumer and partner businesses closer to the markets in which they operate. We've also aligned our Breach Services business under our Chief Information Security Officer, Jamil Farshchi, to best leverage our security team's leadership and industry knowledge.

At Equifax, we are focused on nurturing our people by providing meaningful opportunities for career advancement and development, fostering an inclusive and diverse work environment, and promoting employee engagement and recognition. **We leverage our enterprise-wide talent initiatives to develop, retain and attract a highly-qualified workforce in order to promote our culture of innovation, add diverse perspectives and deliver on our business strategy.**

Our teams have operated exceptionally well over the past 2 years of the COVID pandemic. We learned a lot about the positives of a flexible work environment but at our heart, we are a collaborative team whose best work happens when we are face to face. We were energized to roll-out our new EFXFlex 3/2 +2 Framework which allows for 2 hybrid days/week and 2 full hybrid work weeks/year that combines the power of in-person collaboration with the benefits of hybrid work. In 2021, we introduced Equifax CLIMB, our new on-demand learning experience platform. More than 8,000 Equifax employees accessed the platform to complete over 271,000 courses, videos, books or audiobooks totaling nearly 23,000 learning hours, elevating both technical and professional capabilities throughout the company.

We Are Just Getting Started

We spent the last 4 years investing over \$1.5 billion in the new Equifax Cloud and single data fabric, expanding our differentiated data assets, completing more than 20 acquisitions totaling \$3.5 billion that strengthen and broaden Equifax, and investing in product centric resources to leverage our new Equifax Cloud. Over the last two years, we have leveraged our investments in the Equifax Cloud to deliver record revenue growth of 17% in 2020 and 19% last year. **We are in the early days of leveraging our new EFX Cloud capabilities as we move from building our cloud framework to truly capitalizing on the speed and power that it brings to our competitiveness, ability to deliver new and innovative solutions, and drive above market growth.**

As we move through 2022 and into 2023 and beyond, the **next gear for Equifax will be to leverage our differentiated data and new Equifax Cloud native technology** to enable seamless delivery of new products

Thanks for your support,



Mark W. Begor
Chief Executive Officer and Director



Mark L. Feidler
Independent Chairman of the Board of Directors

that will drive our top and bottom line. We expect to see continued strong and balanced, above market core growth, reflecting benefits from the strength of Workforce Solutions, the new Equifax Cloud and accelerated NPIs leveraging the Equifax Cloud. We are in the early days of leveraging our new Equifax Cloud capabilities but remain confident that they will differentiate us commercially, expand our NPI capabilities, accelerate our top line growth and expand our margins from the growth and cost savings in 2022 and beyond. Under our new Long Term Financial Framework, we expect to grow revenue 8-12% in the future while expanding our EBITDA margins by 500 bps between 2021 and 2025. This will deliver higher free cash flow to allow us to continue to invest in the future of Equifax and deliver strong shareholder returns.

On behalf of the Equifax Board, leadership team, and 13,000 associates around the globe, thank you for your support and confidence. **We are energized about the future of your company. The New EFX is a faster growing, higher margin, and higher returning company ...and we are just getting started!**

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 001-06605

EQUIFAX INC.

(Exact name of registrant as specified in its charter)

Georgia

58-0401110

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1550 Peachtree Street N.W. Atlanta Georgia 30309

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 404-885-8000

Securities registered pursuant to Section 12(b) of the

	Title of each class	Trading Symbol	Name of each exchange on which registered
Act:	Common Stock, \$1.25 par value per share	EFX	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Exchange Act ("Act").

Yes No

Indicate by check mark if Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).
Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2021, the aggregate market value of Registrant's common stock held by non-affiliates of Registrant was approximately \$29,179,641,497 based on the closing sale price as reported on the New York Stock Exchange. At January 31, 2022, there were 122,084,603 shares of Registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant's definitive proxy statement for its 2022 annual meeting of shareholders are incorporated by reference in Part III of this Form 10-K.

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PART I

ITEM 1. BUSINESS

Overview

Equifax Inc. is a global data, analytics and technology company. We provide information solutions for businesses, governments and consumers, and we provide human resources business process automation and outsourcing services for employers. We have a large and diversified group of clients, including financial institutions, corporations, government agencies and individuals. Our services are based on comprehensive databases of consumer and business information derived from numerous sources including credit, financial assets, telecommunications and utility payments, employment, income, educational history, criminal history, healthcare professional licensure and sanctions, demographic and marketing data. We use advanced statistical techniques, machine learning and proprietary software tools to analyze available data to create customized insights, decision-making and process automation solutions and processing services for our clients. We are a leading provider of information and solutions used in payroll-related and human resource management business process services in the United States of America (“U.S.”). For consumers, we provide products and services to help people understand, manage and protect their personal information and make more informed financial decisions. Additionally, we also provide information, technology and services to support debt collections and recovery management.

We currently operate in four global regions: North America (U.S. and Canada), Asia Pacific (Australia, New Zealand and India), Europe (the United Kingdom (“U.K.”), Spain and Portugal) and Latin America (Argentina, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay). We maintain support operations in the Republic of Ireland, Chile, Costa Rica and India. We also offer Equifax-branded credit services in Russia through a joint venture, have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore and have an investment in a consumer and commercial credit information company in Brazil.

Equifax was originally incorporated under the laws of the State of Georgia in 1913, and its predecessor company dates back to 1899. As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

We are organized and report our business results in three operating segments, as follows:

- **Workforce Solutions** — provides services enabling customers to verify income, employment, educational history, criminal history, healthcare professional licensure and sanctions (Verification Services) of people in the U.S., as well as providing our employer customers with services that assist them in complying with and automating certain payroll-related and human resource management processes throughout the entire cycle of the employment relationship, including unemployment cost management, employee screening, employee onboarding, tax credits and incentives, I-9 management and compliance, tax form management services and Affordable Care Act management services (Employer Services). In the last four years, Workforce Solutions has established operations in Canada, Australia and more recently in the U.K.
- **U.S. Information Solutions (“USIS”)** — provides consumer and commercial information solutions to businesses in the U.S. including online information, decisioning technology solutions, identity management services, analytical services, fraud management services, portfolio management services, mortgage reporting and marketing services. We provide products to consumers in the U.S. to enable them to understand and monitor their credit and help protect their identity. We also sell consumer credit information to resellers who may combine our information with other information to provide direct-to-consumer monitoring, reports and scores.
- **International** — provides products and services similar to those available in the USIS operating segment but with variations by geographic region. We also provide information, technology and services to support debt collections and recovery management. In addition, we also provide products to consumers in Canada, the U.K. and Australia to enable them to understand and monitor their credit and help protect their identity. This operating segment is comprised of our Asia Pacific, Europe, Latin America and Canada business units. It also includes our joint ventures in Russia, Cambodia, Malaysia and Singapore and investment in a consumer and commercial credit information company in Brazil.

In the fourth quarter of 2021, we integrated our Global Consumer Solutions business into our USIS, Workforce Solutions and International operating segments. U.S. consumer credit monitoring solutions businesses have been moved into the Online Information Solutions business of USIS with the U.S. consumer identity theft protection business moved to the Employer Services business of Workforce Solutions. All international consumer credit monitoring solutions businesses in Canada and Europe have been moved into the respective country operations within the International operating segment. These changes in operating segments align with how we manage our business as of the fourth quarter of 2021. All segment disclosures within this Form 10-K have been restated to reflect this change in reportable segments.

Our Business Strategy

Our vision is to be a trusted global leader in data, advanced analytics and technology that creates innovative solutions and insights for our customers. Our business strategy is driven by the following imperatives:

- **Leverage our Equifax cloud capabilities and technology investment to accelerate innovation, new products and growth.** We are executing a cloud data and technology transformation that is rebuilding our technology infrastructure, including a migration to a public cloud environment that employs virtual private cloud deployment techniques. We are rationalizing and rebuilding our application portfolio using cloud-native services. Our move to cloud-native technology is enabling the creation of our single data fabric and implementation of best-in-class cloud-based tools and capabilities. Our growth strategy is to leverage our cloud data and technology transformation to accelerate innovation and new product development; deliver market-leading capabilities to our customers; facilitate customer and partner implementation and integration; improve ease of consumer access to and interaction with Equifax; and strengthen system resiliency and uptime.
- **Leverage and expand our differentiated portfolio of data assets.** We use proprietary advanced analytical platforms, including capabilities in machine learning, artificial intelligence and advanced visualization tools, to leverage our unique data to develop leading analytical insights that enhance the precision of our customers' decisioning activities. Based on our cloud native data and technology transformation, we are investing to simplify our customers' access to our leading analytical platforms, in order to speed the development of unique insights and the conversion of these insights into innovative new products and services consumable by our customers through our delivery platforms. We strive to advance these capabilities and bring our customers multi-data solutions at scale by expanding our unique and differentiated data assets and analytics through organic growth, M&A and partnerships.
- **Foster a culture of customer centricity.** We are focused on maintaining a culture in which the customer is at the center of our decision processes and we exceed customer expectations by delivering solutions with speed, flexibility, stability and performance. We prioritize engagement with our customers and strive to accelerate innovation through our expanded customer focus and collaboration. We seek to leverage our cloud native technology and unique data assets and capabilities, as well as customer expertise and customer data and technology assets, to drive the development of high-value analytical products and services targeted at a broader range of customer needs. As part of our technology transformation, we are investing to simplify our customers' access to our leading analytical platforms, in order to speed the development of unique insights and the conversion of these insights into new products and services consumable by our customers through our delivery platforms. Our focus on customer centricity enables us to be more proactive in solving problems better and faster for customers while delivering enhanced operational readiness to provide a better customer experience.
- **Execute strategic acquisitions that expand our capabilities and drive revenue growth.** A critical lever of our strategy is inorganic growth through accretive and strategic acquisitions that drive incremental annual revenue growth. Our acquisition priorities are clear and focused on re-investing in bolt-on acquisitions that expand our unique differentiated data assets and solutions to strengthen and grow our core businesses. We continue to invest, including through acquisitions and partnerships, to expand our addressable markets and the data and capabilities we offer to solve customer challenges across the services we provide in Workforce Solutions and to expand our access to differentiated data including across identity authentication, fraud mitigation and risk management. We believe there are opportunities to continue to expand in the U.S. and internationally, across the existing financial, mortgage, telecommunications, automotive, insurance, healthcare, talent management, human resource services, government and other markets that we serve, as well as in new and emerging market segments.
- **Continue our leadership in data security.** We are committed to being an industry leader in security. We have built an Equifax culture that prioritizes security, and we consider data and technology security, and more broadly risk management, as a primary requirement in all decisions. We make extensive use of advanced data and

technology security tools, techniques, services and processes in order to enhance our ability to protect the information with which we are entrusted. We are committed to working openly with our peers, customers, and partners to tackle emerging security challenges, document best practices, provide vital data security thought leadership and work together to deliver solutions that benefit both the security community and consumers.

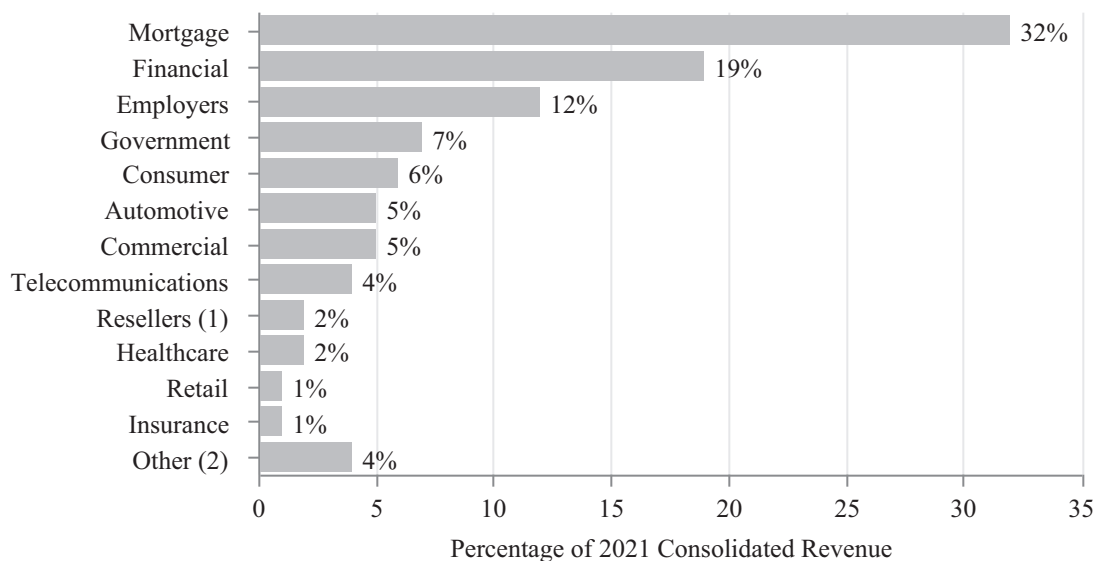
- **Build a world-class Equifax team by investing in talent to drive our strategy and promote a culture of innovation.** At Equifax, we are committed to nurturing a culture where diverse talent thrives. We are focused on providing meaningful opportunities for career advancement and development, fostering an inclusive work environment, and promoting employee engagement and recognition. We leverage our enterprise-wide talent initiatives to develop, retain and attract a highly-qualified workforce in order to promote our culture of innovation, add diverse perspectives and deliver on our business strategy.

We seek to enhance shareholder value through the disciplined execution of these imperatives and by positioning our Company as a global data, analytics and technology leader with industry-leading security.

Markets and Clients

Our products and services serve clients across a wide range of verticals, including financial services, mortgage, government (state, federal and local), employers, consumer, commercial, telecommunications, retail, automotive, utilities, brokerage, healthcare and insurance. We also serve consumers directly. Our revenue streams are highly diversified with our largest client providing approximately 2% of total revenue. The following table summarizes the various end-user markets we serve:

Percentage of 2021 Consolidated Revenue



(1) Predominantly sold to companies who serve the direct-to-consumer market and includes other small end user markets. Mortgage and auto resellers are excluded from this category as they are included within their respective categories above.

(2) Other includes revenue from other miscellaneous end-user markets.

We market our products and services primarily through our own direct sales organization that is structured around sales teams that focus on client segments typically aligned by vertical markets and geography. In the U.S., the vertical market sales teams for the Mortgage, Financial, Government and Automotive markets sell products from both the USIS and Workforce Solutions business units. Sales groups are based in field offices located throughout the U.S., including our headquarters in Atlanta, Georgia, and in the countries where we have operations. We also market our products and services through indirect channels, including alliance partners, joint ventures and other resellers. In addition, we market our products directly to consumers through eCommerce channels.

Revenue from international clients, including end users and resellers, amounted to 22% of our total revenue in 2021, 23% of our total revenue in 2020 and 29% of our total revenue in 2019.

Products and Services

Our products and services help our clients make more informed decisions with higher levels of confidence by leveraging a broad array of data assets. Analytics are used to derive insights from the data that are most relevant for the client's decisioning needs. The data and insights are then processed through proprietary software and generally transmitted to the client's operating system to execute the decision.

The following chart summarizes the key products and services offered by each of the business units within our segments:

	Workforce Solutions		USIS		International			
	Verification Services	Employer Services	Online Information Solutions	Financial Marketing Services	Europe	Asia Pacific	Latin America	Canada
Online data	X		X		X	X	X	X
Portfolio management services	X		X	X	X	X	X	X
Analytical services	X	X	X	X	X	X	X	X
Technology services			X		X	X	X	X
Identity verification services	X	X	X		X	X	X	X
Fraud management services	X	X	X		X	X	X	X
Marketing services				X	X	X	X	X
Direct-to-consumer credit monitoring			X		X	X		X
Employment and income verification services	X					X		X
Talent management	X	X						
Business process outsourcing (BPO)	X	X				X		
Debt collection software, services and analytics					X	X	X	X

Each of our operating segments is described more fully below. For the operating revenue, operating income and total assets for each segment see Note 13 of the Notes to the Consolidated Financial Statements in Item 8 of this report.

Workforce Solutions

Workforce Solutions operates in the U.S. through two business units:

Verification Services. Verification Services include employment, income, educational history, criminal history, healthcare professional licensure and sanctions verification services. Our online verification services enable third-party verifiers including various governmental agencies, mortgage originators, credit card and automotive lenders and pre-employment screeners to verify the employee's employment status and income information. We also offer an offline manual verification service, which expands employment verification to locate data outside our existing automated database. We also offer various government direct data services, where we process tax forms on behalf of our customers with the applicable government agency. In addition, Verification Services administers a comprehensive source of incarceration, justice and people-based risk intelligence data.

Employer Services. These services are aimed at reducing the cost of the human resources function of businesses through a broad suite of services including assisting with employment tax matters designed to reduce the cost of unemployment claims through effective claims representation and management and efficient processing to better manage the tax rate that employers are assessed for unemployment taxes; comprehensive services designed to research the availability of employment-related tax credits (e.g., federal work opportunity tax credits and employee retention credits), and to process the necessary filings and assist the client in obtaining the tax credit; tax form management services (which include initial distribution, reissuance and correction of W-2 and 1095-C forms); paperless pay services that enable employees to electronically receive pay statement information as well as review and change direct deposit account or W-4 information; I-9 management services designed to help clients electronically comply with the immigration laws that require employers to complete an I-9 form for each new hire; onboarding services using an online platform to complete the new hire process for employees of corporations and government agencies; and identity theft protection services. In addition, we provide software and services to employers to assist in their compliance with the Affordable Care Act.

The Work Number[®] is our key repository of employment and income data serving our Verification Services and Employer Services business units. We rely on payroll data received from over two million organizations to regularly update the

database. The updates occur as employers and other data contributors transmit data electronically to Equifax from their payroll systems. Employers provide this data to us so that we can handle verification requests on behalf of each employer. We use this data to provide automated employment and income verification services to verifiers, who are lenders, employers/background screeners, and government agencies.

The fees we charge for services in these two business units are generally on a per transaction basis. We have not experienced significant turnover in the employer contributors to the database because we generally do not charge them to add their employment data to The Work Number[®] database and the verification service we offer relieves them of the administrative burden and expense of responding to third-party employment verification requests while providing them with the assurance that the process is automated and not subject to human interpretation. The Work Number[®] database held over 535 million current and historic employment records at December 31, 2021.

Workforce Solutions has established an income and employment verification service in Canada and Australia, known as Verification Exchange. Workforce Solutions is in the process of building a similar income and employment verification service business in the U.K. At present, revenues from these services in all three regions mentioned are insignificant.

USIS

USIS provides consumer and commercial information solutions to businesses in the U.S. through three product and service lines, as follows:

Online Information Solutions. Online Information Solutions' products are derived from multiple large and comprehensive databases of consumer and commercial information that we maintain about individual consumers and businesses, including credit history, current credit status, payment history, address and other identity information. Our clients utilize the information and analytical insights we provide to make decisions for a broad range of financial and business purposes, such as whether, and on what terms, to approve auto loans or credit card applications, and whether to allow a consumer or a business to open a new utility or telephone account. In addition, this information is used by our clients for cross-selling additional products to existing customers, improving their underwriting and risk management decisions, and authenticating and verifying consumer and business identities. We also sell consumer and credit information to resellers who may combine our information with other information to provide services to the financial, mortgage, fraud and identity management, and other end-user markets. Our software platforms and analytical capabilities can integrate all types of information, including third-party and client information, to enhance the insights and decisioning process to help further mitigate the risk of granting credit, predict the risk of bankruptcy, indicate the applicant's risk potential for account delinquency, ensure the identity of the consumer and reduce exposure to fraud. Identity verification and fraud management products combine financial and non-financial identity information and activity to provide identity verification and authentication services, to assist customers in assessing the risk of loss due to account takeover, identity theft and chargebacks. These risk management services enable our clients to monitor risks and opportunities and proactively manage their portfolios.

Online Information Solutions' clients access products through a full range of electronic distribution mechanisms, including direct real-time access, which facilitates instant decisions. We also develop and host customized applications that enhance the decision-making process for our clients. These decisioning technology applications assist with a wide variety of decisioning activities, including determining pre-approved offers, cross-selling of various products, determining deposit amounts for telephone and utility companies and verifying the identity of their customers. We have also compiled commercial databases regarding businesses in the U.S., which include loan, credit card, public records and leasing history data, trade accounts receivable performance and Secretary of State and Securities and Exchange Commission registration information. We offer scoring and analytical services that provide additional information to help mitigate the credit risk assumed by our clients.

Online Information Solutions also includes our consumer solutions product suite that give U.S. consumers information to enable them to understand and monitor their credit to monitor and help protect their identity. Equifax products offer monitoring features for consumers who are concerned about identity theft, including credit report monitoring from all three credit bureaus, internet scanning, bank account monitoring and lost wallet support. Products may also be available indirectly through relationships with business partners who distribute our products or provide these services to their employees or customers. We also sell consumer credit information to resellers who may combine our information with other information to provide direct-to-consumer monitoring, reports and scores.

Mortgage Solutions. Our Mortgage Solutions products, offered in the U.S., consist of specialized credit reports that combine information from the three major consumer credit reporting agencies (Equifax, Experian and TransUnion) into a single "merged" credit report in an online format, commonly referred to as a tri-merge report. Mortgage lenders use these tri-merge reports in making their mortgage underwriting decisions. Additionally, we offer services designed to alert lenders to changes in

a consumer's credit status during the underwriting period and securitized portfolio risk assessment services for evaluating inherent portfolio risk.

Financial Marketing Services. Our Financial Marketing Services products utilize consumer and commercial financial information enabling our clients to more effectively manage their marketing efforts, including targeting and segmentation, to identify and acquire new clients for their products and services; to develop portfolio strategies to minimize risk and maximize profitability; and to realize additional revenue from existing customers through more effective cross-selling of additional products and services. Our products are also utilized by customers to support digital identity verification and fraud detection and protection. These products utilize information derived from consumer and commercial information, including credit, income, asset, liquidity, net worth and spending activity, which also support many of our Online Information Solutions' products. These data assets broaden the understanding of consumer and business financial potential and opportunity which can further drive high value decisioning and targeting solutions for our clients. We also provide account review services, which assist our clients in managing their existing customers and prescreen services that help our clients identify new opportunities with their customers. Clients for these products primarily include institutions in the banking, brokerage, retail, insurance and mortgage industries as well as companies primarily focused on digital and interactive marketing.

International

The International operating segment includes our Asia Pacific, Europe, Latin America and Canada business units. It also includes our joint ventures in Russia, Cambodia, Malaysia and Singapore and investment in a consumer and commercial credit information company in Brazil. These business units offer products that are similar to those available in the USIS operating segment, but with variations by geographic region. In some jurisdictions, data sources tend to rely more heavily on government agencies than in the U.S. We also offer specialized services that help our customers better manage risk in their consumer portfolios. This operating segment's products and services generate revenue in Argentina, Australia, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, India, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the U.K. and Uruguay. We also maintain support operations in the Republic of Ireland, Chile, Costa Rica, and India. We offer consumer credit services in Russia through an investment in a joint venture, have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore, and have an investment in a consumer and commercial credit information company in Brazil. We also provide information, technology and services to support debt collections and recovery management in Asia Pacific, Europe, Canada and Latin America.

Asia Pacific. Our Asia Pacific operation provides consumer and commercial information solutions products, marketing products, workforce solutions, and consumer credit protection products. We offer a full range of products, generated from credit records and other data, including credit reporting and scoring, decisioning technology, risk management, identity management, authentication and fraud detection services. Our consumer and commercial products are the primary source of revenue in each of the countries in which we operate and include credit reporting, decisioning tools and risk management services. We also provide information, technology and services to support debt collections and recovery management. Additionally, we provide a variety of consumer and commercial marketing products generated from information databases, including business profile analysis, business prospect lists and database management. The countries in which we operate include Australia, New Zealand and India, as well as through joint ventures in Russia, Cambodia, Malaysia and Singapore.

Europe. Our Europe operation provides information solutions, fraud detection services, debt collection services and marketing products. Information solutions and fraud products are generated from information that we maintain and include credit reporting and scoring, asset information, risk management, identity management and authentication services and fraud detection and modeling services. These products are sold in the U.K. and Spain. Limited marketing products are available in the U.K. and, to a lesser extent, in Spain. We also provide information, technology and services to support debt collections and recovery management in the U.K. and Spain. In the U.K., this includes a contract to provide these services to the U.K. government.

Latin America. Our Latin America operation provides consumer and commercial information solutions products, marketing products and consumer credit protection products. We offer a full range of products, generated from credit records that we maintain, including credit reporting and scoring, decisioning technology, risk management, identity management, authentication and fraud detection services. Our consumer products are the primary source of revenue in each of the countries in this region in which we operate, with the exception of Mexico where debt management services constitute the core of the business. We also offer various commercial products, which include credit reporting, decisioning tools and risk management services, in the countries we serve. We also provide information, technology and services to support debt collections and recovery management. Additionally, we provide a variety of consumer and commercial marketing products generated from our credit information databases, including business profile analysis, business prospect lists and database management. The

countries in this region in which we operate include Argentina, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay. We also have an investment in a consumer and commercial credit information company in Brazil.

Canada. Similar to the USIS business units, our Canada operation offers products derived from the credit information that we maintain about individual consumers and businesses. We offer many products in Canada, including credit reporting and scoring, consumer and commercial marketing, risk management, fraud detection and modeling services, identity management and authentication services, together with certain of our decisioning products that facilitate pre-approved offers of credit and automate a variety of credit decisions. We also provide information, technology and services to support debt collections and recovery management, as well as data, technology and services to facilitate the search of land data and process real estate transactions in Canada.

Competition

The market for our products and services is highly competitive and is subject to constant change. Our competitors vary widely in size and in the nature of the products and services they offer. Sources of competition are numerous and include the following:

- Competition in the Verification Services market, for both the U.S. and key International segments of Australia, Canada and the U.K., includes employers who manage verifications in-house, lenders who obtain verifications directly from employers, and other online and offline verification companies, such as Experian, Thomas & Company and niche providers. Third parties may also seek to obtain verifications directly from employees by leveraging paper copies of information or by seeking employee credentials to access information systems. Competition in the U.S. Employer Services market is diverse and includes in-house management of such services or the outsourcing of one or more of such services to other third-party outsourced providers like Experian and Thomas & Company; human resources consulting firms such as Mercer and Towers Watson; human resources management services providers such as Workday, Oracle and SAP; payroll processors such as ADP, Paychex and Ceridian; accounting firms such as PwC and EY; and hundreds of smaller companies that provide one or multiple offerings that compete with our Employer Services business.
- Competition for our credit information solutions and direct-to-consumer solutions products varies by both application and industry, but generally includes two global consumer credit reporting companies, Experian and TransUnion, both of which offer a product suite similar to our credit information solutions. In the U.S., LifeLock is a national provider of personal identity theft protection service. Also, there are competitors offering free credit scores including Credit Karma in the U.S., Canada and the U.K., ClearScore in the U.K., and Credit Simple and Credit Savvy in Australia. There are also a large number of competitors who offer competing products in specialized areas (such as fraud prevention, risk management and application processing and decisioning solutions) and software companies offering credit modeling services or analytical tools. Our differentiators include our unique data assets, decisioning technology and the features and functionality of our analytical capabilities. We emphasize our improved decision making and product quality while remaining competitive on price. We also compete with Fair Isaac Corporation with respect to certain of our analytical tools and solutions and LexisNexis in identity and fraud and other solutions.
- Competition for our commercial solutions products primarily includes Experian, Dun & Bradstreet and Moody's, and providers of these services in the international markets we serve.
- Competition for our debt collection and recovery management software, services and analytics is similar to the competition for our consumer credit information solutions. We believe that the breadth and depth of our data assets enable our clients to develop a more current and comprehensive view of consumers. In the category of platforms and analytics, we compete to some extent with entities that deploy collections platforms, account management systems or recovery solutions.

While we believe that none of our competitors offers the same mix of products and services as we do, certain competitors may have a larger share of particular geographic or product markets or operate in geographic areas where we do not currently have a presence.

We assess the principal competitive factors affecting our markets to include: our ability to protect information and systems; product attributes such as quality, depth, coverage, adaptability, scalability, interoperability, functionality and ease of use; product price; technical performance including system response time and availability; access to unique proprietary

databases; quickness of response, flexibility and client services and support; effectiveness of sales and marketing efforts; existing market penetration; proprietary technology; and new product innovation.

Technology and Intellectual Property

We rely on various intellectual property laws, confidentiality procedures and contractual provisions to protect strategic or valuable intellectual property developed in connection with our business. We register, and apply for registration of, certain intellectual property in the U.S. and several foreign countries under applicable patent laws. We also have registered and common law trademarks, service marks, logos and internet domain names in the U.S. and in many foreign countries, the most important of which include “Equifax,” “The Work Number,” “Interconnect,” “Equifax Ignite,” and variations thereof. These marks are used in connection with many of our product lines and services. Our intellectual property rights are generally important to our operations and competitive position, but no single intellectual property right or group of intellectual property rights is solely responsible for protecting our businesses. Certain Company trademarks, including the “Equifax” trademark, which contribute to our brand identity and the recognition of our products and services, are more important to our business, and their loss could have a significant negative impact on us.

We license other companies to use certain data, software and other technology and intellectual property rights we own or control, primarily as core components of our products and services, on terms that are consistent with customary industry standards and that are designed to protect our interest in our intellectual property. Other companies license us to use certain data, technology and other intellectual property rights they own or control. For example, we license credit-scoring algorithms and the right to sell credit scores derived from those algorithms from third parties for a fee. We do not hold any franchises or concessions that are material to our business or results of operations.

Governmental Regulation

We are subject to a number of U.S. federal, state, local and foreign laws and regulations that involve matters central to our business. These laws and regulations may involve consumer reporting, privacy, data protection, intellectual property, competition, consumer protection, anti-corruption, anti-bribery, anti-money laundering, employment, health, taxation or other subjects. In particular, we are subject to U.S. federal, state, local and foreign laws regarding the collection, protection, dissemination and use of personal information we collect, process or otherwise have in our possession. Failure to satisfy those legal and regulatory requirements, or the adoption of new laws or regulations, could have a significant negative impact on our results of operations, financial condition or liquidity.

U.S. federal, state, local and foreign laws and regulations are evolving and can be subject to significant change, particularly given the 2021 change in U.S. presidential administration and the U.S. Congress. In addition, the application and interpretation of these laws and regulations are often uncertain. These laws are enforced by federal, state and local regulatory agencies in the jurisdictions where we operate, and in some instances also through private civil litigation. There are also a number of legislative proposals pending before the U.S. Congress, various state legislative bodies and foreign governments concerning consumer and data protection that could particularly affect us.

Summary of U.S. Regulations Relating to Consumer and Data Protection

Our U.S. operations are subject to numerous laws and regulations governing the collection, protection and use of consumer credit and other information, and imposing sanctions for the misuse of such information or unauthorized access to data. Many of these provisions also affect our customers’ use of consumer credit or other data we furnish. Examples of the most significant U.S. laws include, but are not limited to, the following:

Federal Laws and Regulation

- **FCRA.** The Fair Credit Reporting Act (“FCRA”) regulates consumer reporting agencies, including many of our U.S. operations, as well as data furnishers and users of consumer reports such as banks and other companies. FCRA provisions govern the accuracy, fairness and privacy of information in the files of consumer reporting agencies (“CRAs”) that engage in the practice of assembling or evaluating certain information relating to consumers for certain specified purposes. The FCRA limits the type of information that may be reported by CRAs, limits the distribution and use of consumer reports and establishes consumer rights to access, freeze and dispute information in the consumer's files. CRAs are required to follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates and if a consumer disputes the accuracy of any information in the consumer’s file, to conduct a reasonable reinvestigation. CRAs are required to make available to consumers a free annual credit report and free credit freezes. The FCRA

imposes many other requirements on CRAs, data furnishers and users of consumer report information. Violation of the FCRA can result in civil and criminal penalties. The FCRA contains an attorney fee shifting provision to provide an incentive for consumers to bring individual or class action lawsuits against a CRA for violations of the FCRA. Regulatory enforcement of the FCRA is under the purview of the United States Federal Trade Commission (“FTC”), the Consumer Financial Protection Bureau (“CFPB”) and state attorneys general, acting alone or in concert with one another.

- **Dodd-Frank Act.** Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) created the CFPB. The Dodd-Frank Act provides the CFPB with examination and supervisory authority over CRAs, including us. The Dodd-Frank Act prohibits unfair, deceptive or abusive acts or practices (“UDAAP”) with respect to consumer financial services practices and provides the CFPB with enforcement authority to enforce those provisions. Among other areas, the CFPB’s UDAAP authority extends to the security measures we employ to safeguard the personal data of consumers. Allegations that we failed to safeguard or handle such data in a compliant manner may subject us to CFPB enforcement action. The CFPB may pursue administrative proceedings or litigation to enforce the laws and rules subject to its jurisdiction. In these proceedings, the CFPB can obtain cease and desist orders, which can include orders for restitution to consumers or rescission of contracts, as well as other types of affirmative relief and monetary penalties ranging from \$5,000 per day for ordinary violations and up to \$1 million per day for known violations. Also, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions in certain circumstances for the kind of cease and desist orders available to the CFPB (but not for civil penalties).
- **FTC Act.** The Federal Trade Commission Act (“FTC Act”) prohibits unfair methods of competition and unfair or deceptive acts or practices. Under the FTC Act, the FTC’s jurisdiction includes the ability to bring enforcement actions based on the security measures we employ to safeguard the personal data of consumers. Allegations that we failed to safeguard or handle such data in a reasonable manner may subject us to regulatory scrutiny or enforcement action. There is no private right of action under the FTC Act.
- **GLBA.** The Financial Services Modernization Act of 1999, or Gramm-Leach-Bliley Act (“GLBA”), regulates, among other things, the use of non-public personal information of consumers that is held by financial institutions, including us. We are subject to various GLBA provisions, including rules relating to the use or disclosure of the underlying data and rules relating to the physical, administrative and technological protection of non-public personal financial information. Breach of the GLBA can result in civil and/or criminal liability and sanctions by regulatory authorities. Regulatory enforcement of the GLBA is under the purview of the FTC, the CFPB, the federal prudential banking regulators, the SEC and state attorneys general, acting alone or in concert with each other.
- **CROA.** The Credit Repair Organizations Act (“CROA”) regulates companies that claim to be able to assist consumers in improving their credit standing. There have been efforts to apply the CROA to credit monitoring services offered by CRAs and others. The CROA allows for a private right of action. Consumers can sue to recover the greater of the amount paid or actual damages, punitive damages, costs, and attorney’s fees for violations of the CROA.

State Laws and Regulations Relating to Consumer and Data Protection

- A number of states have enacted requirements similar to the federal FCRA. Some of these state laws impose additional, or more stringent, requirements than the FCRA, especially in connection with investigations and responses to reported inaccuracies in consumer reports. The FCRA preempts some of these state laws, but the scope of preemption continues to be defined by the courts. The state of Vermont is grandfathered under the original FCRA requirements and thus we are subject to additional requirements to comply with Vermont law.
- All fifty states have adopted versions of data security breach laws that require notification to affected consumers and potentially regulators or law enforcement authorities in the event of a breach of personal information. A subset of these laws and other state laws require the implementation of data security measures as well. State attorneys general can enforce such state laws and can seek equitable as well as monetary remedies and in some cases private rights of action are permitted by such laws.
- The New York State Department of Financial Services (“NYDFS”) has enacted extensive regulatory requirements applicable to CRAs that require registration with that agency, prohibit unfair and deceptive consumer practices and require compliance with significant portions of the NYDFS cybersecurity rules.

- We or certain of our operations are also subject to and affected by new and evolving state privacy and data security laws such as data broker registration requirements in California and Vermont, and the California Consumer Privacy Act (“CCPA”). The CCPA became effective January 1, 2020 and imposes additional data privacy requirements on many businesses operating in the state, including, potentially, with respect to employee data in addition to consumer data. The CCPA expansively defines “personal information” and imposes new notice requirements relating to the collection, use and sharing of personal information. It provides consumers with extensive rights, including the right to access the categories and specific pieces of personal information businesses collect, the right to request businesses delete information, and the right to opt-out of “sales” of personal information with sales being defined under the CCPA to include monetary and non-monetary valuable consideration. The CCPA also contains a private right of action in the event that a business suffers a security breach that was due to unreasonable security measures. In November 2020, California voters passed the California Privacy Rights Act (“CPRA”), which maintains the core framework but expands the requirements of the CCPA effective January 1, 2023. We may also become subject to and affected by new and proposed state privacy laws similar to the CCPA and CPRA, such as the Virginia Consumer Data Protection Act (“VCDPA”) which becomes effective January 1, 2023, and the Colorado Privacy Act (“CPA”) which becomes effective July 1, 2023. A number of other state legislatures, including New York, Florida and Washington, have introduced comprehensive data privacy legislation modeled after, and which contain certain elements of, the CCPA, VCDPA or the European Union's General Data Protection Regulation (“GDPR”), which is an extremely broad privacy law. Additional state legislatures are expected to consider similar legislation in 2022. If enacted, such laws may contain variations and impose new compliance risks and obligations on us.
- State banking and financial services regulatory agencies have asserted either express or implied authority under applicable state laws to examine us as a third-party service provider to financial institutions, and in certain cases to bring enforcement actions against us. Generally, such examinations, and related enforcement actions, are focused on assessing our safety and soundness in support of financial institutions we serve. In 2018, we entered into a consent order with certain state banking regulators in response to their multi-state review of our information security program. This consent order obligated us to, among other things, make certain changes to our corporate governance and information security practices.
- We are also subject to federal and state laws that are generally applicable to any U.S. business with national or international operations, such as antitrust laws, the Foreign Corrupt Practices Act, the Americans with Disabilities Act, state unfair or deceptive practices acts and various employment laws. We continuously monitor legislative and regulatory activities that involve credit reporting, data privacy, security and other relevant issues to identify issues in order to remain in compliance with all applicable laws and regulations.

Consent Orders with the FTC, CFPB, MSAG Group and NYDFS

- As part of the Consumer Settlement (as defined below), we entered into consent orders with the FTC, CFPB, MSAG Group (as defined below) and NYDFS pursuant to which we agreed to implement certain business practice commitments related to consumer assistance and our information security program, including third party assessments of our program. These business practice commitments are extensive and require a significant amount of attention from management.

Summary of International Regulations Relating to Consumer and Data Protection

We are subject to various data protection, privacy and consumer credit laws and regulations in the foreign countries where we operate. Examples of the most significant of these laws include, but are not limited to, the following:

- **In the U.K.**, we are subject to a regulatory framework that provides for regulation by the Financial Conduct Authority (the “FCA”). The FCA focuses on consumer protection, the integrity of the U.K. financial system, and effective competition in the interests of consumers. The FCA has significant powers, including the power to regulate conduct related to the marketing of financial products, to specify minimum standards and to place requirements on products, impose unlimited fines, and to investigate organizations and individuals. In addition, the FCA is able to ban financial products for up to a year while considering an indefinite ban; it has the power to instruct firms to immediately retract or modify promotions which it finds to be misleading, and to publish such decisions. Effective December 2019, the FCA framework under which we operate has included the “senior managers and certification regime” which, among other things will allow the FCA to bring an enforcement action directly against designated personnel who do not take reasonable steps to avoid non-compliance. Our core credit

reporting and debt collections services and recovery management businesses in the U.K. are subject to FCA supervision. In addition to regulation by the FCA, we are also subject to regulation by the U.K. Information Commissioner's Office, which focuses on upholding information rights in the public interest and the protection of data privacy for individuals.

In the U.K., we are subject to provisions that are broadly equivalent to the European Union's General Data Protection Regulation (described below). These equivalent provisions were adopted into U.K. laws following the end of the transition period that followed the U.K.'s exit from the EU.

- **In Europe**, we are subject to the EU's GDPR, which is an extremely broad and sweeping privacy law. The GDPR establishes multiple privacy and data protection requirements that are more specific and comprehensive than those of the U.S. and most other countries where Equifax operates. In addition, the GDPR includes data breach notification requirements and it establishes the ability of regulators to pursue substantial penalties for non-compliance. In addition to the GDPR, each EU member state may include specific requirements regarding personal data breaches in its local data protection regulations.
- **In Canada**, federal and provincial laws govern how we collect, use or disclose personal information in the course of our commercial activities. Federally, the Personal Information Protection and Electronic Documents Act ("PIPEDA") governs the collection, use and disclosure of personal information by organizations in the private sector. Businesses must follow the fair information principles set forth in PIPEDA to protect personal information, including: accountability, identifying purposes, consent, limiting collection, limiting use, disclosure and retention, accuracy, safeguards, openness, individual access and compliance. It sets out specific obligations with respect to accountability and identifying purposes, consent, collection, use, disclosure, retention, accuracy, safeguards, personal data breach reporting, individual access and compliance. Alberta, British Columbia and Quebec privacy legislation sets out similar privacy laws and rules that apply to our Canadian business. The federal and provincial privacy regulators have powers of investigation and intervention, and provisions of Canadian law regarding civil liability apply in the event of unlawful processing which is prejudicial to the persons concerned. Canada also has specific credit reporting legislation that is regulated at a provincial level. At present, each province has credit reporting legislation, with the exception of the Territories (Northwest Territories, Yukon, and Nunavut). Generally speaking, the legislation regulates the contents of credit files, the length of time information can be included on a credit file, who can receive credit reports and consumer rights pertaining to the maintenance of credit reports.
- **In Latin America**, data protection and credit reporting laws and regulations vary considerably among Latin American countries. Some countries, such as El Salvador, Paraguay, Chile and Honduras, establish a constitutional right to privacy without general data protection standards or a data protection authority. These countries, however, have laws that govern the functioning of credit bureaus. Other countries, such as Argentina, Uruguay, Peru, Costa Rica, Mexico and most recently Brazil have enacted comprehensive data protection legislation similar to the EU's GDPR. The EU recognizes Argentina and Uruguay as having adequate levels of protection for personal data transfers and processing.
- **In Australia**, we are subject to regulatory oversight by various agencies. The Office of the Australian Information Commissioner ("OAIC") is the agency with direct responsibility for administering the Australian Privacy Principles (which relate to the collection, holding, use and disclosure of personal information) and Part IIIA of the Privacy Act 1988 (which regulates credit reporting). The OAIC can investigate a complaint, conduct its own investigations, resolve/make binding determinations and seek civil penalties. Our credit reporting business, Equifax Information Services and Solutions, is a member of an external dispute resolution scheme, the Australian Financial Complaints Authority, which has been approved by the OAIC to handle privacy and credit reporting complaints and make binding determinations. The OAIC can register codes of practice under the Privacy Act 1988, and has registered the Privacy (Credit Reporting) Code 2014. The Australian Competition and Consumer Commission ("ACCC") is the agency responsible for enforcing the Competition and Consumer Act of 2010 and related legislation concerning consumer protection and competition. The ACCC has the authority to use a range of actions to ensure compliance with the law, including investigative powers and the ability to seek penalties through litigation and other formal enforcement means. The Australian Retail Credit Association is a credit and credit reporting industry self-regulatory body, which administers principles and standards for the exchange of credit data between industry participants. Equifax Australasia Credit Ratings Pty Limited (formerly named Corporate Scorecard Pty Limited, one of our Australian subsidiaries) holds an Australia Financial Services License, which allows it to provide general advice to wholesale clients by issuing a credit rating, and has been approved in New Zealand as a rating agency by the Reserve Bank of New Zealand under section 86 of the Non-bank Deposit Takers Act of 2013 (NZ). The Australian Securities and Investments Commission regulates corporations and has

authority to investigate, prosecute, ban individuals and to seek civil penalties. New federal legislation came into effect in February 2021 mandating the supply by banks of comprehensive credit information to credit reporting bodies, including Equifax, imposing certain disclosure, storage and reporting obligations on the credit reporting bodies, requiring the provision by credit reporting bodies of free credit reports to consumers up to four times per year, permitting the reporting of financial hardship information within the credit reporting system and requiring the Attorney-General to review and report on the credit reporting system before October 1, 2024.

- **In New Zealand**, the regulatory framework provides for primary regulation under the Privacy Act 2020. The Office of the Privacy Commissioner (“NZ OPC”) investigates complaints relating to the collection, use, holding and disclosure of personal information, both credit-related and non-credit related. The NZ OPC can make a finding that there has been an interference with privacy but cannot impose civil penalties for this. In extreme cases where there has been an interference with privacy, it can refer these cases to the Director of Human Rights for determination in the Human Rights Review Tribunal. The NZ OPC can issue practice codes under the Privacy Act 2020 and has issued and subsequently amended the Credit Reporting Privacy Code 2020. The Privacy Act 2020 contains newly introduced mandatory data breach reporting. The Retail Credit Association of New Zealand is an industry association which addresses reciprocity of data issues relating to comprehensive credit reporting and data standards.
- **In India**, various legislation including the Information Technology Act of 2000 and rules framed thereunder and the Credit Information Companies (Regulation) Act of 2005 and rules and regulations framed thereunder, establishes a federal data protection framework. Entities that collect and maintain personal data and/or credit information must ensure that it is complete, accurate and safeguarded, and must adopt certain privacy principles with respect to collecting, processing, preserving, sharing and using such data and/or credit information. The Indian parliament is expected to pass legislation that provides greater protection to individuals' personal data. To this end, Indian legislators introduced the Personal Data Protection Bill in December 2019, which is expected to be considered in 2022 with amendments. This bill is expected to be enacted and eventually to impose additional privacy and data security requirements. Our Indian business is subject to regulation by the Reserve Bank of India, which is India’s central banking institution.
- **In Russia**, credit reporting activities are governed by the Federal Law on Credit Histories No.218-fz, dated December 30, 2004. The law regulates the contents of credit files, who may submit data to a credit bureau and who can receive credit reports. Russia has also enacted a comprehensive data protection law that is similar to Europe’s approach and also has a data localization law. In December 2019, a law increasing the fines for infringing Russia data localization and data protection laws came into force and Russia recently expanded its data protection laws to provide individuals with new rights.

Summary of Regulations Affecting our Employer Services Business

The Employer Services business unit within our Workforce Solutions business segment helps employers comply with various regulatory frameworks applicable to employers in the United States. As a result, changes to those regulatory frameworks could impact the services we provide. For instance, if the federal government or a state government mandates the use of E-Verify, our I-9 service may be impacted if the federal government changes the requirements for individuals to work in the U.S. The Unemployment Cost Management service could be impacted if a state government changes the requirements for employers to process and/or protest unemployment claims. The Tax Management Services business within our Employer Services business is potentially impacted by changes in renewal or non-renewal of U.S. federal and state tax laws or interpretations, for example, those pertaining to work opportunity tax credits and unemployment compensation claims.

Human Resources

Our People

Equifax employed approximately 12,700 employees in 23 countries as of December 31, 2021. Our global employee base consisted of approximately 3,300 employees in our Workforce Solutions business unit, 2,600 employees in our USIS business unit, 4,400 employees in our International business unit and 2,400 employees in our corporate Centers of Excellence. In 2021, we hired approximately 3,500 new employees and promoted approximately 1,800 employees as we continue to grow and transform our businesses around the world.

Inclusion and Diversity

We continue to make positive strides in support of our inclusion and diversity strategy. As a visible commitment to inclusion and diversity, in 2020, we established our first Chief Talent and Diversity Officer title. This key leadership position reports directly to our Chief Human Resources Officer and is responsible for activating our talent strategy with a focus on furthering an inclusive and diverse workforce and culture. We are advancing this strategy through deepening our commitment to employee networks around the world, open dialogues to enhance understanding, ongoing inclusion and diversity-focused training and cultural heritage celebrations.

We have consistently improved enterprise-wide trends around representation and promotions for both women and employees of diverse ethnic backgrounds, and pride ourselves on promoting and hiring highly-qualified candidates who enhance our culture, add diverse perspectives and deliver on our business strategy. Women and leaders of diverse ethnic backgrounds make up over half of Equifax's senior leadership team, including all three of our business unit leaders. Consistent with our commitment to diversity, we recently implemented the requirement for diverse candidate slates for all higher level management roles.

Workforce Health and Safety

In fiscal year 2021, the COVID-19 pandemic continued to have a significant impact on our people. The safety and well-being of our employees remains paramount and we comply with all federal, state and local jurisdictional safety and health requirements.

See "Recent Events and Company Outlook" included in Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations," for additional detail regarding the impact of COVID-19 on our company.

Forward-Looking Statements

This report contains information that may constitute "forward-looking statements." Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will," "may" and similar expressions identify forward-looking statements, which generally are not historical in nature. All statements that address future operating performance and events or developments that we expect or anticipate will occur in the future, including statements relating to future operating results, improvements in our information technology and data security infrastructure, including as a part of our cloud data and technology transformation, our strategy, the expected financial and operational benefits, synergies and growth from our acquisitions, our ability to mitigate or manage disruptions posed by COVID-19, the extent of the impact of COVID-19, changes in U.S. and worldwide economic conditions, such as rising interest rates and inflation, that materially impact consumer spending, consumer debt and employment and the demand for Equifax's products and services, our culture, our ability to innovate, the market acceptance of new products and services and similar statements about our business plans are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and our present expectations or projections, including without limitation our expectations regarding the Company's outlook, long-term organic and inorganic growth, and customer acceptance of our business solutions referenced above under "Item 1. Business" and below in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation — Business Overview." These risks and uncertainties include, but are not limited to, those described below in "Item 1A. Risk Factors," and elsewhere in this report and those described from time to time in our future reports filed with the United States Securities and Exchange Commission ("SEC"). As a result of such risks and uncertainties, we urge you not to place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Available Information

Detailed information about us is contained in our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other reports, and amendments to those reports, that we file with, or furnish to, the SEC. These reports are available free of charge at our website, www.equifax.com, as soon as reasonably practicable after we electronically file such reports with or furnish such reports to the SEC. However, our website and any contents thereof should not be considered to be incorporated by reference into this document. We will furnish copies of such reports free of charge upon written request to Equifax Inc., Attn: Office of Corporate Secretary, P.O. Box 4081, Atlanta, Georgia, 30302. These reports are also available at www.sec.gov.

ITEM 1A. RISK FACTORS

All of the risks and uncertainties described below and the other information included in this Form 10-K should be considered and read carefully. The risks described below are not the only ones facing us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations. This Form 10-K also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below.

Technology and Data Security Risks

Security breaches and other disruptions to our information technology infrastructure could compromise Company, consumer and customer information, interfere with our operations, cause us to incur significant costs for remediation and enhancement of our IT systems and expose us to legal liability, all of which could have a substantial negative impact on our business and reputation.

We are a global data, analytics and technology company. In the ordinary course of business, we collect, process, transmit and store sensitive data, including intellectual property, proprietary business information and personally identifiable information of consumers, employees and strategic partners. The secure operation of our information technology networks and systems, and of the processing and maintenance of this information, is critical to our business operations and strategy. Because our products and services involve the storage and transmission of personal information of consumers, we are routinely the target of attempted cyber and other security threats by outside third parties, including technically sophisticated and well-resourced bad actors attempting to access or steal the data we store. Additionally, we could experience service disruptions or a loss of access to critical data or systems due to ransomware or other destructive attacks. Insider or employee cyber and security threats are also a significant concern for all companies, including ours. Despite our substantial investment in physical and technological security measures, employee training and contractual precautions, our information technology networks and infrastructure (or those of our third-party vendors and other service providers) are potentially vulnerable to unauthorized access to data, loss of access to systems or breaches of confidential information due to criminal conduct, attacks by hackers, employee or insider malfeasance and/or human error.

The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving and often are not recognized until launched against a target, or even some time after. We may be unable to anticipate these techniques, implement adequate preventative measures or remediate any intrusion on a timely or effective basis even if our security measures are appropriate, reasonable, and/or comply with applicable legal requirements. Certain efforts may be state-sponsored and supported by significant financial and technological resources, making them even more sophisticated and difficult to detect. Further, we are in the process of transforming our applications and infrastructure technologies, and this transition to cloud-based technologies may expose us to additional cyber threats as we migrate our data from our legacy systems to cloud-based solutions hosted by third parties. Although we have developed systems and processes that are designed to protect our data and customer data and to prevent data loss and other security breaches, and expect to continue to expend significant additional resources to bolster these protections, these security measures cannot provide absolute security.

In 2017, we experienced a cybersecurity incident following a criminal attack on our systems that involved the theft of personally identifiable information of U.S., Canadian and U.K. consumers. If we experience additional significant breaches of our security measures, including from incidents that we fail to detect for a period of time, sensitive data may be accessed, stolen, disclosed or lost. Any such access, disclosure or other loss of information could subject us to significant litigation, regulatory fines or penalties, any of which could have a material adverse effect on our cash flows, competitive position, financial condition or results of operations. We cannot ensure that our insurance policies in the future will be adequate to cover losses from any security breaches.

Security breaches and attacks, and the adverse publicity that may follow, can have a negative impact on our reputation and our relationship with our customers. For example, our reputation with consumers and other stakeholders and our customer relationships were damaged following the 2017 cybersecurity incident, resulting in a negative impact on our revenue for a period of time. If we experience another material cybersecurity incident or are otherwise unable to demonstrate the security of our systems and the data we maintain and retain the trust of our customers, consumers and data suppliers, we could experience a substantial negative impact on our business.

If we fail to achieve and maintain key industry or technical certifications, our customers and business partners may stop doing business with us and we may not be able to win new business, which would negatively affect our revenue.

We are required by customers and business partners to obtain various industry or technical certifications. Such certifications are critical to our business because certain of our current and potential customers and the contracts governing certain customer relationships, as well as certain of our data suppliers, require us to maintain them as a requirement of doing business. For example, as a result of the 2017 cybersecurity incident, we lost certain key certifications which caused certain customers and business partners to stop or pause doing business with us and temporarily limited our ability to win new business. We had to spend significant resources on remediation activities in order to obtain these key re-certifications. If we fail to achieve or maintain key industry or technical certifications as a result of another cybersecurity incident or for other reasons, customers and business partners may stop doing business with us and we may not be able to win new business, which would negatively affect our revenue.

Strategy and Market Demand Risks

Our business has been and may continue to be negatively impacted by the COVID-19 pandemic.

We face various risks related to health epidemics, pandemics and similar outbreaks, including the COVID-19 pandemic. The COVID-19 pandemic and the mitigation efforts by governments to attempt to control its spread have adversely impacted the global economy, leading to reduced consumer spending and lending activities. Our customers, and therefore our business and revenues, are sensitive to negative changes in general economic conditions. We experienced significant revenue declines in several of our markets as a result of COVID-19. We expect that the negative impacts of the COVID-19 pandemic on our operating revenue will continue until health and economic conditions improve.

We continue to work with our stakeholders (including customers, employees, consumers, suppliers, business partners and local communities) to responsibly address this global pandemic. We will continue to monitor the situation and assess possible implications to our business and our stakeholders and will take appropriate actions in an effort to mitigate adverse consequences. We cannot assure you that we will be successful in any such mitigation efforts. The extent to which the COVID-19 pandemic will continue to negatively impact our operations will depend on future developments which are highly uncertain and cannot be predicted with confidence, including the duration of the pandemic, the emergence of new virus variants, new information which may emerge concerning the severity of the COVID-19 pandemic, outbreaks occurring at any of our facilities, the actions taken to control the spread of COVID-19 or treat its impact, and changes in worldwide and U.S. economic conditions. Further deteriorations in economic conditions, as a result of the COVID-19 pandemic or otherwise, could lead to a further or prolonged decline in demand for our products and services and negatively impact our business. It may also impact financial markets and corporate credit markets which could adversely impact our access to financing or the terms of any such financing. We cannot at this time predict the extent of the impact of the COVID-19 pandemic and its resulting economic impact, but it could have a material adverse effect on our business, financial position, results of operations and cash flows. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this “Item 1A. Risk Factors” and elsewhere in this Annual Report on Form 10-K, such as our need to generate sufficient cash flows to service our indebtedness and our ability to protect our information technology networks and infrastructure from unauthorized access, misuse, malware, phishing and other events that could have a security impact as a result of our remote working environment or otherwise.

The failure to realize the anticipated benefits of our technology transformation strategy could adversely impact our business and financial results.

We expect our technology transformation strategy, including our transition to cloud-based technologies, will significantly increase our efficiency, our productivity and the stability and functionality of our products and services, as well as decrease the cost of our overall systems infrastructure, all of which we expect will drive growth and have a positive effect on our business, competitive position and results of operations. This initiative is a major undertaking as we replace many of our previous operating systems with cloud-based systems. This complex, multifaceted and extensive initiative is expensive and may cause material unanticipated problems and expenses. If the transition causes errors or adversely impacts system processes, our new systems do not operate as expected, or the data we transition to the cloud changes in a material way, we may have to incur significant additional costs to make modifications and could lose customers and we may suffer reputational harm as a result. Moreover, we may experience issues with customer migration, as many of our customers may not migrate to cloud-based technologies on a timely basis or at all or may choose not to utilize our products and services during and after our transition to cloud-based technologies, which could negatively impact our revenue.

We cannot assure you that our technology transformation strategy will be beneficial to the extent, or within the timeframes expected, or that the estimated efficiency, cost savings and other improvements will be realized as anticipated or at all. Market acceptance of cloud-based offerings is affected by a variety of factors, including information security, reliability, performance, the sufficiency of technological infrastructure to support our products and services in certain geographies, customer and data provider concerns with entrusting a third party to store and manage its data as well as the customer's ability to access this data once a contract has expired, and consumer concerns regarding data privacy and the enactment of laws or regulations that restrict our ability to provide such services to customers. If we are unable to correctly respond to these issues, we may experience business disruptions, damage to our reputation, negative publicity, diminished customer trust and relationships and other adverse effects on our business. Even if the anticipated benefits and savings are substantially realized, there may be consequences, internal control issues or business impacts that were not expected. Our transition and migration to cloud-based technologies may increase our risk of liability and cause us to incur significant technical, legal or other costs.

The loss of access to credit, employment, financial and other data from external sources could harm our ability to provide our products and services.

We rely extensively upon data from external sources to maintain our proprietary and non-proprietary databases, including data received from customers, licensors, furnishers, strategic partners and various government and public record sources. This data includes the widespread and voluntary contribution of credit data from most lenders in the U.S. and many other markets as well as the contribution of data under proprietary contractual agreements, such as employers' contribution of employment and income data to The Work Number[®] and telecommunications, cable and utility companies' contribution of payment and fraud data to the National Cable, Telecommunications and Utility Exchange. For a variety of reasons, including concerns of data furnishers arising out of legislatively or judicially imposed restrictions on use, security breaches or competitive reasons, our data sources could withdraw, delay receipt of or increase the cost of their data provided to us. Where we currently have exclusive use of data, the providers of the data sources could elect to make the information available to competitors. We also compete with several of our third-party data suppliers. If a substantial number of data sources or certain key data sources were to withdraw or be unable to provide their data, if we were to lose access to data due to government regulation, if we lose exclusive right to the use of data, or if the collection, disclosure or use of data becomes uneconomical, our ability to provide products and services to our customers could be adversely affected, which could result in decreased revenue, net income and earnings per share and reputational loss. There can be no assurance that we would be able to obtain data from alternative sources if our current sources become unavailable.

Negative changes in general economic conditions, including interest rates, the level of inflation, unemployment rates, income, home prices, investment values and consumer confidence, could adversely affect us.

Our customers, and therefore our business and revenues, are sensitive to negative changes in general economic conditions, including the demand and availability of affordable credit and capital, the level and volatility of interest rates, the level of inflation, employment levels, consumer confidence and housing demand, both inside and outside the United States. Business customers use our credit information and related analytical services and data to process applications for new credit cards, automobile loans, home and equity loans and other consumer loans, and to manage their existing credit relationships. Demand for our services tends to be correlated to general levels of economic activity and to consumer credit activity, which can be impacted by changes in interest rates and the level of inflation. Banks' and other lenders' willingness to extend credit are adversely affected by elevated consumer delinquency and loan losses in a weak economy. Consumer demand for credit (i.e., rates of spending and levels of indebtedness) also tends to grow more slowly or decline during periods of economic contraction or slow economic growth.

Our customer base suffers when financial markets experience volatility, illiquidity and disruption, and the potential for increased and continuing disruptions going forward presents considerable risks to our business and revenue. High or rising rates of unemployment and interest, declines in income, home prices or investment values, lower consumer confidence and reduced access to credit adversely affect demand for many of our products and services, and consequently our revenue and results of operations, as consumers may postpone or reduce their spending and use of credit, and lenders may reduce the amount of credit offered or available.

In 2022, we expect U.S. mortgage market inquiries to decline by more than 20 percent compared to 2021. Any change in the U.S. mortgage market due to a significant change in mortgage inquiries could have a corresponding negative impact on revenue and operating profit for our business, primarily within the Workforce Solutions and USIS operating segments. To the extent inflation results in rising interest rates and has other adverse effects upon the securities markets and upon the value of financial instruments, it may adversely affect our financial position and profitability.

Our markets are highly competitive and new product introductions and pricing strategies being offered by our competitors could decrease our sales and market share or require us to enhance our products and services or reduce our prices in a manner that reduces our revenue and operating margins.

We operate in a number of geographic, product and service markets that are highly competitive. Competitors may develop products and services that are superior to or that achieve greater market acceptance than our products and services. New competitors may choose to enter and compete in our markets, or existing competitors may choose to introduce new products and enter markets that we serve and that they do not currently serve. The size of our competitors varies across market segments, as do the resources we have allocated to the segments we target. Therefore, some of our competitors may have significantly greater financial, technical, marketing or other resources than we do in one or more of our market segments, or overall. As a result, our competitors may be in a position to respond more quickly than we can to new or emerging technologies and changes in customer requirements, or may devote greater resources than we can to the development, enhancement, promotion, sale and support of products and services, or some of our customers may develop products of their own that replace the products they currently purchase from us, which would result in lower revenue. In addition, many of our competitors have extensive consumer relationships, including relationships with our current and potential customers. Moreover, new competitors or alliances among our competitors may emerge and potentially reduce our market share, revenue or margins.

We also sell our information to competing firms, and buy information from certain of our competitors, in order to sell “tri-bureau” and other products, most notably into the U.S. mortgage market. Changes in prices between competitors for this information and/or changes in the design or sale of tri-bureau versus single or dual bureau product offerings may affect our revenue or profitability.

Some of our competitors may choose to sell products that compete with ours at lower prices by accepting lower margins and profitability, or may be able to sell products competitive to ours at lower prices, individually or as a part of integrated suites, given proprietary ownership of data, technological superiority or economies of scale. Price reductions by our competitors could negatively impact our revenue and operating margins and results of operations and could also harm our ability to obtain new customers on favorable terms. Historically, certain of our key products have experienced declines in per unit pricing due to competitive factors and customer demand. Since a significant portion of our operating expenses is relatively fixed in nature due to sales, information technology and development and other costs, if we were unable to respond quickly enough to changes in competition or customer demand, we could experience further reductions in our operating margins.

If our relationships with key customers are materially diminished or terminated, our business could suffer.

We have long-standing relationships with a number of our customers, many of whom could unilaterally terminate their relationship with us or materially reduce the amount of business they conduct with us at any time. Many of our material customer agreements can be terminated by the customer for convenience on advance written notice, which provides our customers with the opportunity to renegotiate their contracts with us or to award more business to our competitors. There is no guarantee that we will be able to retain or renew existing agreements, maintain relationships with any of our customers or business partners on acceptable terms or at all, or collect amounts owed to us from insolvent customers or business partners. The loss of one or more of our major customers or business partners could adversely affect our business, financial condition and results of operations.

If we do not introduce successful new products, services and analytical capabilities in a timely manner, or if the market does not adopt our new services, or if new technologies are introduced by competitors that are more effective or at lower costs than ours, our competitiveness and operating results will suffer.

We generally sell our products in industries that are characterized by rapid technological changes, including the introduction of new innovative technologies, frequent new product and service introductions and changing industry standards. In addition, certain of the markets in which we operate are seasonal and cyclical. Without the timely introduction of new technologies, products, services and enhancements, our products and services will become technologically or commercially obsolete over time, in which case our revenue and operating results would suffer. The success of our new products and services will depend on several factors, including our ability to properly identify customer needs; innovate and develop new technologies, services and applications; successfully commercialize new technologies in a timely manner; produce and deliver our products in sufficient volumes on time; differentiate our offerings from competitor offerings; price our products competitively; anticipate our competitors’ development of new products, services or technological innovations; and control product quality in our product development process. Our resources have to be committed to any new products and services before knowing whether the market will adopt the new offerings.

The demand for some of our products and services may be negatively impacted to the extent the availability of free or less expensive consumer information increases.

Public or commercial sources of free or relatively inexpensive consumer credit, credit score and other information have become increasingly available, particularly through the internet, and this trend is expected to continue. In addition, governmental agencies in particular have increased the amount of information to which they provide free public access and these or other sources of free or relatively inexpensive consumer information from competitors or other commercial sources may reduce demand for our services. Recently, there also has been an increase in companies offering free or low-cost direct-to-consumer credit services (such as credit scores, reports and monitoring) as part of alternative business models that use such services as a means to introduce consumers to other products and services. To the extent that our customers choose not to obtain services from us and instead rely on information obtained at no cost or relatively inexpensively from these other sources, our business, financial condition and results of operations may be adversely affected.

We rely, in part, on acquisitions, joint ventures and other alliances to grow our business and expand our geographic reach. The acquisition, integration or divestiture of businesses by us may not produce the expected financial or operating results or IT and data security profile we expect. In addition, if we are unable to make acquisitions or successfully develop and maintain joint ventures and other alliances, our growth may be adversely impacted.

Historically, we have relied, in part, on acquisitions, joint ventures and other alliances to grow our business. Any acquisitions we do complete may not be on favorable terms, may involve greater-than-expected liabilities and expenses, potential impairments of tangible and intangible assets or significant write-offs and the expected benefits, synergies and growth from these initiatives may not materialize as planned. We may have difficulty assimilating new businesses and their products, services, technologies, IT systems and personnel into our operations. IT and data security profiles of acquired companies may not meet our technological standards and may take longer to integrate and remediate than planned. This may result in significantly greater transaction, remediation and integration costs for future acquisitions than we have experienced historically, or it could mean that we will not pursue certain acquisitions where the costs of integration and remediation are too significant. We may also have difficulty integrating and operating businesses in geographies and markets or market segments where we do not currently have a significant presence, and acquisitions of businesses having a significant presence outside of the U.S. will increase our exposure to risks of conducting operations in international markets. These difficulties could disrupt our ongoing business, distract our management and workforce, increase our expenses and adversely affect our operating results and financial condition.

Despite our past experience, opportunities to grow our business through acquisitions, joint ventures and other alliances may not be available to us in the future. In addition, our focus on data security and our technology transformation strategy, including our migration to cloud-based technologies, may limit our ability to identify and complete acquisitions as our stringent technological criteria and standards for acquisition candidates may continue to increase.

If our government contracts are terminated, if we are suspended from government work, or if our ability to compete for new contracts is adversely affected, our business could suffer.

We derive a portion of our revenue from direct and indirect sales to U.S. federal, state and local governments and their respective agencies. We also derive a portion of our revenue from sales to foreign governments and related agencies. Such contracts are subject to various procurement laws and regulations, and contract provisions relating to their formation, administration and performance. Failure to comply with these laws, regulations or provisions in our government contracts could result in the imposition of various civil and criminal penalties, termination of contracts, forfeiture of profits, suspension of payments or suspension of future government contracting. A number of our federal government contracts have received enhanced scrutiny and media attention due to the sensitive nature of the data we handle and due to the importance of the government programs we support. If we experience another material cybersecurity incident, if public scrutiny and pressure related to government services we support turns negative or if we experience uptime issues or performance problems, our ability to maintain existing or acquire new government contracts may be substantially impacted.

If our government contracts are terminated, if we are suspended from government work, if the services we provide are no longer needed due to government program change or termination, or if our ability to compete for new contracts is adversely affected, including by our failure to achieve certain government certifications, our business could suffer.

Operational Risks

Our technology transformation strategy places a significant strain on our management, operational, financial and other limited resources.

As part of our technology transformation strategy, we are transitioning and migrating our data systems from traditional, on premises data centers to cloud-based platforms. This initiative places significant strain on our management, personnel, operations, systems, technical performance, financial resources, internal financial controls and reporting function. In addition, many of our existing personnel have limited experience with native cloud-based technologies. This effort has been, and will continue to be, time consuming and costly. Our technology transformation strategy requires management time and resources to educate employees and implement new ways of conducting business. The dedication of resources to our technology transformation strategy and cloud-based technologies limits the resources we have available to devote to other initiatives or growth opportunities, or to invest in the maintenance of our existing internal systems. We cannot guarantee that our strategy is the right one or that investments in alternative technologies or other initiatives would not be a better use of our limited resources.

Additionally, as a result of our cloud migration efforts in connection with our technology transformation strategy, we may experience a loss of continuity, loss of accumulated knowledge or loss of efficiency during transitional periods. Reorganization and transition can require a significant amount of management and other employees' time and focus, which may divert attention from operating activities and growing our business. If we fail to achieve some or all of the expected benefits of these activities, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

Our transition to cloud-based technologies could expose us to operational disruptions.

We rely on the efficient and uninterrupted operation of complex information technology systems and networks, some of which are managed internally within the Company and some of which are outsourced to third parties. As part of our technology transformation strategy, we are upgrading a significant portion of the information technology systems used to operate our business and replacing them with cloud-based solutions. This transition will continue to require substantial changes to our software and network infrastructure, which could lead to system interruptions, affect our data systems and further expose us to operational disruptions, and cause us to lose customers, all of which could have a material adverse effect on our results of operations.

Upon implementation of the new cloud-based solutions, much of our information technology systems will consist of outsourced, cloud-based infrastructure, platform and software-as-a-service solutions not under our direct management or control. Any disruption to either the outsourced systems or the communication links between us and the outsourced supplier could negatively affect our ability to operate our data systems and could impair our ability to provide services to our customers. We may incur additional costs to remedy the damages caused by these disruptions.

If our systems do not meet customer requirements for response time or high availability, or we experience system constraints or failures, or our customers do not migrate to the cloud or modify and/or upgrade their systems to accept new releases of our products and services, our services to our customers could be delayed or interrupted, which could result in lost revenues or customers, lower margins, service level penalties or other harm to our business and reputation.

Our customers expect high system availability and response time performance, as well as a very high degree of system resilience. We depend on reliable, stable, efficient and uninterrupted operation of our technology network, systems, and data centers to provide service to our customers. Many of the services and systems upon which we rely have been outsourced to third parties. In addition, many of our revenue streams are dependent on links to third party telecommunications providers. These systems and operations, and the personnel that support, service and operate these systems, could be exposed to interruption, damage or destruction from power loss, telecommunication failures, computer viruses, denial-of-service or other cyber attacks, employee or insider malfeasance, human error, fire, natural disasters, war, terrorist acts or civil unrest. We may not have sufficient disaster recovery or redundant operations in place to cover a loss or failure of systems or telecommunications links in a timely manner, which may be exacerbated by any delays in obtaining equipment due to supply chain or other impacts.

In addition, as part of our technology transformation, we are seeking to migrate our customers from traditional data platforms to cloud-based products and services. Many of our customers may not migrate to cloud-based technologies on a timely basis or at all, or may choose not to utilize our products and services during and after our transition to cloud-based

technologies. If our customers' timelines prevent them from migrating to cloud-based technologies quickly enough, they will remain on our legacy infrastructure, which could expose them to system availability, response time and performance issues.

Any significant system interruption or series of minor interruptions could result in the loss of customers and/or lost revenues, lower margins, service level penalties or other significant harm to our business or reputation.

Dependence on outsourcing certain portions of our operations may adversely affect our ability to bring products to market and damage our reputation. Dependence on outsourced information technology and other administrative functions may impair our ability to operate effectively.

As part of our technology transformation, we have outsourced various components of our application development, information technology, operational support and administrative functions and will continue to evaluate additional outsourcing. If our outsourcing vendors fail to perform their obligations in a timely manner or at satisfactory quality levels including with respect to data and system security, or increase prices for their services to unreasonable levels, our ability to bring products to market and support our customers and our reputation could suffer. Any failure to perform on the part of these third-party providers could impair our ability to operate effectively and could result in lower future revenue, unrealized efficiencies and adversely impact our results of operations and our financial condition. Some of our outsourcing takes place in developing countries and, as a result, may be subject to geopolitical uncertainty.

Our business will suffer if we are not able to retain and hire key personnel.

Our future success, including our ability to implement our technology transformation strategy, depends partly on the continued service of our key development, sales, marketing, executive and administrative personnel. Increased retention risk exists in certain key areas of our operations, such as IT and data security, which require specialized skills, such as migrating legacy computer systems to the cloud, data security expertise and analytical modeling. Additionally, the worker shortage that emerged following the outbreak of COVID-19 has presented increased challenges to our ability to develop, retain and attract qualified personnel. If we fail to retain and hire a sufficient number of these personnel, we will not be able to maintain or expand our business. As part of our technology transformation strategy, we have hired or contracted with a significant number of new employees and contract workers. Hiring, on-boarding training, motivating, retaining and managing employees with the skills required is time-consuming and expensive. There is intense competition for certain highly technical specialties in geographic areas where we continue to recruit, and it may become more difficult to retain our key employees. If we are not able to hire sufficient employees to support our technology transformation, or to train, motivate, retain and manage the employees we do hire, it could have a material adverse effect on our business operations or financial results.

Global Operational Risks

Economic, political and other risks associated with international sales and operations could adversely affect our results of operations.

Sales outside the U.S. comprised 22% of our total revenue in 2021. As a result, our business is subject to various risks associated with doing business internationally and these risks may differ in each jurisdiction we operate depending on the particular product or service we offer in the jurisdiction. In addition, many of our employees, suppliers, job functions and facilities are located outside the U.S. Accordingly, our future results could be harmed by a variety of factors including:

- changes in specific country or region political, economic or other conditions;
- trade protection measures;
- data privacy and consumer protection laws and regulations;
- difficulty in staffing and managing widespread operations;
- differing labor, intellectual property protection and technology standards and regulations;
- business licensing requirements or other requirements relating to making foreign direct investments, which could increase our cost of doing business in certain jurisdictions, prevent us from entering certain markets, increase our operating costs or lead to penalties or restrictions;
- difficulties associated with repatriating cash generated or held abroad in a tax-efficient manner;
- implementation of exchange controls;
- geopolitical instability, including terrorism and war, including the evolving situation involving Ukraine and Russia;
- foreign currency changes;
- increased travel, infrastructure, legal and compliance costs of multiple international locations;
- foreign laws and regulatory requirements;

- terrorist activity, natural disasters, pandemics and other catastrophic events;
- restrictions on the import and export of technologies;
- difficulties in enforcing contracts and collecting accounts receivable;
- longer payment cycles;
- failure to meet quality standards for outsourced work;
- unfavorable tax rules;
- the presence and acceptance of varying level of business corruption in international markets; and
- varying business practices in foreign countries.

We earn revenue, pay expenses, own assets and incur liabilities in countries using currencies other than the U.S. dollar, including among others the British pound, the Australian dollar, the Canadian dollar, the Argentine peso, the Chilean peso, the Euro, the New Zealand dollar, the Costa Rican colon, the Singapore dollar, the Brazilian real, the Russian ruble and the Indian rupee. Because our consolidated financial statements are presented in U.S. dollars, we must translate revenue, income and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, increases or decreases in the value of the U.S. dollar against major currencies will affect our operating revenues, operating income and the value of balance sheet items denominated in foreign currencies. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Accordingly, fluctuations in foreign currency exchange rates, particularly the strengthening of the U.S. dollar against major currencies, may materially affect our consolidated financial results.

Compliance with applicable U.S. and foreign laws and regulations, such as anti-corruption laws, tax laws, foreign exchange controls and restrictions on repatriation of earnings or other similar restraints, data privacy requirements, labor laws and anti-competition regulations increases the cost of doing business in foreign jurisdictions. Although we have implemented policies and procedures to comply with these laws and regulations, a violation by our employees, contractors or agents could nevertheless occur.

Legal and Regulatory Risks

As part of a global settlement, we entered into agreements with various parties to settle the U.S. Consumer MDL Litigation and certain federal and state government investigations arising out of the 2017 cybersecurity incident. If we are unable to comply with our obligations under these agreements, it could have a material adverse effect on our financial condition.

In July 2019, the Company entered into multiple agreements that resolve the U.S. consolidated consumer class action cases, captioned In re: Equifax, Inc. Customer Data Security Breach Litigation, MDL No. 2800 (Consumer Cases) (the “U.S. Consumer MDL Litigation”), and the investigations of the FTC, the CFPB, the Attorneys General of 48 states, the District of Columbia and Puerto Rico (the “MSAG Group”) and the NYDFS (collectively, the “Consumer Settlement”) relating to the 2017 cybersecurity incident. On January 13, 2020, the U.S. District Court for the Northern District of Georgia (the “MDL Court”) entered an order granting final approval of the settlement in connection with the U.S. Consumer MDL Litigation, from which several objectors appealed. Those appeals have all been resolved. On January 11, 2022, the Consumer Settlement became effective which triggered our obligation to deposit approximately \$345 million into the consumer settlement fund.

In addition to the monetary payments and consumer redress, we also agreed as part of the Consumer Settlement to implement certain business practice commitments related to consumer assistance and our information security program, including third party assessments of our program. These business practice commitments are extensive and require a significant amount of attention from management. To the extent we are unable to comply or we are viewed as not being in compliance with these business practice commitments or other requirements of a relevant order, we could face an enforcement action or contempt proceeding that could potentially result in fines, penalties and new business practice commitments, which, depending on the amount and type, could have a material adverse effect on our financial condition.

In addition, we may be required to deposit additional amounts in the consumer settlement fund under certain circumstances if the fund is insufficient to cover claims and certain expenses. While we do not believe that we will be required to deposit additional amounts into the consumer settlement fund based on our claims experience to date, we could be obligated to fund up to an additional \$125 million if our claims experience changes and the consumer fund is exhausted.

We and our customers are subject to various current laws and governmental regulations, and could be affected by new and evolving consumer privacy and cybersecurity or other data-related laws or regulations, compliance with which may cause us to incur significant expenses and change our business practices, and if we fail to maintain satisfactory compliance with certain laws and regulations, we could be subject to civil or criminal penalties.

We are subject to a number of U.S. federal, state, local and foreign laws and regulations relating to consumer privacy, cybersecurity, data and financial protection. See “Item 1. Business—Governmental Regulation” in this Form 10-K for a summary of the U.S. and foreign consumer and data protection laws and regulations to which we are subject. These regulations are complex, change frequently, have tended to become more stringent over time, and are subject to administrative interpretation and judicial construction in ways that could harm our business. In addition, new laws and regulations at the state and federal level are enacted or considered frequently. Examples of such new and evolving laws and regulations include amendments to the FCRA requiring the provision of free credit freezes to consumers, cybersecurity and other requirements promulgated by the New York Department of Financial Services, the CCPA which took effect on January 1, 2020, the California data broker registration requirements that took effect on January 31, 2020, and the CPRA and VCDPA each taking effect on January 1, 2023. Furthermore, we expect there to be an increased focus on laws and regulations related to our business, including by the current U.S. presidential administration and the U.S. Congress, because of the growing policy concerns in the U.S. with regard to the operation of credit reporting agencies, as well as the collection, use, accuracy, correction and sharing of personal information.

There are a number of legislative proposals pending before the U.S. Congress, various state legislative bodies and foreign governments concerning privacy or cybersecurity that could affect us. The Canadian government has initiated a review of consumer privacy laws, and several U.S. states have introduced varying comprehensive privacy laws modeled to some degree on the CCPA and/or the GDPR. Compliance with multiple state laws containing varying requirements could be complicated and costly. In Europe, although the GDPR already includes certain provisions relating to the automated processing of personal data, there has also been discussion of new legislative proposals to regulate business use of artificial intelligence and machine learning technologies which, if enacted, could impose new legal requirements addressing among other issues, privacy, discrimination and human rights. The specifics of such legislation and the number of jurisdictions that will introduce legislation in this area remain unclear at this time. In addition, a growing number of legislative and regulatory bodies have adopted consumer notification and other requirements in the event that consumer information is accessed or acquired by unauthorized persons and additional regulations regarding the use, access, accuracy and security of such data are possible. In the U.S., state laws provide for disparate notification regimes, all of which we are subject to. Further, any perception that our practices or products are an invasion of privacy, whether or not consistent with current or future regulations and industry practices, may subject us to public criticism, private class actions, reputational harm, or claims by regulators, which could disrupt our business and expose us to increased liability.

We devote substantial compliance, legal and operational business resources to strive for compliance with applicable regulations and requirements. In the future, we may be subject to significant additional expenses related to compliance with applicable laws and regulations, including new laws and evolving interpretations that are difficult to predict, and to investigate, defend or remedy actual or alleged violations. Additionally, we cooperate with CFPB supervisory examinations and respond to other state, federal and foreign government examinations of or inquiries into our business practices. The enactment of new laws and how they are interpreted could impact our business. In particular, legislative activity in the privacy area may result in new laws that are applicable to us and that may hinder our business, for example, by restricting use or sharing of consumer data, including for marketing or advertising or limiting the use of, or otherwise regulating artificial intelligence and machine learning, including the use of algorithms and automated processing in ways that could materially affect our business, or which may lead to significant increases in the cost of compliance. Any failure by us to comply with, or remedy any violations of, applicable laws and regulations, could result in new costs for our operations, the curtailment of certain of our operations, the imposition of fines and penalties, liability to private plaintiffs as a result of individual or class action litigation, restrictions on the operation of our business and reputational harm. It is difficult to predict the impact on our business if we were subject to allegations of having violated existing laws. For example, in Europe, the GDPR, which includes extensive regulations for certain security incidents, could result in fines of up to four percent of annual worldwide “turnover” (a measure similar to revenues in the U.S.). In addition, because many of our products are regulated or sold to customers in various industries, we must comply with additional regulations in marketing our products. Moreover, our compliance with privacy laws and regulations and our reputation depend in part on customers’ adherence to privacy laws and regulations and their use of our services in ways consistent with consumer expectations and regulatory requirements. We cannot predict the ultimate impact on our business of new or proposed rules, supervisory examinations or government investigations or enforcement actions.

The following legal and regulatory developments also could have a substantial negative impact on our business, financial condition or results of operations:

- amendment, enactment or interpretation of laws and regulations that restrict the access and use of personal information and reduce the availability or effectiveness of our solutions or the supply of data available to customers;
- changes in cultural and consumer attitudes in favor of further restrictions on information collection and sharing, which may lead to regulations that prevent full utilization of our solutions;
- failure of data suppliers or customers to comply with laws or regulations, where mutual compliance is required;
- failure of our solutions to comply with current laws and regulations; and
- failure of our solutions to adapt to changes in the regulatory environment in an efficient, cost effective manner.

These laws and regulations (as well as actions that may be taken by legislatures and regulatory bodies in other countries) and the consequences of any violation could limit our ability to pursue business opportunities we might otherwise consider engaging in, impose additional costs on us, result in significant loss of revenue, result in significant restitution and fines, impact the value of assets we hold, or otherwise adversely affect our business.

The CFPB has supervisory and examination authority over our business and may initiate enforcement actions with regard to our compliance with federal consumer financial laws.

The CFPB, which was established under the Dodd-Frank Act and commenced operations in July 2011, has broad authority over our business. This includes authority to issue regulations under federal consumer financial protection laws, such as under FCRA and other laws applicable to us and our financial customers. The CFPB is authorized to prevent “unfair, deceptive or abusive acts or practices” through its regulatory, supervisory and enforcement authority.

In 2012, credit reporting companies like us became subject to a federal supervision program for the first time under the CFPB’s authority to supervise and examine certain non-depository institutions that are “larger participants” of the consumer credit reporting market. The CFPB conducts examinations and investigations, and may issue subpoenas and bring civil actions in federal court for violations of the federal consumer financial laws including FCRA. In these proceedings, the CFPB can seek relief that includes: rescission or reformation of contracts, restitution, disgorgement of profits, payment of damages, limits on activities and civil money penalties of up to \$1.0 million per day for known violations. The CFPB conducts periodic examinations of us and the consumer credit reporting industry, which could result in new regulations or enforcement actions or proceedings. Actions by the CFPB could result in requirements to alter or cease offering affected products and services, making them less attractive and restricting our ability to offer them.

Although we have committed resources to enhancing our compliance programs, actions by the CFPB or other regulators against us could result in reputational harm. Our compliance costs and legal and regulatory exposure could increase materially if the CFPB or other regulators enact new regulations, change regulations that were previously adopted, modify through supervision or enforcement past regulatory guidance, or interpret existing regulations in a manner different or stricter than have been previously interpreted.

Regulatory oversight of our contractual relationships with certain of our customers may adversely affect our business.

The federal banking agencies, including the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the CFPB, as well as many state banking agencies have issued guidance to insured depository institutions and other providers of financial services on assessing and managing risks associated with third-party relationships, which include all business arrangements between a financial services provider and another entity, by contract or otherwise, and generally requires banks and financial services providers to exercise comprehensive oversight throughout each phase of a bank or financial service provider’s business arrangement with third-party service providers, and instructs banks and financial service providers to adopt risk management processes commensurate with the level of risk and complexity of their third-party relationships. This guidance requires more rigorous oversight of third-party relationships that involve certain “critical activities.” In light of this guidance, our existing or potential bank and financial services customers subject to this guidance may continue to revise their third-party risk management policies and processes and the terms on which they do business with us, which may adversely affect our relationships with such customers and/or increase our expenses in servicing such customers.

We are regularly involved in claims, suits, government investigations, supervisory examinations and other proceedings that may result in adverse outcomes.

We are regularly involved in claims, suits, government investigations, supervisory examinations and regulatory proceedings arising from the ordinary course of our business, including actions with respect to consumer protection and data protection, including purported class action lawsuits. Such claims, suits, government investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of their outcome, such legal proceedings can have an adverse impact on us because of legal costs, diversion of management and other personnel, and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in reputational harm, liability, penalties or sanctions, as well as judgments, consent decrees or orders preventing us from offering certain features, functionalities, products or services, or requiring a change in our business practices, products or technologies, which could in the future materially and adversely affect our business, operating results, and financial condition. The FCRA contains an attorney fee shifting provision that provides an incentive for consumers to bring individual and class action lawsuits against a CRA for violation of the FCRA, and the number of consumer lawsuits (both individual and class action) against us alleging a violation of the FCRA and our resulting costs associated with resolving these lawsuits have increased substantially over the past several years.

Third parties may claim that we are infringing on their intellectual property and we could suffer significant litigation or licensing expenses or be prevented from selling products or services.

There has been substantial litigation in the U.S. regarding intellectual property rights in the information technology industry. From time to time, third parties may make claims that one or more of our products or services infringe their intellectual property rights. We analyze and take action in response to each such claim on a case by case basis. A dispute or litigation regarding patents or other intellectual property can be costly and time-consuming due to the complexity of our technology and the inherent uncertainty of intellectual property litigation, could divert our management and key personnel from our business operations, and we may not prevail. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, or could subject us to significant damages or to an injunction against development and sale of certain of our products or services. Our intellectual property portfolio may not be useful in asserting a counterclaim, or providing commercial leverage for negotiating a license, in response to a claim of intellectual property infringement. In certain of our businesses we rely on third-party intellectual property licenses and we cannot ensure that these licenses will be available to us in the future on favorable terms or at all. Although our policy is to obtain licenses or other rights where necessary, we cannot provide assurance that we have obtained all required licenses or rights.

Third parties may misappropriate or infringe on our intellectual property and we may suffer competitive injury or expend significant resources enforcing our rights.

Our success increasingly depends on our proprietary technology and its ability to differentiate us from our competitors. We rely on various intellectual property rights, including patents, copyrights, database rights, trademarks and trade secrets, as well as contract restrictions, confidentiality provisions and licensing arrangements, to establish and protect our proprietary rights. The extent to which such rights can be protected varies in different jurisdictions. If we do not protect and enforce our intellectual property rights successfully, our competitive position may suffer which could harm our operating results. Our pending patent and trademark applications may not be allowed or competitors may challenge the validity or scope of our intellectual property rights. In addition, our patents, copyrights, trademarks and other intellectual property rights may not provide us a significant competitive advantage.

We may need to devote significant resources to monitoring our intellectual property rights and we may or may not be able to detect misappropriation or infringement by third parties. Our competitive position may be harmed if we cannot detect misappropriation or infringement and enforce our intellectual property rights quickly or at all. In some circumstances, enforcement may not be available to us because a third party has a dominant intellectual property position or for other business reasons. In addition, competitors might avoid infringement by designing around our intellectual property rights or by developing non-infringing competing technologies. Intellectual property rights and our ability to enforce them may be unavailable or limited in some countries, which could make it easier for competitors to capture market share and could result in lost revenue.

Financial Market Risks

Our retirement and post-retirement pension plans are subject to financial market risks that could adversely affect our future results of operations and cash flows.

We have significant retirement and post-retirement pension plan assets and obligations. The performance of the financial markets and interest rates impact our plan expenses and funding obligations. Significant decreases in interest rates, decreases in the fair value of plan assets and investment losses on plan assets will increase our funding obligations, and adversely impact our results of operations and cash flows.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our executive offices are located at 1550 Peachtree Street, N.W., Atlanta, Georgia. Our other properties are geographically distributed to meet sales and operating requirements worldwide. We consider these properties to be both suitable and adequate to meet our current operating requirements. We ordinarily lease office space for conducting our business and are obligated under more than 60 leases and other rental arrangements for our field locations. We owned 5 office buildings at December 31, 2021, including our executive offices, one campus which houses our Alpharetta, Georgia technology center, a building utilized by our Workforce Solutions operations located in St. Louis, Missouri, as well as two buildings utilized by our Latin America operations.

For additional information regarding our obligations under leases, see Note 6 of the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K. We believe that suitable additional space will be available to accommodate our future needs.

ITEM 3. LEGAL PROCEEDINGS

Litigation and Investigations related to the 2017 Cybersecurity Incident

In 2017, we experienced a cybersecurity incident following a criminal attack on our systems that involved the theft of certain personally identifiable information of U.S., Canadian and U.K. consumers. Following the 2017 cybersecurity incident, hundreds of class actions and other lawsuits were filed against us typically alleging harm from the incident and seeking various remedies, including monetary and injunctive relief. We were also subject to investigations and inquiries by federal, state and foreign governmental agencies and officials regarding the 2017 cybersecurity incident and related matters. Most of these lawsuits and government investigations have concluded or been resolved, including pursuant to the settlement agreements described below, while others remain ongoing. The Company's participation in these settlements does not constitute an admission by the Company of any fault or liability, and the Company does not admit fault or liability.

Consumer Settlement

On July 19, 2019 and July 22, 2019, we entered into multiple agreements that resolve the U.S. consolidated consumer class action cases, captioned In re: Equifax, Inc. Customer Data Security Breach Litigation, MDL No. 2800 (the "U.S. Consumer MDL Litigation"), and the investigations of the FTC, the CFPB, the Attorneys General of 48 states, the District of Columbia and Puerto Rico and the NYDFS (collectively, the "Consumer Settlement"). Under the terms of the Consumer Settlement, the Company agreed to contribute \$380.5 million to a non-reversionary settlement fund (the "Consumer Restitution Fund") to provide restitution for U.S. consumers identified by the Company whose personal information was compromised as a result of the 2017 cybersecurity incident as well as to pay reasonable attorneys' fees and reasonable costs and expenses for the plaintiffs' counsel in the U.S. Consumer MDL Litigation (not to exceed \$80.5 million), settlement administration costs and notice costs. The Company has agreed to contribute up to an additional \$125.0 million to the Consumer Restitution Fund to cover certain unreimbursed costs and expenditures incurred by affected U.S. consumers in the event the \$380.5 million in the Consumer Restitution Fund is exhausted. The Company also agreed to various business practice commitments related to consumer assistance and its information security program, including conducting third party assessments of its information security program.

On January 13, 2020, the Northern District of Georgia, the U.S. District Court overseeing centralized pre-trial proceedings for the U.S. Consumer MDL Litigation and numerous other federal court actions relating to the 2017 cybersecurity incident (the "MDL Court"), entered an order granting final approval of the settlement in connection with the U.S. Consumer MDL Litigation. The MDL Court entered an amended order granting final approval of the settlement (the "Final Approval Order") on March 17, 2020. Several objectors appealed the Final Approval Order to the U.S. Court of Appeals for the Eleventh Circuit (the "Eleventh Circuit"). On June 3, 2021, the Eleventh Circuit issued an order reversing the MDL Court's grant of incentive awards to class representatives, but affirming all other aspects of the Final Approval Order. Several objectors filed petitions with the Eleventh Circuit seeking a rehearing, and on July 29, 2021, the Eleventh Circuit denied those petitions. On August 12, 2021, the MDL Court made the Eleventh Circuit's mandate the judgment of the MDL Court. Two objectors filed petitions for a writ of certiorari with the U.S. Supreme Court, and on January 10, 2022, the U.S. Supreme Court denied the last remaining petition. On January 11, 2022, the Consumer Settlement became effective.

Other Matters

We face other lawsuits and government investigations related to the 2017 cybersecurity incident that have not yet been concluded or resolved. These ongoing matters may result in judgments, fines or penalties, settlements or other relief. We dispute the allegations in the remaining lawsuits and intend to defend against such claims. Set forth below are descriptions of the main categories of these matters.

Georgia State Court Consumer Class Actions. Four putative class actions arising from the 2017 cybersecurity incident were filed against us in Fulton County Superior Court and Fulton County State Court in Georgia based on similar allegations and theories as alleged in the U.S. Consumer MDL Litigation and seek monetary damages, injunctive relief and other related relief on behalf of Georgia citizens. These cases were transferred to a single judge in the Fulton County Business Court and three of the cases were consolidated into a single action. On July 27, 2018, the Fulton County Business Court granted the Company's motion to stay the remaining single case, and on August 17, 2018, the Fulton County Business Court granted the Company's motion to stay the consolidated case. Because the plaintiffs in the four putative class actions did not opt out of the Consumer Settlement that became effective on January 11, 2022, these cases have been dismissed and are now closed.

Canadian Class Actions. Five putative Canadian class actions, four of which are on behalf of a national class of approximately 19,000 Canadian consumers, are pending against us in Ontario, British Columbia and Alberta. Each of the

proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with the 2017 cybersecurity incident. In addition to seeking class certification on behalf of Canadian consumers whose personal information was allegedly impacted by the 2017 cybersecurity incident, in some cases, plaintiffs also seek class certification on behalf of a larger group of Canadian consumers who had contracts for subscription products with Equifax around the time of the incident or earlier and were not impacted by the incident.

On December 13, 2019, the court in Ontario granted certification of a nationwide class that includes all impacted Canadians as well as Canadians who had subscription products with Equifax between March 7, 2017 and July 30, 2017 who were not impacted by the incident. We appealed one of the claims on which a class was certified and on June 9, 2021, our appeal was granted by the Ontario Divisional Court. The plaintiff has since filed a notice of further appeal with the Ontario Court of Appeal, which is scheduled to be heard in June 2022. All remaining purported class actions are at preliminary stages or stayed.

Government Investigations. We have cooperated with federal, state and foreign governmental agencies and officials investigating or otherwise seeking information, testimony and/or documents, regarding the 2017 cybersecurity incident and related matters and these investigations have been resolved as discussed in prior filings.

The U.K.'s Financial Conduct Authority ("FCA") opened an enforcement investigation against our U.K. subsidiary, Equifax Limited, in October 2017. The investigation by the FCA has involved a number of information requirements and interviews. We continue to respond to the information requirements and are cooperating with the investigation.

Although we continue to cooperate in the Canadian class action proceedings and the FCA investigation, an adverse outcome to any such proceedings and investigation could subject us to fines or other obligations, which could have a material adverse effect on our financial condition and results of operations.

CFPB Matter

In December 2021, we received a Civil Investigative Demand (a "CID") from the CFPB as part of its investigation into our consumer disputes process in order to determine whether we have followed the FCRA's requirements for the proper handling of consumer disputes. The CID requests the production of documents and answers to written questions. We are cooperating with the CFPB in its investigation and are in discussions with the CFPB regarding our response to the CID. At this time, we are unable to predict the outcome of this CFPB investigation, including whether the investigation will result in any action or proceeding against us.

Other

Equifax has been named as a defendant in various other legal actions, including administrative claims, regulatory matters, government investigations, class actions and other litigation arising in connection with our business. Some of the legal actions include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. We believe we have defenses to and, where appropriate, will contest many of these matters. Given the number of these matters, some are likely to result in adverse judgments, penalties, injunctions, fines or other relief. We may explore potential settlements before a case is taken through trial because of the uncertainty and risks inherent in the litigation process.

For information regarding our accounting for legal contingencies, see Note 6 of the Notes to Consolidated Financial Statements in Item 8 of this report.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

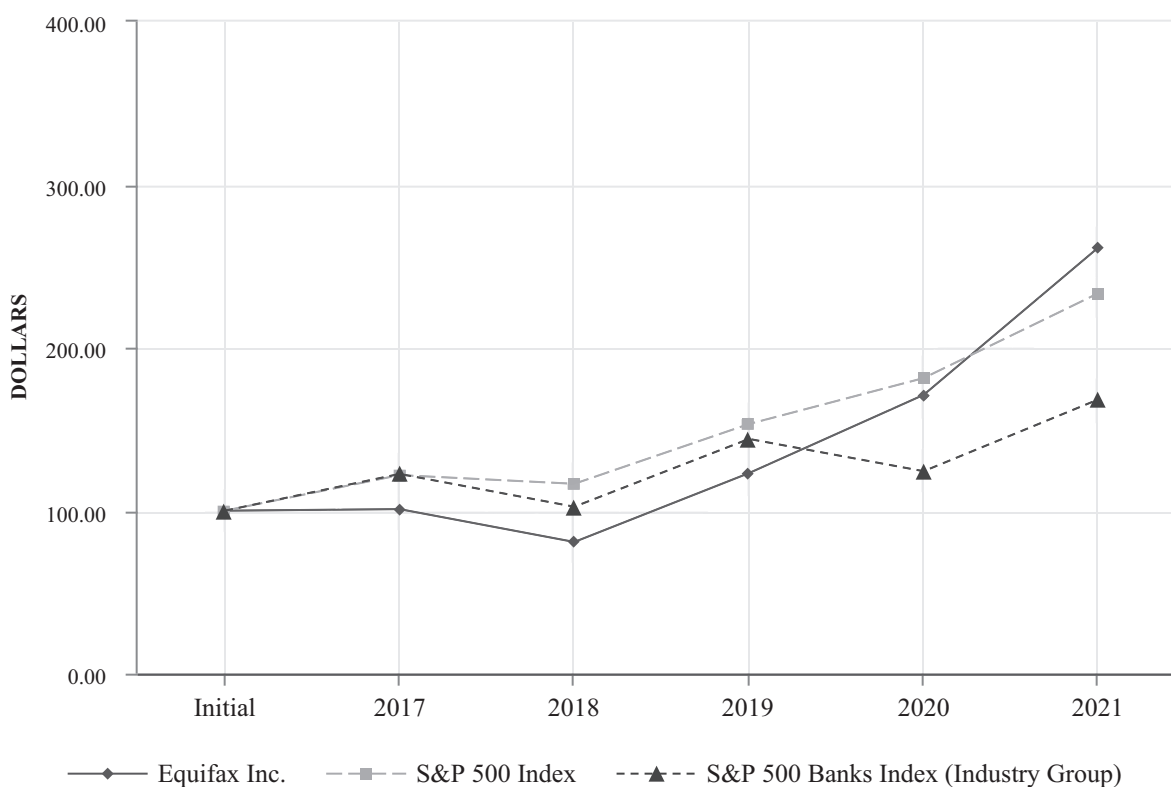
Equifax's common stock is traded on the New York Stock Exchange under the symbol "EFX." As of January 31, 2022, Equifax had approximately 2,766 holders of record; however, Equifax believes the number of beneficial owners of common stock exceeds this number.

Shareholder Return Performance Graph

The graph below compares Equifax's five-year cumulative total shareholder return with that of the Standard & Poor's Composite Stock Index (S&P 500) and a peer group index, the S&P 500 Banks Index (Industry Group). The graph assumes that the value of the investment in our Common Stock and each index was \$100 on the last trading day of 2016 and that all quarterly dividends were reinvested without commissions. Our past performance may not be indicative of future performance.

COMPARATIVE FIVE-YEAR CUMULATIVE TOTAL RETURN AMONG EQUIFAX INC., S&P 500 INDEX AND S&P 500 BANKS INDEX (INDUSTRY GROUP)

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURNS
VALUE OF \$100 INVESTED AS OF JANUARY 1, 2017



Fiscal Year Ended December 31,

	Initial	2017	2018	2019	2020	2021
Equifax Inc.	100.00	100.95	80.79	123.06	171.05	261.43
S&P 500 Index	100.00	121.83	116.49	153.17	181.35	233.41
S&P 500 Banks Index (Industry Group)	100.00	122.55	102.41	144.02	124.21	168.24

The table below contains information with respect to purchases made by or on behalf of Equifax of its common stock during the fourth quarter ended December 31, 2021:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly-Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs ⁽³⁾
October 1 - October 31, 2021	18,889	\$ —	—	\$ 520,168,924
November 1 - November 30, 2021	3,870	\$ —	—	\$ 520,168,924
December 1 - December 31, 2021	25,572	\$ —	—	\$ 520,168,924
Total	48,331	\$ —	—	\$ 520,168,924

- (1) The total number of shares purchased includes, if applicable: (a) shares purchased pursuant to our publicly-announced share repurchase program, or Program; and (b) shares surrendered, or deemed surrendered, in satisfaction of the exercise price and/or to satisfy tax withholding obligations in connection with the exercise of employee stock options and vesting of restricted stock, totaling 18,889 share for the month of October 2021, 3,870 shares for the month of November 2021 and 25,572 shares for the month of December 2021.
- (2) Average price paid per share for shares purchased as part of our Program (includes brokerage commissions).
- (3) We purchased 0.4 million common shares during the twelve months ended December 31, 2021. At December 31, 2021, the amount authorized for future share repurchases under the Program was \$520.2 million.

Information relating to compensation plans under which the Company’s equity securities are authorized for issuance will be included in the section captioned “Equity Compensation Plan Information” in our 2022 Proxy Statement and is incorporated herein by reference.

ITEM 6. RESERVED

Not applicable.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management’s Discussion and Analysis (“MD&A”) is intended to help the reader understand the results of operations and financial condition of Equifax Inc. MD&A is provided as a supplement to and should be read in conjunction with our consolidated financial statements and the accompanying Notes to Financial Statements in Item 8 of this Form 10-K. This section discusses the results of our operations for the year ended December 31, 2021 compared to the year ended December 31, 2020 and the year ended December 31, 2020 compared to the year ended December 31, 2019. All percentages have been calculated using unrounded amounts for each of the periods presented.

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

All references to earnings per share data in MD&A are to diluted earnings per share, or EPS, unless otherwise noted. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding.

BUSINESS OVERVIEW

Equifax Inc. is a global data, analytics and technology company. We provide information solutions for businesses, governments and consumers, and we provide human resources business process automation and outsourcing services for employers. We have a large and diversified group of clients, including financial institutions, corporations, government agencies and individuals. Our services are based on comprehensive databases of consumer and business information derived from numerous sources including credit, financial assets, telecommunications and utility payments, employment, income, educational history, criminal history, healthcare professional licensure and sanctions, demographic and marketing data. We use advanced statistical techniques, machine learning and proprietary software tools to analyze available data to create customized insights, decision-making and process automation solutions and processing services for our clients. We are a leading provider of information and solutions used in payroll-related and human resource management business process services in the U.S. For consumers, we provide products and services to help people understand, manage and protect their personal information and make more informed financial decisions. Additionally, we also provide information, technology and services to support debt collections and recovery management.

We currently operate in four global regions: North America (U.S. and Canada), Asia Pacific (Australia, New Zealand and India), Europe (the United Kingdom, or U.K., Spain and Portugal) and Latin America (Argentina, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Paraguay, Peru and Uruguay). We maintain support operations in the Republic of Ireland, Chile, Costa Rica and India. We also offer Equifax-branded credit services in Russia through a joint venture, have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore and have an investment in a consumer and commercial credit information company in Brazil.

Recent Events and Company Outlook

As further described above, we operate in the U.S., which represented 78% of our revenue in 2021, and internationally in 23 countries. Our products and services span a wide variety of vertical markets including financial services, mortgage, federal, state and local governments, automotive, telecommunications and many others.

In March 2020, the World Health Organization designated the novel coronavirus disease (“COVID-19”) as a global pandemic. During 2020 and 2021, we followed applicable requirements and protocols published by the U.S. Centers for Disease Control, the World Health Organization, and federal, state and local governments. We have relied on our business continuity plans at various times, which has periodically resulted in a portion of our employee population working remotely, depending on their role. To date, the change to our working environment has not caused material disruptions in the execution of our strategic plans and has not impacted our internal controls, financial reporting systems or operations. The impact of COVID-19 pandemic remains uncertain and may affect certain markets or regions we serve differently.

Demand for our services tends to be correlated to general levels of economic activity and to consumer credit activity, small commercial credit and marketing activity and employee hiring and onboarding activity. Demand is also enhanced by our initiatives to expand our products, capabilities and markets served. The impact of COVID-19 and related actions to attempt to control its spread began to impact our consolidated operating results in the first quarter of 2020. During 2020, overall revenue grew reflecting strong U.S. mortgage market demand in 2020 compared to 2019 and growth across our Workforce Solutions business. The impact on the operating results in each country in which we operate differed based on the conditions and the

vertical markets we serve in that country with the impact of the pandemic experienced most severely by our International business. In 2021, as efforts to minimize the spread of COVID-19 have been more successful and access to vaccinations has increased, our consolidated revenue grew when compared to 2020, reflecting recovering country economies, growth from Equifax initiatives and, to a lesser extent, revenue from acquired companies. A more thorough discussion of our business unit results are included under the heading “Segment Financial Results” in the Management’s Discussion and Analysis of Financial Condition and Results of Operation section of this Form 10-K.

For 2022, our planning assumes economies in which we operate to continue to show growth relative to 2021. In the U.S., 2022 economic activity, as measured by GDP, is expected to grow but not at the same rate of growth experienced in 2021. We expect modest growth in consumer credit, excluding mortgage, over the course of 2022. Our plan assumes the U.S. mortgage market as measured by credit inquiries is expected to decline by greater than 20 percent in 2022 versus 2021. The U.S. mortgage market, particularly the mortgage refinance portion of the U.S. mortgage market, can be significantly impacted by U.S. interest rates and therefore mortgage rates. In the International markets in which we operate, we expect 2022 economic activity, as measured by GDP, to improve but less than the rates of growth experienced in 2021.

In light of the evolving health, social, economic and business environment, governmental regulations or mandates, and business disruptions that could occur, the potential impact that COVID-19 could have on our financial condition and operating results remains unclear.

For more information, see “Item 1A. Risk Factors—*Our business has been and may continue to be negatively impacted by the COVID-19 pandemic,*” in this Form 10-K.

Segment and Geographic Information

In the fourth quarter of 2021, we integrated our Global Consumer Solutions business into our USIS, Workforce Solutions and International operating segments. U.S. consumer credit monitoring solutions businesses have been moved into the Online Information Solutions business of USIS with the U.S. consumer identity theft protection business moved to the Employer Services business of Workforce Solutions. All international consumer credit monitoring solutions businesses in Canada and Europe have been moved into the respective country operations within the International operating segment. These changes in operating segments align with how we manage our business as of the fourth quarter of 2021. Segment financial results and related discussion and analysis have been restated retrospectively to reflect these changes.

Segments. The Workforce Solutions segment consists of the Verification Services and Employer Services business lines. Verification Services revenue is transaction-based and is derived primarily from employment and income verification. Employer Services revenue is derived from our provision of certain human resources business process outsourcing services that include both transaction and subscription based product offerings. These services include unemployment claims management, employment-based tax credit services and other complementary employment-based transaction services.

The USIS segment consists of three service lines: Online Information Solutions, Mortgage Solutions, and Financial Marketing Services. Online Information Solutions and Mortgage Solutions revenue is principally transaction-based and is derived from our sales of products such as consumer and commercial credit reporting and scoring, identity management, fraud detection, modeling services and consumer credit monitoring services. USIS also markets certain decisioning software services which facilitate and automate a variety of consumer and commercial credit-oriented decisions. Online Information Solutions also includes the U.S. consumer credit monitoring solutions business previously part of the Global Consumer Services segment. Financial Marketing Services revenue is principally project and subscription based and is derived from our sales of batch credit and consumer wealth information such as those that assist clients in acquiring new customers, cross-selling to existing customers and managing portfolio risk.

The International segment consists of Asia Pacific, Europe, Latin America and Canada. Canada’s services are similar to our USIS offerings. Asia Pacific, Europe and Latin America are made up of varying mixes of service lines that are generally consistent with those in our USIS reportable segment. We also provide information and technology services to support lenders and other creditors in the collections and recovery management process.

Geographic Information. We currently have operations in the following countries: Argentina, Australia, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, India, Mexico, New Zealand, Paraguay, Peru, Portugal, the Republic of Ireland, Spain, the U.K., Uruguay and the U.S. We also offer Equifax-branded credit services in Russia through a joint venture, have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore and have an investment in a consumer and commercial credit information company in Brazil. Approximately

78% and 77% of our revenue was generated in the U.S. during the twelve months ended December 31, 2021 and 2020, respectively.

Seasonality. We experience seasonality in certain of our revenue streams. Revenue generated by the online consumer information services component of our USIS operating segment is typically the lowest during the first quarter, when consumer lending activity is at a seasonal low. Revenue generated from the Employer Services business unit within the Workforce Solutions operating segment is generally higher in the first quarter due primarily to the provision of Form W-2 and 1095-C services that occur in the first quarter each year. Revenue generated from our financial wealth asset products and data management services in our Financial Marketing Services business is generally higher in the fourth quarter each year due to the significant portion of our annual renewals and deliveries which occur then. Mortgage related revenue is generally higher in the second and third quarters of the year due to the increase in consumer home purchasing during the summer in the U.S. Any change in the U.S. mortgage market could have a corresponding impact on revenue and operating profit for our business, primarily within the Workforce Solutions and USIS operating segments.

Key Performance Indicators. Management focuses on a variety of key indicators to monitor operating and financial performance. These performance indicators include measurements of operating revenue, change in operating revenue, operating income, operating margin, net income, diluted earnings per share, cash provided by operating activities and capital expenditures. Key performance indicators for the twelve months ended December 31, 2021, 2020 and 2019 include the following:

	Key Performance Indicators Twelve Months Ended December 31,		
	2021	2020	2019
	<i>(In millions, except per share data)</i>		
Operating revenue	\$ 4,923.9	\$ 4,127.5	\$ 3,507.6
Operating revenue change	19 %	18 %	3 %
Operating income (loss)	\$ 1,138.0	\$ 676.6	\$ (335.4)
Operating margin	23.1 %	16.4 %	(9.6)%
Net income (loss) attributable to Equifax	\$ 744.2	\$ 520.1	\$ (384.1)
Diluted earnings per share	\$ 6.02	\$ 4.24	\$ (3.15)
Cash provided by operating activities	\$ 1,334.8	\$ 946.2	\$ 313.8
Capital expenditures*	\$ (490.5)	\$ (430.7)	\$ (375.9)

*Amounts above include accruals for capital expenditures.

RESULTS OF OPERATIONS — TWELVE MONTHS ENDED DECEMBER 31, 2021, 2020 AND 2019

Consolidated Financial Results

Operating Revenue

	Twelve Months Ended December 31,			Change			
	2021	2020	2019	2021 vs. 2020		2020 vs. 2019	
				\$	%	\$	%
Operating Revenue							
	<i>(In millions)</i>						
Workforce Solutions	\$ 2,035.4	\$ 1,461.7	\$ 971.1	\$ 573.7	39 %	\$ 490.6	51 %
U.S. Information Solutions	1,786.7	1,711.2	1,531.2	75.5	4 %	180.0	12 %
International	1,101.8	954.6	1,005.3	147.2	15 %	(50.7)	(5)%
Consolidated operating revenue	<u>\$ 4,923.9</u>	<u>\$ 4,127.5</u>	<u>\$ 3,507.6</u>	<u>\$ 796.4</u>	<u>19 %</u>	<u>\$ 619.9</u>	<u>18 %</u>

Revenue for 2021 increased by 19% compared to 2020. The growth was driven by increases in our Workforce Solutions segment, across mortgage and non-mortgage related revenue, growth in our International segment and growth in non-

mortgage related revenue in the USIS segment. The effect of foreign exchange rates increased revenue by \$50.4 million, or 1%, in 2021 compared to 2020.

Revenue for 2020 increased by 18% compared to 2019. The growth was driven by our Workforce Solutions and USIS segments, primarily due to strong U.S. mortgage volume benefiting both Workforce Solutions and USIS, as well as in Workforce Solutions growth across non-mortgage related businesses including our unemployment claims business. This growth was partially offset by declines beginning in the second half of March 2020 across the International segment due to the economic impact of the COVID-19 pandemic. The effect of foreign exchange rates reduced revenue by \$24.5 million, or 1%, in 2020 compared to 2019.

Operating Expenses

	Twelve Months Ended December 31,			Change			
	2021	2020	2019	2021 vs. 2020		2020 vs. 2019	
Operating Expenses				\$	%	\$	%
	<i>(In millions)</i>						
Consolidated cost of services	\$ 1,980.9	\$ 1,737.4	\$ 1,521.7	\$ 243.5	14 %	\$ 215.7	14 %
Consolidated selling, general and administrative expenses	1,324.6	1,322.5	1,990.2	2.1	— %	(667.7)	(34)%
Consolidated depreciation and amortization expense	480.4	391.0	331.1	89.4	23 %	59.9	18 %
Consolidated operating expenses	<u>\$ 3,785.9</u>	<u>\$ 3,450.9</u>	<u>\$ 3,843.0</u>	<u>\$ 335.0</u>	<u>10 %</u>	<u>\$ (392.1)</u>	<u>(10)%</u>

Cost of Services. Cost of services increased \$243.5 million in 2021 compared to 2020. The increase is due to increased royalty costs, production costs, which include third party cloud usage fees, and people costs, partially offset by a decrease in incremental technology and data security costs related to our ongoing technology transformation. The effect of changes in foreign exchange rates increased cost of services by \$27.5 million.

Cost of services increased \$215.7 million in 2020 compared to 2019. The increase is due to increased royalty and production costs, as well as incremental technology and data security costs related to our ongoing technology transformation. The effect of changes in foreign exchange rates reduced cost of services by \$10.4 million.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased \$2.1 million in 2021 compared to 2020. The slight increase in 2021 is due to an increase in people costs, offset by a decrease in incremental technology and data security costs related to our ongoing technology transformation. The impact of changes in foreign currency exchange rates increased our selling, general and administrative expenses by \$9.7 million.

Selling, general and administrative expenses decreased \$667.7 million in 2020 compared to 2019. The decrease in 2020 is primarily due to losses, net of insurance recoveries, of \$800.9 million associated with certain legal proceedings and government investigations related to the 2017 cybersecurity incident that were recorded in 2019 but did not recur in 2020, partially offset by increased people costs and a restructuring charge taken in the fourth quarter of 2020. The impact of changes in foreign currency exchange rates decreased our selling, general and administrative expenses by \$10.2 million.

Depreciation and Amortization. Depreciation and amortization expense for 2021 and 2020 increased by \$89.4 million and \$59.9 million, respectively. The increase is due to amortization of capitalized internal-use software and systems costs, as well as higher amortization of purchased intangible assets related to recent acquisitions.

Operating Income and Operating Margin

Operating Income (Loss) and Operating Margin	Twelve Months Ended December 31,			Change			
	2021	2020	2019	2021 vs. 2020		2020 vs. 2019	
				\$	%	\$	%
	<i>(In millions)</i>						
Consolidated operating revenue	\$4,923.9	\$4,127.5	\$3,507.6	\$ 796.4	19 %	\$ 619.9	18 %
Consolidated operating expenses	3,785.9	3,450.9	3,843.0	335.0	10 %	(392.1)	(10) %
Consolidated operating income (loss)	\$1,138.0	\$ 676.6	\$ (335.4)	\$ 461.4	68 %	\$ 1,012.0	(302) %
Consolidated operating margin	23.1 %	16.4 %	(9.6)%		6.7 pts		26.0 pts

Total company operating margin increased by 6.7 percentage points in 2021 versus 2020. The margin increase is due to higher operating income generated by the increased revenue and decreased incremental technology and data security costs, partially offset by the increased people costs and aforementioned increase in depreciation and amortization expense.

Total company operating margin increased in 2020 versus 2019, primarily due to increased revenue in 2020 and losses, net of insurance recoveries in 2019, of \$800.9 million associated with certain legal proceedings and government investigations related to the 2017 cybersecurity incident which are reflected in selling, general, and administrative expenses in our Consolidated Statements of Income (Loss), that did not recur in 2020.

Interest Expense and Other Income (Expense), net

Consolidated Interest and Other Income (Expense), net	Twelve Months Ended December 31,			Change			
	2021	2020	2019	2021 vs. 2020		2020 vs. 2019	
				\$	%	\$	%
	<i>(In millions)</i>						
Consolidated interest expense	\$ (145.6)	\$ (141.6)	\$ (111.7)	\$ (4.0)	3 %	\$ (29.9)	27 %
Consolidated other (expense) income, net	(43.2)	150.2	33.3	(193.4)	(129)%	116.9	351 %
Average cost of debt	3.2 %	3.5 %	3.8 %				
Total consolidated debt, net, at year end	\$5,294.9	\$4,378.4	\$3,382.6	\$ 916.5	21 %	\$ 995.8	29 %

Interest expense increased in 2021, when compared to 2020, due to a higher weighted average outstanding amount of debt in 2021 when compared to 2020, offset by a slightly lower cost of debt.

Interest expense increased in 2020, when compared to 2019, due to the issuance of \$1.0 billion in senior notes in April 2020 and \$750.0 million senior notes issued in November 2019. This increase was partially offset by interest related to outstanding commercial paper and Receivables Funding Facility balances in 2019.

The decrease in other income, net in 2021 is driven by the changes in our fair value adjustments of our investments and mark-to-market adjustments for our pension assets. We recorded a \$64.0 million loss on the fair value adjustment of our Brazil investment in 2021, compared to a \$149.5 million gain on the fair value adjustment of our Brazil and India investments in 2020. For 2021 and 2020, we recorded a \$20.2 million and \$32.2 million loss, respectively, on the mark-to-market adjustment of our pension plan assets. These impacts were partially offset by positive impacts of foreign currency exchange in 2021.

The increase in other income, net in 2020 is primarily due to gains recorded related to the fair value adjustment of our investment in Brazil of \$116.6 million due to its initial public offering in the third quarter of 2020, as well as the \$32.9 million gain recorded related to a fair value adjustment of the equity investment in India, for which we completed the acquisition of the remaining shareholder interest in the first quarter of 2020. This was partially offset by the \$32.2 million mark-to-market fair value adjustment of pension assets which resulted in a loss during the fourth quarter of 2020.

Income Taxes

Provision for Income Taxes	Twelve Months Ended December 31,			Change			
	2021	2020	2019	2021 vs. 2020		2020 vs. 2019	
				\$	%	\$	%
<i>(In millions)</i>							
Consolidated (provision for) benefit from income taxes	\$ (200.7)	\$ (159.0)	\$ 35.7	\$ (41.7)	26 %	\$ (194.7)	(545)%
Effective income tax rate	21.2 %	23.2 %	8.6 %				

Our effective tax rate was 21.2% for 2021, down from 23.2% for the same period in 2020. Our effective tax rate is lower for the year ended December 31, 2021 compared to 2020 due to a lower foreign rate differential due to the changes in the fair value of our investment in Brazil.

Our effective tax rate was 23.2% for 2020, up from 8.6% for the same period in 2019. Our effective tax rate was higher for the year ended December 31, 2020 compared to 2019 due to the operating loss of the Company in 2019 and permanent tax differences resulting from certain non-deductible amounts related to the accrual for losses associated with certain legal proceedings and government investigations related to the 2017 cybersecurity incident.

Net Income (Loss)

Net Income (Loss)	Twelve Months Ended December 31,			Change			
	2021	2020	2019	2021 vs. 2020		2020 vs. 2019	
				\$	%	\$	%
<i>(In millions, except per share amounts)</i>							
Consolidated operating income (loss)	\$ 1,138.0	\$ 676.6	\$ (335.4)	\$ 461.4	68 %	\$ 1,012.0	302 %
Consolidated other income (expense), net	(188.8)	8.6	(78.4)	(197.4)	(2,295)%	87.0	111 %
Consolidated (provision for) benefit from income taxes	(200.7)	(159.0)	35.7	(41.7)	26 %	(194.7)	(545)%
Consolidated net income (loss)	748.5	526.2	(378.1)	222.3	42 %	904.3	239 %
Net income attributable to noncontrolling interests	(4.3)	(6.1)	(6.0)	1.8	(30)%	(0.1)	(2)%
Net income (loss) attributable to Equifax	\$ 744.2	\$ 520.1	\$ (384.1)	\$ 224.1	43 %	\$ 904.2	235 %
Diluted earnings per share:							
Net income (loss) attributable to Equifax	\$ 6.02	\$ 4.24	\$ (3.15)	\$ 1.78	42 %	\$ 7.39	235 %
Weighted-average shares used in computing diluted earnings per share	123.6	122.8	122.0				

Consolidated net income increased by \$222.3 million in 2021 compared to 2020 due to increased operating income, partially offset by the decrease in other income, net and increase in income tax expense.

Consolidated net income (loss) increased by \$904.3 million in 2020 compared to 2019 due to increased revenue, the 2019 accrual for losses associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident that did not recur in 2020 and an increase in Other Income resulting from the fair value adjustments of the Brazil and India investments. The current year increase is partially offset by higher tax expense, people costs, royalty costs, technology costs, depreciation of capitalized projects and interest expense.

Segment Financial Results

Workforce Solutions

Workforce Solutions	Twelve Months Ended December 31,			Change			
	2021	2020	2019	2021 vs. 2020		2020 vs. 2019	
				\$	%	\$	%
<i>(In millions)</i>							
Operating Revenue:							
Verification Services	\$1,608.9	\$ 1,103.2	\$ 700.1	\$ 505.7	46 %	\$ 403.1	58 %
Employer Services	426.5	358.5	271.0	68.0	19 %	87.5	32 %
Total operating revenue	<u>\$2,035.4</u>	<u>\$ 1,461.7</u>	<u>\$ 971.1</u>	<u>\$ 573.7</u>	<u>39 %</u>	<u>\$ 490.6</u>	<u>51 %</u>
% of consolidated revenue	42 %	35 %	28 %				
Total operating income	\$1,000.7	\$ 703.9	\$ 391.3	\$ 296.8	42 %	\$ 312.6	80 %
Operating margin	49.2 %	48.2 %	40.3 %		1.0 pts		7.9 pts

Workforce Solutions revenue increased by 39% in 2021 compared to 2020, due to strong growth in Verification Services driven by growth in mortgage, talent solutions, government and other verticals. Employer Services revenue also increased due to acquisition related growth and employee services, partially offset by a decline in our unemployment claims business.

Workforce Solutions revenue increased by 51% in 2020 compared to 2019 due to strong growth in both Verification Services and Employer Services. Verification Services growth was due to strong growth in mortgage related revenue. Employer Services growth was due to growth in unemployment claims management revenue.

Verification Services. Revenue increased 46% in 2021 compared to 2020. Verification Services revenue experienced growth in the mortgage, talent solutions and government verticals as well as from the acquisition of Appriss Insights, which took place in the fourth quarter of 2021. Verification Services benefited across all verticals from the continued growth of employment and income records in The Work Number database.

Revenue increased 58% in 2020 compared to 2019, due to strong growth in the mortgage vertical. Revenue from the commercial non-mortgage verticals of Verification Services have experienced declines versus 2019 due to the economic impact of COVID-19. Verification Services benefited across all verticals from the continued growth of employment and income records in The Work Number database.

Employer Services. Revenue increased 19% in 2021, compared to 2020 due to growth in employee services, partially offset by a decrease in unemployment claims revenue as the number of claims has greatly reduced in 2021 after having been significantly higher in 2020 due to the economic impact of COVID-19 on the U.S. economy. Employer Services also benefited from acquisition revenue in 2021.

Revenue increased 32% in 2020 compared to 2019, due to increases in our unemployment claims management services as U.S. unemployment claims increased substantially due to the economic impact of COVID-19 on the U.S. economy. This was partially offset principally by declines in our tax management services and Affordable Care Act compliance services.

Workforce Solutions Operating Margin. Operating margin increased to 49.2% in 2021 compared to 48.2% in 2020 primarily due to the increase in revenue, partially offset by increases in royalty, production and people costs. Operating margin increased to 48.2% in 2020 compared to 40.3% in 2019 primarily due to the increase in revenue, partially offset by increases in royalty, people, technology and depreciation costs, as well as incremental technology and data security costs associated with our ongoing technology transformation.

U.S. Information Solutions

U.S. Information Solutions	Twelve Months Ended December 31,			Change			
	2021	2020	2019	2021 vs. 2020		2020 vs. 2019	
				\$	%	\$	%
<i>(In millions)</i>							
Operating revenue:							
Online Information Solutions	\$1,349.8	\$ 1,296.4	\$ 1,177.9	\$ 53.4	4 %	\$ 118.5	10 %
Mortgage Solutions	190.4	199.8	136.9	(9.4)	(5) %	62.9	46 %
Financial Marketing Services	246.5	215.0	216.4	31.5	15 %	(1.4)	(1) %
Total operating revenue	\$1,786.7	\$ 1,711.2	\$ 1,531.2	\$ 75.5	4 %	\$ 180.0	12 %
% of consolidated revenue	36 %	42 %	43 %				
Total operating income	\$ 551.8	\$ 515.3	\$ 493.9	\$ 36.5	7 %	\$ 21.4	4 %
Operating margin	30.9 %	30.1 %	32.3 %		0.8 pts		(2.2)pts

U.S. Information Solutions revenue increased 4% in 2021 compared to 2020 due to overall improvements in our core credit decisioning services, acquisition-related revenue and financial marketing services, partially offset by decreases in Mortgage Solutions.

U.S. Information Solutions revenue increased 12% in 2020 compared to 2019 due to improvements in our core credit decisioning services and mortgage solutions volumes related to the strength of the U.S. mortgage market in 2020.

Online Information Solutions. Revenue for 2021 increased 4% compared to 2020, due to continued growth in non-mortgage online services and revenue related to acquisitions, partially offset by a decrease in U.S. consumer and mortgage online services.

Revenue for 2020 increased 10% compared to 2019, due to improved core credit decisioning services volumes related to improvements in the U.S. mortgage market. This is partially offset by a reduction in non-mortgage online revenue due to the economic impact of COVID-19, which began in the latter half of March 2020, and a decline in our U.S. consumer online services.

Mortgage Solutions. Revenue decreased 5% in 2021 compared to 2020, due to decreased mortgage origination transaction volumes as compared to the prior year.

Revenue increased 46% in 2020 compared to 2019, due to increased mortgage market transaction volumes.

Financial Marketing Services. Revenue increased 15% in 2021 compared to 2020, due to increased marketing activities by customers as the U.S. economy continues its recovery from the economic impact of COVID-19.

Revenue decreased 1% in 2020 compared to 2019, due the economic impact of COVID-19 on project related revenue.

U.S. Information Solutions Operating Margin. USIS operating margin increased to 30.9% in 2021 compared to 30.1% in 2020, due to increased revenue and lower selling, general and administrative expenses, partially offset by increased depreciation expense, royalty costs and production costs. USIS operating margin decreased to 30.1% in 2020 compared to 32.3% in 2019, due to increased royalty, people, technology and depreciation costs, as well as incremental technology and data security costs associated with our ongoing technology transformation, partially offset by the increase in revenue.

International

International	Twelve Months Ended December 31,			Change			
	2021	2020	2019	2021 vs. 2020		2020 vs. 2019	
				\$	%	\$	%
<i>(In millions)</i>							
Operating revenue:							
Asia Pacific	\$ 356.0	\$ 296.5	\$ 300.1	\$ 59.5	20 %	\$ (3.6)	(1) %
Europe	319.9	285.2	303.8	34.7	12 %	(18.6)	(6) %
Latin America	175.9	160.3	190.5	15.6	10 %	(30.2)	(16) %
Canada	250.0	212.6	210.9	37.4	18 %	1.7	1 %
Total operating revenue	<u>\$1,101.8</u>	<u>\$ 954.6</u>	<u>\$ 1,005.3</u>	<u>\$ 147.2</u>	<u>15 %</u>	<u>\$ (50.7)</u>	<u>(5) %</u>
% of consolidated revenue	22 %	23 %	29 %				
Total operating income	\$ 141.9	\$ 75.7	\$ 109.6	\$ 66.2	87 %	\$ (33.9)	(30) %
Operating margin	12.9 %	7.9 %	10.9 %		5.0 pts		(3.0)pts

International revenue increased by 15% in 2021 as compared to 2020. Local currency revenue increased 10% in 2021, driven by increases in all geographies as local economies continue to recover from negative impacts of COVID-19 despite the impact of measures to limit its spread in many regions during the year. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$50.4 million, or 5%.

International revenue decreased by 5% in 2020 compared to 2019. Local currency revenue decreased 3% in 2020, driven by declines across all geographies due to the negative impacts of COVID-19 on transaction volumes beginning in the second half of March. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$24.5 million, or 2%.

Asia Pacific. Local currency revenue increased 11% in 2021 as compared to 2020 driven by growth in our commercial, consumer, background check verifications and identity and fraud businesses in Australia, partially offset by recovery management offline projects from 2020 that did not recur in 2021. Additionally, the increase in revenue for 2021 is also attributable to organic growth in India due to higher consumer volumes related to economic recovery from the impacts of COVID-19. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$27.7 million, or 9%. Reported revenue increased 20% in 2021 as compared to 2020.

Local currency revenue decreased 1% in 2020 as compared to 2019 due to decreases in our consumer and commercial businesses, marketing services and personal solutions related revenue, primarily driven by the economic recession in Australia and New Zealand caused by the COVID-19 pandemic, partly offset by growth in India, an increase in offline transactions within recovery management and stronger online ID validation. Local currency fluctuations against the U.S. dollar did not have a significant impact in 2020. Reported revenue decreased 1% in 2020 as compared to 2019.

Europe. Local currency revenue increased 6% in 2021 as compared to 2020, driven by growth in the consumer vertical for the U.K. due to improving economic conditions, as well as growth in the debt management vertical driven by higher volumes within both the private and public sector. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$18.4 million, or 6%, for 2021. Reported revenue increased 12% in 2021 as compared to 2020.

Local currency revenue decreased 7% in 2020 as compared to 2019 due to declines in the U.K. and Spain consumer and commercial businesses and debt services brought on by the impact of the COVID-19 pandemic on local economies. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$3.1 million, or 1%, for 2020. Reported revenue decreased 6% in 2020 as compared to 2019.

Latin America. Local currency revenue increased 15% in 2021 as compared to 2020 reflecting growth broadly across the region as it experiences recovery from the impacts of COVID-19. Local currency growth rates were strongest in our Argentina, Central America, Mexico and Peru, with growth also in Chile and other countries. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$8.4 million, or 5%, in 2021, primarily from Argentina. Reported revenue increased 10% in 2021 as compared to 2020.

Local currency revenue decreased 3% in 2020 as compared to 2019 caused by the COVID-19 pandemic, which negatively impacted consumer credit operations in all Latin America countries in which Equifax operates. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$24.1 million, or 13%, in 2020, primarily from Argentina and Chile. Reported revenue decreased 16% in 2020 as compared to 2019.

Canada. Local currency revenue increased 12% in 2021 as compared to 2020 primarily due to growth in the consumer, commercial, identity and fraud, and analytics businesses, mainly within the mortgage and fintech verticals, as Canada recovers from the negative impacts of COVID-19 despite continued lockdown measures during the year in several Canadian provinces. Local currency fluctuations against the U.S. dollar positively impacted revenue by \$12.7 million, or 6%, in 2021. Reported revenue increased 18% in 2021 as compared to 2020.

Local currency revenue increased 2% in 2020 as compared to 2019 primarily due to declines in consumer and commercial online volumes and offline analytics revenue, driven by the COVID-19 pandemic. Local currency fluctuations against the U.S. dollar negatively impacted revenue by \$1.5 million, or 1%, in 2020. Reported revenue increased 1% in 2020 as compared to 2019.

International Operating Margin. Operating margin increased to 12.9% in 2021 as compared to 7.9% in 2020. The increase in margin is due to increased revenue, lower purchased intangible asset amortization costs and discretionary expense control, partially offset by increased people costs, royalty costs, production costs and depreciation of capitalized internal-use software and systems costs. Operating margin decreased to 7.9% in 2020 as compared to 10.9% in 2019. The reduced margin is due to the negative effects of COVID-19 on revenue, as well as an increase in depreciation and incremental technology costs related to the ongoing technology transformation, partially offset by reduced operating costs from discretionary expense control across the regions in 2020.

General Corporate Expense

General Corporate Expense	Twelve Months Ended December 31,			Change				
	2021	2020	2019	2021 vs. 2020		2020 vs. 2019		
	\$	\$	\$	\$	%	\$	%	
	<i>(In millions)</i>							
General corporate expense	\$ 556.4	\$ 618.3	\$ 1,330.2	\$ (61.9)	(10)%	\$ (711.9)	(54)%	

Our general corporate expenses are unallocated costs that are incurred at the corporate level and include those expenses impacted by corporate direction, including shared services, technology, administrative, legal, restructuring, and the portion of management incentive compensation determined by total company-wide performance.

General corporate expense decreased \$61.9 million in 2021. The decrease in 2021 as compared to 2020 is due to a decrease in incremental technology and data security costs associated with our technology transformation, partially offset by increased people costs and amortization expense.

General corporate expense decreased \$711.9 million in 2020. The decrease in 2020 as compared to 2019 is due to the legal accruals for losses associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident of \$800.9 million that were recorded in 2019 and did not recur in 2020 and lower technology costs, partially offset by increased people costs and a restructuring charge taken in the fourth quarter of 2020. The restructuring charge in the fourth quarter of 2020 resulted from our continuing efforts to realign our internal resources to support our strategic objectives.

LIQUIDITY AND FINANCIAL CONDITION

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing and financing activities. We continue to generate substantial cash from operating activities, remain in a strong financial position and manage our capital structure to meet short- and long-term objectives including reinvestment in existing businesses and completing strategic acquisitions.

Funds generated by operating activities, our Revolver and related commercial paper (“CP”) program, more fully described below, are our most significant sources of liquidity. At December 31, 2021, we had \$224.7 million in cash balances, as well as \$1,177.4 million available to borrow under our Revolver.

Sources and Uses of Cash

Our financing activities in 2021, more fully described below, were designed to create additional liquidity through the increase in the size of our Revolver and related CP program. While we had lower cash balances in 2021 versus 2020, we intend to use this additional capacity, together with cash from operating activities, to meet our current obligations, including the \$345 million consumer class action settlement payment. We plan to pay off the \$500 million Senior Notes due December 2022 with a combination of operating cash flow, available capacity under our Revolver and related CP program, or borrowings in the public or private debt markets.

In December 2019, the Compensation Committee of our Board of Directors approved the termination of the Canadian Retirement Income Plan (“CRIP”), the defined benefit pension plan offered to certain employees in Canada, as more fully described in Note 9 of the Notes to Consolidated Financial Statements in Item 8 of this report. As of December 31, 2021, the difference in the fair value of plan assets and the projected benefit obligation was a deficit of \$17 million. We anticipate that the deficit will be funded from current cash holdings when the liabilities are settled in late 2022.

Fund Transfer Limitations. The ability of certain of our subsidiaries and associated companies to transfer funds to the U.S may be limited, in some cases, by certain restrictions imposed by foreign governments. These restrictions do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends. As of December 31, 2021, we held \$199.9 million of cash in our foreign subsidiaries.

Information about our cash flows, by category, is presented in the Consolidated Statements of Cash Flows. The following table summarizes our cash flows for the twelve months ended December 31, 2021, 2020 and 2019:

Net cash provided by (used in):	Twelve Months Ended December 31,			Change	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
	<i>(In millions)</i>				
Operating activities	\$ 1,334.8	\$ 946.2	\$ 313.8	\$ 388.6	\$ 632.4
Investing activities	\$ (3,398.2)	\$ (492.7)	\$ (697.5)	\$ (2,905.5)	\$ 204.8
Financing activities	\$ 617.7	\$ 810.8	\$ 557.9	\$ (193.1)	\$ 252.9

Operating Activities

Cash provided by operating activities for 2021 increased by \$388.6 million compared to 2020 due to increased net income.

Cash provided by operating activities for 2020 increased by \$632.4 million compared to 2019. The increase in cash from operations is due to increased net income in 2020 and payments made in 2019 associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident.

Investing Activities

Net cash used in:	Twelve Months Ended December 31,			Change	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
	<i>(In millions)</i>				
Capital expenditures*	\$ (469.0)	\$ (421.3)	\$ (399.6)	\$ (47.7)	\$ (21.7)

*Amounts above are total cash outflows for capital expenditures.

Our capital expenditures are used for developing, enhancing and deploying new and existing software in support of our expanding product set, replacing or adding equipment, updating systems for regulatory compliance, licensing of standard software applications, investing in system reliability, security and disaster recovery enhancements, and updating or expanding our office facilities.

Capital expenditures increased in 2021 and 2020 from 2020 and 2019, respectively, as we are continuing to invest in enhanced technology systems and infrastructure as part of our technology transformation.

Acquisitions, Divestitures and Investments

Net cash used in:	Twelve Months Ended December 31,			Change	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
	<i>(In millions)</i>				
Acquisitions, net of cash acquired	\$ (2,935.6)	\$ (61.4)	\$ (272.9)	\$ (2,874.2)	\$ 211.5
Cash received from sale of asset	\$ 4.9	\$ —	\$ —	\$ 4.9	\$ —
Cash received from divestitures	\$ 1.5	\$ —	\$ —	\$ 1.5	\$ —
Investment in unconsolidated affiliates, net	\$ —	\$ (10.0)	\$ (25.0)	\$ 10.0	\$ 15.0

2021 Acquisitions and Investments. During 2021, we acquired Appriss Insights, HIREtech, i2Verify and Health e(fx) within the Workforce Solutions operating segment. We acquired Kount and Teletrack within the USIS operating segment. We acquired AccountScore, as well as the remaining noncontrolling interest of businesses within our International segment.

2020 Acquisitions and Investments. During 2020, we acquired the remaining interest in our India joint venture in our International operating segment and completed an additional acquisition in our USIS operating segment.

2019 Acquisitions and Investments. During 2019, we completed the acquisition of PayNet in our USIS and International operating segments and completed additional acquisitions in our Workforce Solutions segment.

For additional information about our acquisitions, see Note 3 of the Notes to Consolidated Financial Statements in Item 8 of this report.

Financing Activities

Net cash provided by (used in):	Twelve Months Ended December 31,			Change	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
	<i>(In millions)</i>				
Net short-term borrowings (repayments)	\$ 323.4	\$ (0.7)	\$ (1.8)	\$ 324.1	\$ 1.1
Payments on long-term debt	\$ (1,100.2)	\$ (125.0)	\$ (250.0)	\$ (975.2)	\$ 125.0
Proceeds from issuance of long-term debt	\$ 1,697.1	\$ 1,123.3	\$ 998.3	\$ 573.8	\$ 125.0

Borrowing and Repayment Activity. Net short-term repayments primarily represent repayments or borrowings of outstanding amounts under our CP program. We primarily borrow under our CP program as needed and as availability allows.

Increase in short-term borrowings in 2021 is due to net short-term borrowings of our CP notes. The decrease in net short-term repayments in 2020 and 2019 primarily relates to the net repayments of our CP notes.

In August 2021, we issued \$1.0 billion aggregate principal amount of 2.35% ten-year Senior Notes due 2031 (the “2031 Notes”) in an underwritten public offering. Interest on the 2031 Notes accrues at a rate of 2.35% per year and is payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2022. The net proceeds of the sale of the 2031 Notes were used to repay the \$300.0 million 3.6% Senior Notes due 2021 and \$300.0 million Floating Rate Notes due 2021. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program and the funding of acquisitions, including the Company’s \$1.825 billion acquisition of Appriss Insights. In addition, we also entered into a new \$700.0 million delayed draw term loan facility during August 2021.

In April 2020, we issued \$400.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2025 (the “2025 Notes”) and \$600.0 million aggregate principal amount of 3.1% ten-year Senior Notes due 2030 (the “2030 Notes”) in an underwritten public offering. Interest on the 2025 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 15 and December 15 of each year. Interest on the 2030 Notes accrues at a rate of 3.1% per year and is payable semi-annually in arrears on May 15 and November 15 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and Revolver, while the remaining funds were used for general corporate purposes.

In November 2019, we issued \$750.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2024 (the “2024 Notes”) in an underwritten public offering. Interest on the 2024 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 1 and December 1 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and our CP program and for general corporate purposes.

Payments on long-term debt in 2021 reflect payments on the 2.3% Senior Notes, 3.6% Senior Notes and Floating Rate Notes that were due in 2021 using proceeds from the issuance of Senior Notes and the new term loan. Payments on long-term debt in 2020 and 2019 reflect payments on our Receivable Facility using proceeds from the issuance of the senior notes.

Credit Facility Availability. In August 2021, the Company refinanced the existing unsecured revolving credit facility of \$1.1 billion set to expire September 2023, and entered into a new \$1.5 billion five-year unsecured revolving credit facility (the “Revolver”) and a new \$700.0 million delayed draw term loan (“Term Loan”), collectively known as the “Senior Credit Facilities,” both which mature in August 2026. Borrowings under the Senior Credit Facilities may be used for working capital, for capital expenditures, to refinance existing debt, to finance acquisitions and for other general corporate purposes. The Revolver includes an option to request a maximum of three one-year extensions of the maturity date, any time after the first anniversary of the closing date of the Revolver. We believe we are currently in compliance with all representations and warranties necessary as a condition for borrowing under the Revolver, but we cannot assure that we will be able to comply with all such conditions for borrowing in the future. Availability of the Revolver is reduced by the outstanding principal balance of our CP notes and by any letters of credit issued under the Revolver.

In the third quarter of 2021, we increased the size of our CP program from \$1.1 billion to \$1.5 billion, consistent with the increase in our Revolver. Our \$1.5 billion CP program has been established to allow for borrowing through the private placement of CP with maturities ranging from overnight to 397 days. We may use the proceeds of CP for general corporate purposes. The CP program is supported by our Revolver and the total amount of CP which may be issued is reduced by the amount of any outstanding borrowings under our Revolver and by any letters of credit issued under the facility.

As of December 31, 2021, there were \$321.9 million of outstanding CP notes, \$0.7 million of letters of credit outstanding, no outstanding borrowings under the Revolver and \$700.0 million outstanding under the Term Loan. Availability under the Revolver was \$1,177.4 million at December 31, 2021.

At December 31, 2021, approximately 81% of our debt was fixed rate and 19% was variable rate. Our variable-rate debt consists of CP and term loan borrowings. The interest rate resets periodically, based on the terms of the respective financing arrangement. At December 31, 2021, the interest rate on our variable-rate debt ranged from 0.24% to 1.38%.

In November 2020, we terminated our \$225.0 million receivables funding facility (the “Receivables Facility”).

Debt Covenants. A downgrade in credit ratings would increase the cost of borrowings under our CP program, Revolver and Term Loan, and could limit or, in the case of a significant downgrade, preclude our ability to issue CP. Our outstanding indentures and comparable instruments also contain customary covenants including, for example, limits on mortgages, liens, sale/leaseback transactions, mergers and sales of assets.

In August 2021, we entered into our new Senior Credit Facilities as noted above in anticipation of the Appriss Insights acquisition. The Senior Credit Facilities include a maximum leverage ratio, defined as consolidated funded debt divided by consolidated EBITDA for the preceding four quarters, of (i) 3.75 to 1.0 initially, (ii) 4.25 to 1.0 for the first fiscal quarter ending

after the consummation of the Company’s acquisition of Appriss Insights on October 1, 2021 (the “Appriss Closing Date”), until the fourth fiscal quarter ending after the Appriss Closing Date, (iii) 4.0 to 1.0 for the fifth fiscal quarter ending after the Appriss Closing Date until the sixth fiscal quarter ending after the Appriss Closing Date and (iv) 3.75 to 1.0 for the seventh fiscal quarter ending after the Appriss Closing Date and through the remaining term of the Revolver. We may also elect to increase the maximum leverage ratio by 0.5 to 1.0 (subject to a maximum leverage ratio of 4.75 to 1.0) in connection with certain material acquisitions if we satisfy certain requirements. The Senior Credit Facilities also permit cash in excess of \$175 million to be netted against debt in the calculation of the leverage ratio, subject to certain restrictions.

None of these covenants are considered restrictive to our operations. As of December 31, 2021, the Company was in compliance with all of our debt covenants.

The Company does not have any credit rating triggers that would accelerate the maturity of a material amount of the outstanding debt; however, our 3.3% senior notes due 2022, 3.95% senior notes due 2023, 2.6% senior notes due 2024, 2.6% senior notes due 2025, 3.25% senior notes due 2026, 3.1% senior notes due 2030, 2.35% senior notes due 2031 and 7.0% senior notes due 2037 (together, the “Senior Notes”) contain change in control provisions. If the Company experiences a change of control or publicly announces the Company’s intention to effect a change of control and the rating on the Senior Notes is lowered by Standard & Poor’s (“S&P”) and Moody’s Investors Service (“Moody’s”) below an investment grade rating within 60 days of such change of control or notice thereof, then the Company will be required to offer to repurchase the Senior Notes at a price equal to 101% of the aggregate principal amount of the Senior Notes plus accrued and unpaid interest.

Credit Ratings. Credit ratings reflect an independent agency’s judgment on the likelihood that a borrower will repay a debt obligation at maturity. The ratings reflect many considerations, such as the nature of the borrower’s industry and its competitive position, the size of the company, its liquidity and access to capital and the sensitivity of a company’s cash flows to changes in the economy. The two largest rating agencies, S&P and Moody’s, use alphanumeric codes to designate their ratings. The highest quality rating for long-term credit obligations is AAA and Aaa for S&P and Moody’s, respectively. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

Long-term ratings of BBB- and Baa3 or better by S&P and Moody’s, respectively, reflect ratings on debt obligations that fall within a band of credit quality considered to be “investment grade.” At December 31, 2021, the long-term ratings for our obligations were BBB with a stable outlook for S&P and Baa2 with a stable outlook for Moody’s. A downgrade in our credit rating would increase the cost of borrowings under our CP program, Revolver and Term Loan, and could limit, or in the case of a significant downgrade, preclude our ability to issue CP. If our credit ratings were to decline to lower levels, we could experience increases in the interest cost for any new debt. In addition, the market’s demand for, and thus our ability to readily issue, new debt could become further affected by the economic and credit market environment. These ratings are subject to change as events and circumstances change.

For additional information about our debt, including the terms of our financing arrangements, basis for variable interest rates and debt covenants, see Note 5 of the Notes to Consolidated Financial Statements in Item 8 of this report.

Equity Transactions

Net cash provided by (used in):	Twelve Months Ended December 31,			Change	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
	<i>(In millions)</i>				
Treasury stock purchases	\$ (69.9)	\$ —	\$ —	\$ (69.9)	\$ —
Dividends paid to Equifax shareholders	\$ (190.0)	\$ (189.5)	\$ (188.7)	\$ (0.5)	\$ (0.8)
Dividends paid to noncontrolling interests	\$ (6.5)	\$ (4.6)	\$ (6.6)	\$ (1.9)	\$ 2.0
Proceeds from exercise of stock options and employee stock purchase plan	\$ 46.8	\$ 41.7	\$ 22.3	\$ 5.1	\$ 19.4
Purchase of redeemable noncontrolling interests	\$ (11.2)	\$ (9.0)	\$ —	\$ (2.2)	\$ (9.0)

Sources and uses of cash related to equity during the twelve months ended December 31, 2021, 2020 and 2019 were as follows:

- We repurchased 0.4 million of common shares from public market transactions in 2021. We did not repurchase any shares from public market transactions in 2020 or 2019. As of December 31, 2021, under the existing board authorization, the Company is approved for additional stock repurchases of \$520.2 million.
- During the twelve months ended December 31, 2021, 2020 and 2019, we paid cash dividends to Equifax shareholders of \$190.0 million, \$189.5 million and \$188.7 million, respectively, at \$1.56 per share for 2021, 2020 and 2019.

We anticipate continuing the payment of quarterly cash dividends. The actual amount of such dividends is subject to declaration by our Board of Directors and will depend upon future earnings, results of operations, capital requirements, our financial condition and other relevant factors. There can be no assurance that the Company will continue to pay quarterly cash dividends at current levels or at all.

Contractual Obligations and Commercial Commitments

The company's material cash requirements include the following contractual and other obligations. Our plan is to use existing cash balances and funds generated by operating activities to fund our obligations and commitments. If our cash requirements exceed our existing cash balances and funds generated by operations, we will finance future cash requirements with existing borrowing capacity, as necessary. In the event that additional financing is needed, we would finance using the public and private corporate bond markets and/or syndicated loan markets, if available. The following sections provide details of material cash requirements from known contractual and other obligations as of December 31, 2021.

Debt

As of December 31, 2021, we had outstanding variable and fixed rate notes with varying maturities for an aggregate principal amount of \$5.0 billion, with \$502.9 million payable within the next 12 months, as detailed further in Note 5 of the Notes to Consolidated Financial Statements in Item 8 of this report. Future interest payments associated with the outstanding variable and fixed rate notes totals \$933.5 million, with \$149.9 million payable within the next twelve months.

We also issue unsecured short-term promissory notes through our revolving credit facility and CP program, which is set to expire in August 2026. As of December 31, 2021, we had nothing outstanding under our unsecured revolving credit facility and \$321.9 million outstanding under our CP program.

Data Processing, Outsourcing Agreements and Other Purchase Obligations

We utilize several outsourcing partners for services that we outsource associated with our computer data processing operations and related functions, cloud provider services and certain administrative functions. These agreements expire between 2022 and 2027. As of December 31, 2021 the estimated aggregate minimum contractual obligation remaining under these agreements is approximately \$902.4 million, with \$260.6 million payable within the next twelve months.

Pension, Post-Retirement and Deferred Compensation Obligations

As detailed further in Note 9 of the Notes to Consolidated Financial Statements in Item 8 of this report, we have several pension, post-retirement benefit and deferred compensation plans. Our U.S. and Canadian Retirement Plans are frozen and are supported by plan assets to fund future payments. The obligation related to the CRIP is expected to be settled in 2022 with lump sum distributions and an annuity purchase. Future payments to participants are expected to be made from the existing plan assets. We have three supplemental retirement plans for certain key employees which are unfunded. As of December 31, 2021, the total gross obligation for the pension and post retirement plans was \$731.9 million, with \$110.5 million of benefits expected to be paid within the next twelve months.

We maintain deferred compensation plans for certain management employees and the Board of Directors to defer the receipt of compensation until a later date based on the terms of the plan. As of December 31, 2021, the total obligation for the deferred compensation plans was \$46.1 million, with \$7.4 million expected to be paid within the next twelve months

Payments to Resolve Certain Legal Proceedings and Investigations

The Company has and expects to make payments to resolve certain legal proceedings and investigations related to the 2017 cybersecurity incident, described more fully in "Item 3. Legal Proceedings" in this Form 10-K. Through 2021, the Company has made payments of \$443.6 million for legal settlements related to the 2017 cybersecurity incident, with \$345.0 million remaining to be paid to the Consumer Restitution Fund as of December 31, 2021. On January 11, 2022, the

Consumer Settlement became effective, and on January 24, 2022, we deposited the remaining amount of \$345.0 million into the Consumer Settlement Fund.

Leases

As detailed further in Note 12 of the Notes to Consolidated Financial Statements in Item 8 of this report, our lease arrangements principally involve office space. As of December 31, 2021, our total fixed lease payment obligations were \$119.1 million, with \$29.5 million payable within the next twelve months.

Other Planned Uses of Capital

We will continue to invest in sales, marketing, new product development, security and our technology, as well as continue to make strategic acquisitions that align with our business strategy. Additions to property and equipment will continue in order to support growth in our technology transformation and new product development, although we expect spending related to capital expenditures for the next twelve months to be down slightly from current levels.

Off-Balance Sheet Transactions

We do not engage in off-balance sheet financing activities.

Pursuant to the terms of certain industrial revenue bonds, we have transferred title to certain of our fixed assets with total costs of \$156.4 million as of December 31, 2021 and 2020 to a local governmental authority in the U.S. to receive a property tax abatement related to economic development. The title to these assets will revert back to us upon retirement or cancellation of the applicable bonds. These fixed assets are still recognized on the Company's Consolidated Balance Sheets as all risks and rewards related to the assets remain with the Company.

Letters of Credit and Guarantees

We will from time to time issue standby letters of credit, performance or surety bonds or other guarantees in the normal course of business. The aggregate notional amount of all performance and surety bonds and standby letters of credit was not material at December 31, 2021, and generally have a remaining maturity of one year or less. Guarantees are issued from time to time to support the needs of our operating units. The maximum potential future payments we could be required to make under the guarantees is not material at December 31, 2021.

Benefit Plans

We sponsor a qualified defined benefit retirement plan, the U.S. Retirement Income Plan ("USRIP"), that covers approximately 8% of current U.S. salaried employees who were hired on or before June 30, 2007, the last date on which an individual could be hired and enter the plan before the USRIP was closed to new participation at December 31, 2008. This plan also covers retirees as well as certain terminated but vested individuals not yet in retirement status. We also sponsor a retirement plan with both defined benefit and defined contribution components that cover most salaried and hourly employees in Canada, the CRIP; the defined benefit component was also closed to new hires on October 1, 2011.

During the twelve months ended December 31, 2021, we made no voluntary contributions to the USRIP and made contributions of \$2.8 million to the CRIP. During the twelve months ended December 31, 2020, we made no voluntary contributions to the USRIP or the CRIP. At December 31, 2021, the USRIP met or exceeded ERISA's minimum funding requirements. In the future, we will make minimum funding contributions as required and may make discretionary contributions, depending on certain circumstances, including market conditions and liquidity needs. We anticipate the settlement of our CRIP liabilities during 2022 and have taken steps to adopt a more conservative asset allocation to decrease equity exposure and increase cash. We believe additional funding contributions would not prevent us from continuing to meet our liquidity needs, which are primarily funded from cash flows generated by operating activities, available cash and cash equivalents, and our credit facilities.

For our non-U.S. tax-qualified retirement plans, we fund an amount sufficient to meet minimum funding requirements but no more than allowed as a tax deduction pursuant to applicable tax regulations. For the non-qualified supplemental retirement plans, we fund the benefits as they are paid to retired participants, but accrue the associated expense and liabilities in accordance with GAAP.

For additional information about our benefit plans, see Notes 1 and 9 of the Notes to Consolidated Financial Statements in Item 8 of this report.

Effects of Inflation and Changes in Foreign Currency Exchange Rates

Inflation in the countries in which we operate may result in increases in the Company's expenses, which may not be readily recoverable in the price of services offered. To the extent inflation results in rising U.S. interest rates and has other adverse effects upon the U.S. securities markets and upon the value of financial instruments, it may adversely affect the Company's financial position and profitability. Increases in U.S. interest rates may also negatively impact the U.S. mortgage market, which may adversely affect the Company's revenue, financial position and profitability.

A portion of the Company's business is conducted in currencies other than the U.S. dollar and changes in foreign exchange rates relative to the U.S. dollar can therefore affect the value of non-U.S. dollar net assets, revenues and expenses. Potential exposures as a result of these fluctuations in currencies are closely monitored. We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency.

RECENT ACCOUNTING PRONOUNCEMENTS

For information about new accounting pronouncements and the potential impact on our Consolidated Financial Statements, see Note 1 of the Notes to Consolidated Financial Statements in Item 8 of this report.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's Consolidated Financial Statements are prepared in conformity with U.S. generally accepted accounting principles, or GAAP. This requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in our Consolidated Financial Statements and the Notes to Consolidated Financial Statements. The following accounting policies involve critical accounting estimates because they are particularly dependent on estimates and assumptions made by management about matters that are uncertain at the time the accounting estimates are made. In addition, while we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used in the current period, or changes in the accounting estimates that we used are reasonably likely to occur from period to period, either of which may have a material impact on the presentation of our Consolidated Balance Sheets, Statements of Income (Loss), and Statements of Comprehensive Income (Loss). We also have other significant accounting policies which involve the use of estimates, judgments and assumptions that are relevant to understanding our results. For additional information about these policies, see Note 1 of the Notes to Consolidated Financial Statements in Item 8 of this report. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information available at the time. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

Revenue Recognition

In accordance with ASC 606, "Revenue from Contracts with Customers," we recognize revenue when a performance obligation has been satisfied by transferring a promised good or service to a customer and the customer obtains control of the good or service. In order to recognize revenue, we note that the two parties must have an agreement that creates enforceable rights, the performance obligations must be distinct and the transaction price can be determined. Our revenue is derived from the provision of information services to our customers on a transactional basis, in which distinct services are delivered over time as the customer simultaneously receives and consumes the benefits of the services delivered. To measure our performance over time, the output method is utilized to measure the value to the customer based on the transfer to date of the services promised, with no rights of return once consumed. In these cases, revenue on transactional contracts with a defined price but an undefined quantity is recognized utilizing the right to invoice expedient resulting in revenue being recognized when the service is provided and billed. Additionally, multi-year contracts with defined pricing but an undefined quantity that utilize tier pricing would be defined as a series of distinct performance obligations satisfied over time utilizing the same method of measurement, the output method, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognized when the service is provided and billed.

Additionally, we recognize revenue from subscription-based contracts under which a customer pays a preset fee for a predetermined or unlimited number of transactions or services provided during the subscription period, generally one year. Revenue from subscription-based contracts having a preset number of transactions is recognized as the services are provided, using an effective transaction rate as the actual transactions are delivered. Any remaining revenue related to unfulfilled units is not recognized until the end of the related contract's subscription period. Revenue from subscription-based contracts having an unlimited volume is recognized ratably during the contract term. Multi-year subscription contracts are analyzed to determine the

full contract transaction price over the term of the contract and the subsequent price is ratably recognized over the full term of the contract.

Revenue is recorded net of sales taxes.

If at the outset of an arrangement, we determine that collectibility is not reasonably assured, revenue is deferred until the earlier of when collectibility becomes probable or the receipt of payment from the customer. If there is uncertainty as to the customer's acceptance of the performance obligation, revenue is not recognized until the earlier of receipt of customer acceptance or expiration of the acceptance period.

We sell certain offerings that contain multiple performance obligations. These obligations may include consumer or commercial information, file updates for certain solutions, services provided by our decisioning technologies personnel, training services, statistical models and other services. In order to account for each of these obligations separately, the delivered promises within our contracts must meet the criterion to be considered distinct performance obligations to our customer. If we determine that the arrangement does not contain separate distinct obligations, the performance obligations are bundled together until a distinct obligation is achieved. This may lead to the arrangement consideration being recognized as the final contract obligation is delivered to our customer or ratably over the term of the contract.

Some of our arrangements with multiple performance obligations involve the delivery of services generated by a combination of services provided by one or more of our operating segments. No individual information service impacts the value or usage of other information services included in an arrangement and each service can be sold alone or, in most cases, purchased from another vendor without affecting the quality of use or value to the customer of the other information services included in the arrangement. Some of our products require the installation of interfaces or platforms by our technology personnel that allow our customers to interact with our proprietary information databases. These installation services do not meet the requirement for being distinct, thus any related installation fees are deferred when billed and are recognized over the expected period that the customer will benefit from the related services. Revenue from the delivery of one-time files and models is recognized as the service is provided and accepted, assuming all other revenue recognition criteria are met. The direct costs of installation of a customer are capitalized and amortized over the useful life of the identifiable asset.

We record revenue on a net basis for those sales in which we have in substance acted as an agent or broker in the transaction and therefore do not have control.

In certain instances within our debt collections and recovery management services in our International operating segment and certain tax management services within our Workforce Solutions operating segment, variable consideration is constrained due to the fact that the revenue is contingent on a particular outcome. Within our debt collections and recovery management businesses, revenue is calculated as a percentage of debt collected on behalf of the customer and, as such, is primarily recognized when the debt is collected assuming all other revenue recognition criteria are met. Within our Workforce Solutions operating segment, the fees for certain of our tax credits and incentives revenue are based on a percentage of the credit delivered to our clients. Revenue for these arrangements is recognized based on the achievement of milestones, upon calculation of the credit, approval from a regulatory agency or when the credit is utilized by our client, depending on the provisions of the client contract.

Certain costs incurred prior to the satisfaction of a performance obligation are deferred as contract costs and are amortized on a systematic basis consistent with the pattern of transfer of the related goods and services. These costs generally consist of labor costs directly relating to the implementation and setup of the contract.

Judgments and Uncertainties – Each performance obligation within a contract must be considered separately to ensure that appropriate accounting is performed for these distinct goods or services. These considerations include assessing the price at which the element is sold compared to its standalone selling price; concluding when the element will be delivered; evaluating collectibility; and determining whether any contingencies exist in the related customer contract that impact the prices paid to us for the services.

Contract Balances – The contract balances are generated when revenue recognized varies from billing in a given period. A contract asset is created when an entity transfers a good or service to a customer and recognizes more revenue than what has been billed. As of December 31, 2021, the contract asset balance was \$12.1 million. A contract liability is created when an entity transfers a good or service to a customer and recognizes less than what has been billed. Deferred revenue is recognized when we have an obligation to transfer goods or services to a customer and have already received consideration from the customer. We generally expect to recognize our deferred revenue as revenue within twelve months of being recorded based on the terms of the contracts.

Goodwill

We review goodwill for impairment annually (as of September 30) and whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. These events or circumstances could include a significant change in the business climate, legal factors, operating performance or trends, competition, or sale or disposition of a significant portion of a reporting unit. We have six reporting units: Workforce Solutions, USIS, Asia Pacific, Europe, Latin America and Canada.

In the fourth quarter of 2021, we integrated our Global Consumer Solutions business into our USIS, Workforce Solutions and International operating segments. U.S. consumer credit monitoring solutions businesses were moved to USIS with the U.S. consumer identity theft protection business moved to Workforce Solutions. All international consumer credit marketing solutions businesses have been moved into the Canada and Europe reporting units based on the geographical location of customers. These changes in reporting units align with how we plan to manage our business going forward. To reflect this new organizational structure, we have reallocated goodwill from the legacy Global Consumer Solutions reporting unit to the USIS, Workforce Solutions, Canada and Europe reporting units based on relative fair value. A change in reporting units requires that goodwill be tested for impairment. During 2021, we performed a goodwill impairment test prior to and following the reallocation of goodwill, which resulted in no impairment for all reporting units.

We performed a qualitative assessment to determine whether further impairment testing was necessary for our Workforce Solutions, USIS, Europe and Canada reporting units. In this qualitative assessment, we considered the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, the most recent fair value determination resulted in an amount that significantly exceeded the carrying amount of the reporting units. Based on these assessments, we determined the likelihood that a current fair value determination would be less than the current carrying amount of the reporting unit is not more likely than not. As a result of our conclusions, no further testing was required for these reporting units.

The goodwill balance at December 31, 2021, for our six reporting units was as follows:

	December 31, 2021
	<i>(In millions)</i>
Workforce Solutions	\$ 2,365.4
U.S. Information Solutions	1,900.1
Asia Pacific	1,496.7
Europe	188.4
Latin America	214.4
Canada	93.1
Total goodwill	<u>\$ 6,258.1</u>

Valuation Techniques

We performed a quantitative assessment for our Asia Pacific and Latin America reporting units to determine whether impairment exists from the most recent valuation dates due to the size of the cushion and overall uncertainty in these reporting units due to the negative impacts of COVID-19. In determining the fair value of the reporting unit, we used a combination of the income and market approaches to estimate the reporting unit's business enterprise value.

Under the income approach, we calculate the fair value of a reporting unit based on estimated future discounted cash flows which require assumptions about short and long-term revenue growth rates, operating margins for each reporting unit, discount rates, foreign currency exchange rates and estimates of capital expenditures. The assumptions we use are based on what we believe a hypothetical marketplace participant would use in estimating fair value. Under the market approach, we estimate the fair value based on market multiples of revenue or earnings before income taxes, depreciation and amortization, for benchmark companies or guideline transactions. We believe the benchmark companies used for our Asia Pacific and Latin America reporting units serve as an appropriate input for calculating a fair value for the reporting unit as those benchmark companies have similar risks, participate in similar markets, provide similar services for their customers and compete with us directly. The companies we use as benchmarks are principally outlined in our discussion of Competition in Item 1 of this Form 10-K and have not significantly changed since the date of our last annual impairment test. Competition for our Asia Pacific and Latin America reporting units generally includes global consumer credit reporting companies, such as Experian, which offer a product suite similar to the reporting unit's credit reporting solutions.

The values separately derived from each of the income and market approach valuation techniques were used to develop an overall estimate of a reporting unit's fair value. We use a consistent approach across all reporting units when considering the weight of the income and market approaches for calculating the fair value of each of our reporting units. This approach relies more heavily on the calculated fair value derived from the income approach with 70% of the value coming from the income approach. We believe this approach is consistent with that of a market participant in valuing prospective purchase business combinations. The selection and weighting of the various fair value techniques may result in a higher or lower fair value. Judgment is applied in determining the weightings that are most representative of fair value.

We have not made any material changes to the valuation methodology we use to assess goodwill impairment since the date of our last annual impairment test.

Growth Assumptions

The assumptions for our future cash flows begin with our historical operating performance, the details of which are described in our Management's Discussion & Analysis of operating performance. Additionally, we consider the impact that known economic, industry and market trends, including the impact and anticipated recovery related to the COVID-19 global pandemic, will have on our future forecasts, as well as the impact that we expect from planned business initiatives including new product initiatives, client service and retention standards, and cost management programs. At the end of the forecast period, the long-term growth rate we used to determine the terminal value of our Asia Pacific and Latin American reporting units were between 3.0% and 4.0% based on management's assessment of the minimum expected terminal growth rate of the reporting unit, as well as broader economic considerations such as GDP, inflation and the maturity of the markets we serve.

We projected revenue growth in 2022 for our Asia Pacific and Latin America reporting units in completing our 2021 impairment testing based on expected economic recovery from the negative impact the COVID-19 pandemic has had on these regions in 2021 and planned business initiatives and prevailing trends exhibited by these reporting units. The anticipated revenue growth in these reporting units, however, is partially offset by assumed increases in expenses and capital expenditures for the reporting unit which reflects the additional level of investment needed in order to achieve the planned revenue growth and completion of our technology transformation initiatives.

Discount Rate Assumptions

We utilize a weighted average cost of capital, or WACC, in our impairment analysis that makes assumptions about the capital structure that we believe a market participant would make and include a risk premium based on an assessment of risks related to the projected cash flows for the reporting unit. We believe this approach yields a discount rate that is consistent with an implied rate of return that a market participant would require for an investment in a company having similar risks and business characteristics to the reporting unit being assessed. To calculate the WACC, the cost of equity and cost of debt are multiplied by the assumed capital structure of the reporting unit as compared to industry trends and relevant benchmark company structures. The cost of equity was computed using the Capital Asset Pricing Model which considers the risk-free interest rate, beta, equity risk premium and specific company risk premium related to a particular reporting unit. The cost of debt was computed using a benchmark rate and the Company's tax rate. For the 2021 annual goodwill impairment evaluation, the discount rates used to develop the estimated fair value of the Asia Pacific and Latin America reporting units were between 9.0% and 13.0%.

Estimated Fair Value and Sensitivities

The estimated fair value of the reporting units is derived from the valuation techniques described above incorporating the related projections and assumptions. Impairment occurs when the estimated fair value of the reporting unit is below the carrying value of its equity. The estimated fair value for our Asia Pacific and Latin America reporting units exceeded their related carrying values as of September 30, 2021. As a result, no goodwill impairment was recorded.

The estimated fair value of the reporting unit is highly sensitive to changes in these projections and assumptions; therefore, in some instances changes in these assumptions could impact whether the fair value of a reporting unit is greater than its carrying value. For example, an increase in the discount rate and decline in the projected cumulative cash flow of a reporting unit could cause the fair value of certain reporting units to be below its carrying value. We perform sensitivity analyses around these assumptions in order to assess the reasonableness of the assumptions and the resulting estimated fair values. Ultimately, future potential changes in these assumptions may impact the estimated fair value of a reporting unit and cause the fair value of the reporting unit to be below its carrying value. Due to the lower cushions when compared to other reporting units, Asia Pacific and Latin America are more sensitive to changes in the assumptions noted above that could result in a fair value that is less than its carrying value. The excess of fair value over carrying value for the Asia Pacific reporting unit was greater than 10%

and the excess fair value over carrying value for the Latin America reporting unit was greater than 50% as of September 30, 2021.

Given the relatively smaller excess of fair value over carrying value for the Asia Pacific reporting unit, we believe that it is at risk of a possible future goodwill impairment. Although we experienced growth in this reporting unit for the twelve months ended December 31, 2021 in comparison to the estimates used in the 2021 goodwill impairment testing, the COVID-19 pandemic has had a substantial negative impact on our results. Avoidance of a future impairment will be dependent on continued economic recovery from the negative impact caused by COVID-19 and our ability to execute on initiatives to grow revenue and manage expenses prudently. We will continue to monitor the performance of this reporting unit to ensure no interim indications of possible impairment have occurred before our next annual goodwill impairment assessment in September 2022.

Loss Contingencies

We are subject to various proceedings, lawsuits and claims arising in the normal course of our business. We determine whether to disclose and/or accrue for loss contingencies based on our assessment of whether the potential loss is estimable, probable, reasonably possible or remote.

In the third quarter of 2017, we announced a cybersecurity incident potentially impacting U.S., Canadian and U.K. consumers. As a result of the 2017 cybersecurity incident, we were subject to a significant number of proceedings and investigations as described in “Item 3. Legal Proceedings” in this Form 10-K. We recorded expenses, net of insurance recoveries, of \$800.9 million in other current liabilities and selling, general, and administrative expenses in our Consolidated Statements of Income (Loss) for the twelve months ended December 31, 2019, exclusive of our legal and professional services expenses. The amount accrued represents our best estimate of the liability related to these matters. The Company will continue to evaluate information as it becomes known and adjust accruals for new information and further developments in accordance with ASC 450-20-25. While it is reasonably possible that losses exceeding the amount accrued may be incurred, it is not possible at this time to estimate the additional possible loss in excess of the amount already accrued that might result from adverse judgments, settlements, penalties or other resolution of the proceedings and investigations described in “Item 3. Legal Proceedings” in this Form 10-K.

Judgments and uncertainties — We periodically review claims and legal proceedings and assess whether we have potential financial exposure based on consultation with internal and outside legal counsel and other advisors. If the likelihood of an adverse outcome from any claim or legal proceeding is probable and the amount can be reasonably estimated, we record a liability on our Consolidated Balance Sheets for the estimated amount. If the likelihood of an adverse outcome is reasonably possible, but not probable, we provide disclosures related to the potential loss contingency. Our assumptions related to loss contingencies are inherently subjective.

Effect if actual results differ from assumptions — With the exception of the 2017 cybersecurity incident, we do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to determine loss contingencies. However, if facts and circumstances change in the future that change our belief regarding assumptions used to determine our estimates, we may be exposed to a loss that could be material.

Income Taxes

We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. We assess the likelihood that our deferred tax assets will be recovered from future taxable income or other tax planning strategies. To the extent that we believe that recovery is not likely, we must establish a valuation allowance to reduce the deferred tax assets to the amount we estimate will be recoverable.

Our income tax provisions are based on assumptions and calculations which will be subject to examination by various tax authorities. We record tax benefits for positions in which we believe are more likely than not of being sustained under such examinations. We assess the potential outcome of such examinations to determine the adequacy of our income tax accruals.

Judgments and uncertainties — We consider accounting for income taxes critical because management is required to make significant judgments in determining our provision for income taxes, our deferred tax assets and liabilities, and our future taxable income for purposes of assessing our ability to realize any future benefit from our deferred tax assets. These judgments and estimates are affected by our expectations of future taxable income, mix of earnings among different taxing jurisdictions and timing of the reversal of deferred tax assets and liabilities.

We also use our judgment to determine whether it is more likely than not that we will sustain positions that we have taken on tax returns and, if so, the amount of benefit to initially recognize within our financial statements. We review our uncertain tax positions and adjust our unrecognized tax benefits in light of changes in facts and circumstances, such as changes in tax law, interactions with taxing authorities and developments in case law. These adjustments to our unrecognized tax benefits may affect our income tax expense. Settlement of uncertain tax positions may require use of our cash. At December 31, 2021, \$34.5 million was recorded for unrecognized tax benefits, including interest and penalties, of which it is reasonably possible that up to \$7.1 million of our unrecognized tax benefit may change within the next twelve months.

Effect if actual results differ from assumptions — Although management believes that the judgments and estimates discussed herein are reasonable, actual results could differ, and we may be exposed to increases or decreases in income tax expense that could be material.

Purchase Accounting for Acquisitions

We account for acquisitions under Accounting Standards Codification 805, Business Combinations. In general, the acquisition method of accounting requires companies to record assets acquired and liabilities assumed at their respective fair market values at the date of acquisition. We primarily estimate fair value of identified intangible assets using discounted cash flow analyses based on market participant based inputs. Any amount of the purchase price paid that is in excess of the estimated fair values of net assets acquired is recorded in the line item Goodwill in our Consolidated Balance Sheets. Transaction costs, as well as costs to reorganize acquired companies, are expensed as incurred in our Consolidated Statements of Income.

Judgments and uncertainties — We consider accounting for business combinations critical because management's judgment is used to determine the estimated fair values assigned to assets acquired and liabilities assumed and amortization periods for intangible assets which can materially affect our results of operations.

Effect if actual results differ from assumptions — Although management believes that the judgments and estimates discussed herein are reasonable, actual results could differ and we may be exposed to an impairment charge if we are unable to recover the value of the recorded net assets.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of our business, we are exposed to market risk, primarily from changes in foreign currency exchange rates and interest rates that could impact our results of operations and financial position. We manage our exposure to these market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments, such as interest rate swaps, to hedge certain of these exposures. We use derivative financial instruments as risk management tools and not for speculative or trading purposes.

Foreign Currency Exchange Rate Risk

A substantial majority of our revenue, expense and capital expenditure activities are transacted in U.S. dollars. However, we do transact business in other currencies, primarily the British pound, the Australian dollar, the Canadian dollar, the Chilean peso, the Argentine peso and the Euro. For most of these foreign currencies, we are a net recipient, and, therefore, benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar relative to the foreign currencies in which we transact significant amounts of business.

We are required to translate, or express in U.S. dollars, the assets and liabilities of our foreign subsidiaries that are denominated or measured in foreign currencies at the applicable year-end rate of exchange on our Consolidated Balance Sheets and income statement items of our foreign subsidiaries at the average rates prevailing during the year. We record the resulting translation adjustment, and gains and losses resulting from the translation of intercompany balances of a long-term investment nature within other comprehensive income, as a component of our shareholders' equity. Foreign currency transaction gains and losses, which have historically been immaterial, are recorded on our Consolidated Statements of Income (Loss). We generally do not mitigate the risks associated with fluctuating exchange rates, although we may from time to time through forward contracts or other derivative instruments hedge a portion of our translational foreign currency exposure or exchange rate risks associated with material transactions which are denominated in a foreign currency.

For the year ended December 31, 2021, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2021 would have increased our revenue by \$107.4 million and our pre-tax operating profit by \$13.6 million. For the year ended December 31, 2020, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2020 would have increased our revenue by \$92.9 million and our pre-tax operating profit by \$8.6 million. A 10% stronger U.S. dollar would have resulted in similar decreases to our revenue and pre-tax operating profit for 2021 and 2020.

On average across our mix of international businesses, foreign currencies at December 31, 2021 were weaker against the U.S. dollar than the average foreign exchange rates that prevailed across the full year 2020. As a result, if foreign exchange rates were unchanged throughout 2021, foreign exchange translation would reduce growth as reported in U.S. dollars. As foreign exchange rates change daily, there can be no assurance that foreign exchange rates will remain constant throughout 2022, and rates could go either higher or lower.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates to our variable-rate CP, the Revolver and term loan borrowings. We attempt to achieve the lowest all-in weighted-average cost of debt while simultaneously taking into account the mix of our fixed- and variable-rate debt and the average life and scheduled maturities of our debt. At December 31, 2021, our weighted average cost of debt was 3.2% and weighted-average life of debt was 5.4 years. At December 31, 2021, 81% of our debt was fixed rate and the remaining 19% was variable rate. Occasionally we use derivatives to manage our exposure to changes in interest rates by entering into interest rate swaps. A 100 basis point increase in the weighted-average interest rate on our variable-rate debt would have increased our 2021 interest expense by \$10.2 million.

Based on the amount of outstanding variable-rate debt, we have exposure to interest rate risk. In the future, if our mix of fixed-rate and variable-rate debt were to change due to additional borrowings under existing or new variable-rate debt, we could have additional exposure to interest rate risk. The nature and amount of our long-term and short-term debt, as well as the proportionate amount of fixed-rate and variable-rate debt, can be expected to vary as a result of future business requirements, market conditions and other factors.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Equifax Inc.

Opinion on Internal Control over Financial Reporting

We have audited Equifax Inc.'s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“2013 framework”) (the COSO criteria). In our opinion, Equifax Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

As indicated in the accompanying Management’s Annual Report on Internal Control over Financial Reporting, management’s assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Kount Inc. and Appriss Insights, which is included in the 2021 consolidated financial statements of the Company and constituted 0.6% of consolidated total assets as of December 31, 2021 and 1.7% of revenues for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Kount Inc. and Appriss Insights.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of income (loss), comprehensive income (loss), cash flows, and shareholders’ equity and accumulated other comprehensive loss for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) and our report dated February 24, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 24, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Equifax Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Equifax Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of income (loss), comprehensive income (loss), cash flows, and shareholders' equity and accumulated other comprehensive loss for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 24, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Goodwill impairment test for the Asia Pacific reporting unit

Description of the Matter

At December 31, 2021, the Company's goodwill was \$6.3 billion and the goodwill attributed to the Asia Pacific reporting unit was \$1.5 billion. As discussed in Note 4 of the consolidated financial statements, goodwill is tested for impairment at least annually at the reporting unit level. The Company's goodwill is initially assigned to its reporting units as of the acquisition date. The Company determined that a quantitative impairment test was required for the Asia Pacific reporting unit, therefore the Company determined the relative fair value of this reporting unit as of September 30, 2021, the annual goodwill impairment testing date.

In relation to the limited excess fair value of the net assets of the Asia Pacific reporting unit versus the carrying value of the net assets of the reporting unit, auditing management's annual goodwill impairment test for the Asia Pacific reporting unit required judgment due to the estimation required in determining the fair value of the reporting unit. In particular, the fair value estimate was sensitive to significant assumptions such as the revenue growth rate, projected operating margin, terminal value, and weighted average cost of capital, which are affected by expectations about future market or economic conditions and the economic performance of the Asia Pacific reporting unit.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process to quantitatively test the Company's Asia Pacific reporting unit's goodwill balance for impairment including among others, controls related to management's review of the significant assumptions described above and the resulting relative fair value for the Asia Pacific reporting unit.

To test the estimated fair value of the Asia Pacific reporting unit used in the annual goodwill impairment test, we performed audit procedures that included, among others, assessing the methodologies used to determine the fair value of the Asia Pacific reporting unit, testing the significant assumptions discussed above and testing the underlying data used by the Company in its analysis. We compared the significant assumptions used by management to historical results, current industry and economic trends, changes to the Company's business model, customer base or product mix and other relevant factors. We also evaluated any identified contrary evidence, assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting unit that would result from changes in the assumptions. In addition, we utilized more experienced members of the audit team and involved our internal valuation specialists to assist in the evaluation and testing of the significant valuation assumptions discussed above, utilized within the quantitative model.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Atlanta, Georgia
February 24, 2022

CONSOLIDATED STATEMENTS OF INCOME (LOSS)
**Twelve Months Ended
December 31,**

<i>(In millions, except per share amounts)</i>	2021	2020	2019
Operating revenue	\$ 4,923.9	\$ 4,127.5	\$ 3,507.6
Operating expenses:			
Cost of services (exclusive of depreciation and amortization below)	1,980.9	1,737.4	1,521.7
Selling, general and administrative expenses	1,324.6	1,322.5	1,990.2
Depreciation and amortization	480.4	391.0	331.1
Total operating expenses	3,785.9	3,450.9	3,843.0
Operating income (loss)	1,138.0	676.6	(335.4)
Interest expense	(145.6)	(141.6)	(111.7)
Other (expense) income, net	(43.2)	150.2	33.3
Consolidated income (loss) before income taxes	949.2	685.2	(413.8)
(Provision for) benefit from income taxes	(200.7)	(159.0)	35.7
Consolidated net income (loss)	748.5	526.2	(378.1)
Less: Net income attributable to noncontrolling interests including redeemable noncontrolling interests	(4.3)	(6.1)	(6.0)
Net income (loss) attributable to Equifax	\$ 744.2	\$ 520.1	\$ (384.1)
Basic earnings per common share:			
Net income (loss) attributable to Equifax	\$ 6.11	\$ 4.28	\$ (3.18)
Weighted-average shares used in computing basic earnings per share	121.9	121.5	120.9
Diluted earnings per common share:			
Net income (loss) attributable to Equifax	\$ 6.02	\$ 4.24	\$ (3.15)
Weighted-average shares used in computing diluted earnings per share	123.6	122.8	122.0
Dividends per common share	\$ 1.56	\$ 1.56	\$ 1.56

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Twelve Months Ended December 31,

	2021			2020			2019		
	Equifax Shareholders	Noncontrolling Interests	Total	Equifax Shareholders	Noncontrolling Interests	Total	Equifax Shareholders	Noncontrolling Interests	Total
	<i>(In millions)</i>								
Net income (loss)	\$ 744.2	\$ 4.3	\$ 748.5	\$ 520.1	\$ 6.1	\$ 526.2	\$ (384.1)	\$ 6.0	\$ (378.1)
Other comprehensive income (loss):									
Foreign currency translation adjustment	(124.1)	(0.6)	(124.7)	184.0	1.2	185.2	(24.4)	(0.5)	(24.9)
Change in unrecognized prior service cost and actuarial (losses) gains related to our pension and other postretirement benefit plans, net	0.1	—	0.1	(1.1)	—	(1.1)	4.3	—	4.3
Change in cumulative gain from cash flow hedging transactions, net	—	—	—	0.1	—	0.1	0.1	—	0.1
Other comprehensive income (loss)	(124.0)	(0.6)	(124.6)	183.0	1.2	184.2	(20.0)	(0.5)	(20.5)
Comprehensive income (loss)	\$ 620.2	\$ 3.7	\$ 623.9	\$ 703.1	\$ 7.3	\$ 710.4	\$ (404.1)	\$ 5.5	\$ (398.6)

See Notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

<i>(In millions, except par values)</i>	December 31,	
	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 224.7	\$ 1,684.6
Trade accounts receivable, net of allowance for doubtful accounts of \$13.9 and \$12.9 at December 31, 2021 and 2020, respectively	727.6	630.6
Prepaid expenses	108.4	104.1
Other current assets	60.2	59.0
Total current assets	<u>1,120.9</u>	<u>2,478.3</u>
Property and equipment:		
Capitalized internal-use software and system costs	1,727.3	1,374.5
Data processing equipment and furniture	299.6	299.9
Land, buildings and improvements	250.3	239.1
Total property and equipment	<u>2,277.2</u>	<u>1,913.5</u>
Less accumulated depreciation and amortization	<u>(961.3)</u>	<u>(774.1)</u>
Total property and equipment, net	<u>1,315.9</u>	<u>1,139.4</u>
Goodwill	6,258.1	4,495.8
Indefinite-lived intangible assets	94.9	94.9
Purchased intangible assets, net	1,898.0	997.8
Other assets, net	353.1	405.6
Total assets	<u>\$ 11,040.9</u>	<u>\$ 9,611.8</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt and current maturities of long-term debt	\$ 824.8	\$ 1,101.1
Accounts payable	211.6	159.1
Accrued expenses	237.5	251.8
Accrued salaries and bonuses	257.9	250.3
Deferred revenue	121.3	108.3
Other current liabilities	638.2	612.5
Total current liabilities	<u>2,291.3</u>	<u>2,483.1</u>
Long-term debt	4,470.1	3,277.3
Deferred income tax liabilities, net	358.2	332.3
Long-term pension and other postretirement benefit liabilities	130.1	130.7
Other long-term liabilities	190.0	178.1
Total liabilities	<u>7,439.7</u>	<u>6,401.5</u>
Commitments and Contingencies (see Note 6)		
Equifax shareholders' equity:		
Preferred stock, \$0.01 par value: Authorized shares - 10.0; Issued shares - none	—	—
Common stock, \$1.25 par value: Authorized shares - 300.0; Issued shares - 189.3 at December 31, 2021 and 2020; Outstanding shares - 122.1 and 121.8 at December 31, 2021 and 2020, respectively	236.6	236.6
Paid-in capital	1,536.7	1,470.7
Retained earnings	4,751.6	4,185.4
Accumulated other comprehensive loss	(295.4)	(171.4)
Treasury stock, at cost, 66.6 shares and 66.9 shares at December 31, 2021 and 2020, respectively	(2,639.2)	(2,547.0)
Stock held by employee benefits trusts, at cost, 0.6 shares at December 31, 2021 and 2020, respectively	(5.9)	(5.9)
Total Equifax shareholders' equity	<u>3,584.4</u>	<u>3,168.4</u>
Noncontrolling interests including redeemable noncontrolling interests	16.8	41.9
Total shareholders' equity	<u>3,601.2</u>	<u>3,210.3</u>
Total liabilities and equity	<u>\$ 11,040.9</u>	<u>\$ 9,611.8</u>

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(In millions)</i>	Twelve Months Ended December 31,		
	2021	2020	2019
Operating activities:			
Consolidated net income (loss)	\$ 748.5	\$ 526.2	\$ (378.1)
Adjustments to reconcile consolidated net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	489.6	399.3	337.3
Stock-based compensation expense	54.9	54.7	49.7
Deferred income taxes	9.3	66.5	(82.7)
Loss (gain) on fair market value adjustment of equity investments	63.6	(149.5)	—
Gain on sale of asset	(4.6)	—	—
Gain on divestiture	(0.2)	—	—
Changes in assets and liabilities, excluding effects of acquisitions:			
Accounts receivable, net	(66.2)	(93.7)	(61.3)
Other assets, current and long-term	16.4	35.8	(78.8)
Current and long-term liabilities, excluding debt	23.5	106.9	527.7
Cash provided by operating activities	<u>1,334.8</u>	<u>946.2</u>	<u>313.8</u>
Investing activities:			
Capital expenditures	(469.0)	(421.3)	(399.6)
Acquisitions, net of cash acquired	(2,935.6)	(61.4)	(272.9)
Cash received from sale of asset	4.9	—	—
Cash received from divestitures	1.5	—	—
Investment in unconsolidated affiliates, net	—	(10.0)	(25.0)
Cash used in investing activities	<u>(3,398.2)</u>	<u>(492.7)</u>	<u>(697.5)</u>
Financing activities:			
Net short-term borrowings (repayments)	323.4	(0.7)	(1.8)
Payments on long-term debt	(1,100.2)	(125.0)	(250.0)
Proceeds from issuance of long-term debt	1,697.1	1,123.3	998.3
Treasury stock purchases	(69.9)	—	—
Dividends paid to Equifax shareholders	(190.0)	(189.5)	(188.7)
Dividends paid to noncontrolling interests	(6.5)	(4.6)	(6.6)
Proceeds from exercise of stock options and employee stock purchase plan	46.8	41.7	22.3
Payment of taxes related to settlement of equity awards	(57.3)	(15.9)	(10.5)
Purchase of redeemable noncontrolling interests	(11.2)	(9.0)	—
Debt issuance costs	(14.5)	(9.8)	(5.1)
Other	—	0.3	—
Cash provided by financing activities	<u>617.7</u>	<u>810.8</u>	<u>557.9</u>
Effect of foreign currency exchange rates on cash and cash equivalents	(14.2)	19.0	3.5
(Decrease) increase in cash and cash equivalents	(1,459.9)	1,283.3	177.7
Cash and cash equivalents, beginning of period	1,684.6	401.3	223.6
Cash and cash equivalents, end of period	<u>\$ 224.7</u>	<u>\$ 1,684.6</u>	<u>\$ 401.3</u>

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE LOSS

	Equifax Shareholders							
	Common Stock	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Stock Held By Employee Benefits Trusts	Total Shareholders' Equity	
Balance, December 31, 2018	120.6	\$ 236.6	\$1,356.6	\$ (334.5)	\$ (2,571.0)	\$ (5.9)	\$ 47.9	\$ 3,155.6
<i>(In millions, except per share values)</i>								
Net (loss) income	—	—	(384.1)	—	—	—	6.0	(378.1)
Other comprehensive loss	—	—	—	(20.0)	—	—	(0.5)	(20.5)
Shares issued under stock and benefit plans, net of minimum tax withholdings	0.6	(2.1)	—	—	13.6	—	—	11.5
Cash dividends (\$1.56 per share)	—	—	(189.6)	—	—	—	—	(189.6)
Dividends paid to employee benefits trusts	—	0.9	—	—	—	—	—	0.9
Stock-based compensation expense	—	49.7	—	—	—	—	—	49.7
Redeemable noncontrolling interest adjustment	—	—	2.4	—	—	—	(2.5)	(0.1)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(6.6)	(6.6)
Other	—	—	—	0.1	—	—	—	0.1
Balance, December 31, 2019	121.2	236.6	1,405.1	(354.4)	(2,557.4)	(5.9)	44.3	2,622.9
Net income	—	—	520.1	—	—	—	6.1	526.2
Other comprehensive loss	—	—	—	183.0	—	—	1.2	184.2
Shares issued under stock and benefit plans, net of minimum tax withholdings	0.6	—	15.0	—	10.4	—	—	25.4
Cash dividends (\$1.56 per share)	—	—	(190.5)	—	—	—	—	(190.5)
Dividends paid to employee benefits trusts	—	1.0	—	—	—	—	—	1.0
Stock-based compensation expense	—	54.7	—	—	—	—	—	54.7
Cumulative adjustment from change in accounting principle	—	—	(0.4)	—	—	—	—	(0.4)
Redeemable noncontrolling interest adjustment	—	—	1.5	—	—	—	(1.5)	—
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(4.6)	(4.6)
Purchase of noncontrolling interests	—	—	(5.1)	—	—	—	(3.9)	(9.0)
Other	—	—	0.1	—	—	—	0.3	0.4
Balance, December 31, 2020	121.8	236.6	1,470.7	(171.4)	(2,547.0)	(5.9)	41.9	3,210.3
Net income	—	—	744.2	—	—	—	4.3	748.5
Other comprehensive loss	—	—	—	(124.0)	—	—	(0.6)	(124.6)
Shares issued under stock and benefit plans, net of minimum tax withholdings	0.7	—	11.9	—	(22.3)	—	—	(10.4)
Treasury stock purchased under share repurchase program (\$197.52 per share)*	(0.4)	—	—	—	(69.9)	—	—	(69.9)
Cash dividends (\$1.56 per share)	—	—	(191.2)	—	—	—	—	(191.2)
Dividends paid to employee benefits trusts	—	1.2	—	—	—	—	—	1.2
Stock-based compensation expense	—	54.9	—	—	—	—	—	54.9
Redeemable noncontrolling interest adjustment	—	—	13.2	—	—	—	(13.2)	—
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(6.5)	(6.5)
Purchases of noncontrolling and redeemable noncontrolling interests	—	—	(1.8)	—	—	—	(9.4)	(11.2)
Other	—	—	(0.2)	—	—	—	0.3	0.1
Balance, December 31, 2021	122.1	\$ 236.6	\$1,536.7	\$ (295.4)	\$ (2,639.2)	\$ (5.9)	\$ 16.8	\$ 3,601.2

*At December 31, 2021, \$520.2 million was authorized for future repurchases of our common stock.

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated Other Comprehensive Loss consists of the following components:

	December 31,		
	2021	2020	2019
	<i>(In millions)</i>		
Foreign currency translation	\$ (292.5)	\$ (168.4)	\$ (352.4)
Unrecognized prior service cost related to our pension and other postretirement benefit plans, net of accumulated tax of \$0.4, \$0.5 and \$0.2 in 2021, 2020 and 2019, respectively	(1.9)	(2.0)	(0.9)
Cash flow hedging transactions, net of tax of \$0.6, \$0.7 and \$0.7 in 2021, 2020 and 2019, respectively	(1.0)	(1.0)	(1.1)
Accumulated other comprehensive loss	<u>\$ (295.4)</u>	<u>\$ (171.4)</u>	<u>\$ (354.4)</u>

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As used herein, the terms Equifax, the Company, we, our and us refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

Nature of Operations. We collect, organize and manage various types of financial, demographic, employment, criminal history and marketing information. Our products and services enable businesses to make credit and service decisions, manage their portfolio risk, automate or outsource certain payroll-related, tax and human resources business processes, and develop marketing strategies concerning consumers and commercial enterprises. We serve customers across a wide range of industries, including the financial services, mortgage, retail, telecommunications, utilities, automotive, brokerage, healthcare and insurance industries, as well as government agencies. We also enable consumers to manage and protect their financial health through a portfolio of products offered directly to consumers. As of December 31, 2021, we operated in the following countries: Argentina, Australia, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, India, Ireland, Mexico, New Zealand, Paraguay, Peru, Portugal, Spain, the United Kingdom, or U.K., Uruguay, and the United States of America, or U.S. We also offer Equifax-branded credit services in Russia through a joint venture, have investments in consumer and/or commercial credit information companies through joint ventures in Cambodia, Malaysia and Singapore and have an investment in a consumer and commercial credit information company in Brazil.

We develop, maintain and enhance secured proprietary information databases through the compilation of consumer specific data, including credit, income, employment, criminal history, asset, liquidity, net worth and spending activity, and business data, including credit and business demographics, that we obtain from a variety of sources, such as credit granting institutions, and income and tax information primarily from large to mid-sized companies in the U.S. We process this information utilizing our proprietary information management systems. We also provide information, technology and services to support debt collections and recovery management.

Basis of Consolidation. Our Consolidated Financial Statements and the accompanying notes, which are prepared in accordance with U.S. generally accepted accounting principles, or GAAP, include Equifax and all its subsidiaries. We consolidate all majority-owned and controlled subsidiaries as well as variable interest entities in which we are the primary beneficiary. Other parties' interests in consolidated entities are reported as noncontrolling interests. We use the equity method of accounting for investments in which we are able to exercise significant influence. Non-consolidated equity investments are recorded at fair value when readily determinable or at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions when the fair value of the investment is not readily determinable. All intercompany transactions and balances are eliminated.

Our Consolidated Financial Statements reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the periods presented therein.

Segments. We manage our business and report our financial results through the following three reportable segments, which are our operating segments:

- Workforce Solutions
- U.S. Information Solutions, or USIS
- International

Workforce Solutions is our largest reportable segment, with 42% of total operating revenue for 2021. Our most significant foreign operations are located in Australia, the U.K. and Canada.

In the fourth quarter of 2021, we integrated our Global Consumer Solutions business into our USIS, Workforce Solutions and International operating segments. U.S. consumer credit monitoring solutions businesses have been moved into the Online Information Solutions business of USIS with the U.S. consumer identity theft protection business moved to the Employer Services business of Workforce Solutions. All international consumer credit monitoring solutions businesses in Canada and Europe have been moved into the respective country operations within the International operating segment. These changes in operating segments align with how we manage our business as of the fourth quarter of 2021. All segment disclosures within this Form 10-K have been retrospectively restated to reflect the change in segments.

Use of Estimates. The preparation of our Consolidated Financial Statements requires us to make estimates and assumptions in accordance with GAAP. Accordingly, we make these estimates and assumptions after exercising judgment. We

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

believe that the estimates and assumptions inherent in our Consolidated Financial Statements are reasonable, based upon information available to us at the time they are made including the consideration of events that have occurred up until the point these Consolidated Financial Statements have been filed. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

Revenue Recognition and Deferred Revenue. In accordance with ASC 606, “Revenue from Contracts with Customers,” we recognize revenue when a performance obligation has been satisfied by transferring a promised good or service to a customer and the customer obtains control of the good or service. In order to recognize revenue, we note that the two parties must have an agreement that creates enforceable rights, the performance obligations must be distinct and the transaction price can be determined. Our revenue is derived from the provision of information services to our customers on a transactional basis, in which distinct services are delivered over time as the customer simultaneously receives and consumes the benefits of the services delivered. To measure our performance over time, the output method is utilized to measure the value to the customer based on the transfer to date of the services promised, with no rights of return once consumed. In these cases, revenue on transactional contracts with a defined price but an undefined quantity is recognized utilizing the right to invoice expedient resulting in revenue being recognized when the service is provided and billed. Additionally, multi-year contracts with defined pricing but an undefined quantity that utilize tier pricing would be defined as a series of distinct performance obligations satisfied over time utilizing the same method of measurement, the output method, with no rights of return once consumed. This measurement method is applied on a monthly basis resulting in revenue being recognized when the service is provided and billed.

Additionally, we recognize revenue from subscription-based contracts under which a customer pays a preset fee for a predetermined or unlimited number of transactions or services provided during the subscription period, generally one year. Revenue from subscription-based contracts having a preset number of transactions is recognized as the services are provided, using an effective transaction rate as the actual transactions are delivered. Any remaining revenue related to unfulfilled units is not recognized until the end of the related contract’s subscription period. Revenue from subscription-based contracts having an unlimited volume is recognized ratably during the contract term. Multi-year subscription contracts are analyzed to determine the full contract transaction price over the term of the contract and the subsequent price is ratably recognized over the full term of the contract.

Revenue is recorded net of sales taxes.

If at the outset of an arrangement, we determine that collectibility is not reasonably assured, revenue is deferred until the earlier of when collectibility becomes probable or the receipt of payment from the customer. If there is uncertainty as to the customer’s acceptance of the performance obligation, revenue is not recognized until the earlier of receipt of customer acceptance or expiration of the acceptance period.

We sell certain offerings that contain multiple performance obligations. These obligations may include consumer or commercial information, file updates for certain solutions, services provided by our decisioning technologies personnel, training services, statistical models and other services. In order to account for each of these obligations separately, the delivered promises within our contracts must meet the criterion to be considered distinct performance obligations to our customer. If we determine that the arrangement does not contain separate distinct obligations, the performance obligations are bundled together until a distinct obligation is achieved. This may lead to the arrangement consideration being recognized as the final contract obligation is delivered to our customer or ratably over the term of the contract.

Some of our arrangements with multiple performance obligations involve the delivery of services generated by a combination of services provided by one or more of our operating segments. No individual information service impacts the value or usage of other information services included in an arrangement and each service can be sold alone or, in most cases, purchased from another vendor without affecting the quality of use or value to the customer of the other information services included in the arrangement. Some of our products require the installation of interfaces or platforms by our technology personnel that allow our customers to interact with our proprietary information databases. These installation services do not meet the requirement for being distinct, thus any related installation fees are deferred when billed and are recognized over the expected period that the customer will benefit from the related services. Revenue from the delivery of one-time files and models is recognized as the service is provided and accepted, assuming all other revenue recognition criteria are met. The direct costs of installation of a customer are capitalized and amortized over the useful life of the identifiable asset.

We record revenue on a net basis for those sales in which we have in substance acted as an agent or broker in the transaction and therefore do not have control.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In certain instances within our debt collections and recovery management services in our International operating segment and certain tax management services within our Workforce Solutions operating segment, variable consideration is constrained due to the fact that the revenue is contingent on a particular outcome. Within our debt collections and recovery management businesses, revenue is calculated as a percentage of debt collected on behalf of the customer and, as such, is primarily recognized when the debt is collected assuming all other revenue recognition criteria are met. Within our Workforce Solutions operating segment, the fees for certain of our tax credits and incentives revenue are based on a percentage of the credit delivered to our clients. Revenue for these arrangements is recognized based on the achievement of milestones, upon calculation of the credit, approval from a regulatory agency or when the credit is utilized by our client, depending on the provisions of the client contract.

Certain costs incurred prior to the satisfaction of a performance obligation are deferred as contract costs and are amortized on a systematic basis consistent with the pattern of transfer of the related goods and services. These costs generally consist of labor costs directly relating to the implementation and setup of the contract.

Judgments and Uncertainties – Each performance obligation within a contract must be considered separately to ensure that appropriate accounting is performed for these distinct goods or services. These considerations include assessing the price at which the element is sold compared to its standalone selling price; concluding when the element will be delivered; evaluating collectability; and determining whether any contingencies exist in the related customer contract that impact the prices paid to us for the services.

Contract Balances – The contract balances are generated when revenue recognized varies from billing in a given period. A contract asset is created when an entity transfers a good or service to a customer and recognizes more revenue than what has been billed. As of December 31, 2021, the contract asset balance was \$12.1 million. A contract liability is created when an entity transfers a good or service to a customer and recognizes less than what has been billed. Deferred revenue is recognized when we have an obligation to transfer goods or services to a customer and have already received consideration from the customer. We generally expect to recognize our deferred revenue as revenue within twelve months of being recorded based on the terms of the contracts.

Remaining Performance Obligation – We have elected to disclose only the remaining performance obligations for those contracts with an expected duration of greater than 1 year and do not disclose the value of remaining performance obligations for contracts in which we recognize revenue at the amount to which we have the right to invoice. We expect to recognize as revenue the following amounts related to our remaining performance obligations as of December 31, 2021, inclusive of the foreign exchange impact:

Performance Obligation	Balance
	(In millions)
Less than 1 year	\$ 30.3
1 to 3 years	35.3
3 to 5 years	21.1
Thereafter	33.6
Total remaining performance obligation	<u>\$ 120.3</u>

Cost of Services. Cost of services consist primarily of (1) data acquisition and royalty fees; (2) customer service costs, which include: personnel costs to collect, maintain and update our proprietary databases, to develop and maintain software application platforms and to provide consumer and customer call center support; (3) hardware and software expense associated with transaction processing systems; (4) telecommunication and computer network expense; and (5) occupancy costs associated with facilities where these functions are performed by Equifax employees.

Selling, General and Administrative Expenses. Selling, general and administrative expenses consist primarily of personnel-related costs, corporate costs, fees for professional and consulting services, advertising costs, restructuring costs and other costs of administration.

Advertising. Advertising costs, which are expensed as incurred, totaled \$70.2 million, \$59.0 million and \$51.9 million during 2021, 2020 and 2019, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Stock-Based Compensation. We recognize the cost of stock-based payment transactions in the financial statements over the period services are rendered according to the fair value of the stock-based awards issued. All of our stock-based awards, which are stock options and nonvested stock, are classified as equity instruments.

Income Taxes. We account for income taxes under the liability method. We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. Deferred income tax assets and liabilities are recorded based on the differences between the financial reporting and income tax bases of assets and liabilities. We assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred tax assets. We record a valuation allowance, as necessary, to reduce our deferred tax assets to the amount of future tax benefit that we estimate is more likely than not to be realized.

We record tax benefits for positions that we believe are more likely than not of being sustained under audit examinations. We assess the potential outcome of such examinations to determine the adequacy of our income tax accruals. We recognize interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes on our Consolidated Statements of Income (Loss). We adjust our income tax provision during the period in which we determine that the actual results of the examinations may differ from our estimates or when statutory terms expire. Changes in tax laws and rates are reflected in our income tax provision in the period in which they are enacted.

Earnings Per Share. Our basic earnings per share, or EPS, is calculated as net income divided by the weighted-average number of common shares outstanding during the reporting period. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding. The net income amounts used in both our basic and diluted EPS calculations are the same. A reconciliation of the weighted-average outstanding shares used in the two calculations is as follows:

	Twelve Months Ended December 31,		
	2021	2020	2019
		(In millions)	
Weighted-average shares outstanding (basic)	121.9	121.5	120.9
Effect of dilutive securities:			
Stock options and restricted stock units	1.7	1.3	1.1
Weighted-average shares outstanding (diluted)	123.6	122.8	122.0

For the twelve months ended December 31, 2021, stock options with an anti-dilutive effect were not material. For the twelve months ended December 31, 2020 and 2019, 0.4 million and 1.1 million stock options, respectively, were anti-dilutive and therefore excluded from this calculation.

Cash Equivalents. We consider all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

Trade Accounts Receivable and Allowance for Doubtful Accounts. Accounts receivable are stated at cost. Significant payment terms for customers are identified in the contract. We do not recognize interest income on our trade accounts receivable. Additionally, we generally do not require collateral from our customers related to our trade accounts receivable.

The allowance for doubtful accounts is based on management's estimate for expected credit losses for outstanding trade accounts receivables. We determine expected credit losses based on historical write-off experience, an analysis of the aging of outstanding receivables, customer payment patterns, the establishment of specific reserves for customers in an adverse financial condition and adjusted based upon our expectations of changes in macroeconomic conditions that may impact the collectability of outstanding receivables. We reassess the adequacy of the allowance for doubtful accounts each reporting period. Increases to the allowance for doubtful accounts are recorded as bad debt expense, which are included in selling, general and administrative expenses on the accompanying Consolidated Statements of Income (Loss). Below is a rollforward of our allowance for doubtful accounts for the twelve months ended December 31, 2021 and 2020:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Twelve Months Ended December 30,	
	2021	2020
	<i>(In millions)</i>	
Allowance for doubtful accounts, beginning of period	\$12.9	\$11.2
Current period bad debt expense	0.3	6.3
Write-offs, net of recoveries	0.7	(4.6)
Allowance for doubtful accounts, end of period	<u>\$13.9</u>	<u>\$12.9</u>

Other Current Assets. Other current assets also include certain current tax receivable accounts. As of December 31, 2021 and 2020, these assets were approximately \$18.1 million and \$21.3 million, respectively. Additionally, other current assets include amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. As of December 31, 2021 and 2020 these assets were approximately \$28.5 million and \$25.1 million, respectively, with fully offsetting balances in other current liabilities. These amounts are restricted as to their current use and will be released according to the specific customer agreements.

Long-Lived Assets. Property and equipment are stated at cost less accumulated depreciation and amortization. The cost of additions is capitalized. Property and equipment are depreciated on a straight-line basis over the assets' estimated useful lives, which are generally three to ten years for data processing equipment and capitalized internal-use software and systems costs. Leasehold improvements are depreciated over the shorter of their estimated useful lives or lease terms that are reasonably assured. Buildings are depreciated over a forty-year period. Other fixed assets are depreciated over three to seven years. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized and included in income from operations on the Consolidated Statements of Income (Loss) with the classification of any gain or loss dependent on the characteristics of the asset sold or retired.

Certain internal-use software and system development costs are capitalized. Accordingly, the specifically identified costs incurred to develop or obtain software, which is intended for internal use, are not capitalized until the preliminary project stage is completed and management, with the relevant authority, authorizes and commits to funding a software project and it is probable that the project will be completed and the software will be used to perform the function intended. Costs incurred during a software development project's preliminary stage and post-implementation stage are expensed as incurred. Application development activities that are eligible for capitalization include software design and configuration, development of interfaces, coding, testing and installation. Capitalized internal-use software and systems costs are subsequently amortized on a straight-line basis over a three- to ten-year period after project completion and when the related software or system is ready for its intended use.

Depreciation and amortization expense related to property and equipment was \$304.0 million, \$249.3 million and \$191.0 million during the twelve months ended December 31, 2021, 2020, and 2019, respectively.

Industrial Revenue Bonds. Pursuant to the terms of certain industrial revenue bonds, we have transferred title to certain of our fixed assets with total costs of \$156.4 million as of December 31, 2021 and 2020 to a local governmental authority in the U.S. to receive a property tax abatement related to economic development. The title to these assets will revert back to us upon retirement or cancellation of the applicable bonds. These fixed assets are still recognized in the Company's Consolidated Balance Sheets as all risks and rewards remain with the Company.

Impairment of Long-Lived Assets. We monitor the status of our long-lived assets in order to determine if conditions exist or events and circumstances indicate that an asset group may be impaired in that its carrying amount may not be recoverable. Significant factors that are considered that could be indicative of impairment include: changes in business strategy, market conditions or the manner in which an asset group is used; underperformance relative to historical or expected future operating results; and negative industry or economic trends. If potential indicators of impairment exist, we estimate recoverability based on the asset group's ability to generate cash flows greater than the carrying value of the asset group. We estimate the undiscounted future cash flows arising from the use and eventual disposition of the related long-lived asset group. If the carrying value of the long-lived asset group exceeds the estimated future undiscounted cash flows, an impairment loss is recorded based on the amount by which the asset group's carrying amount exceeds its fair value. We utilize estimates of discounted future cash flows to determine the asset group's fair value. We did not record any material impairment losses of long-lived assets in any of the periods presented.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Goodwill and Indefinite-Lived Intangible Assets. Goodwill represents the cost in excess of the fair value of the net assets of acquired businesses. Goodwill is not amortized. We are required to test goodwill for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We perform our annual goodwill impairment test as of September 30 each year.

Under ASC 350, we have an option to perform a “qualitative” assessment of our reporting units to determine whether further impairment testing is necessary. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. For reporting units that we determine meet these criteria, we perform a qualitative assessment. In this qualitative assessment, we consider the following items for each of the reporting units: macroeconomic conditions, industry and market conditions, overall financial performance and other entity specific events. In addition, for each of these reporting units, we assess whether the most recent fair value determination results in an amount that exceeds the carrying amount of the reporting units. Based on these assessments, we determine whether the likelihood that a current fair value determination would be less than the current carrying amount of the reporting unit is not more likely than not. If it is determined it is not more likely than not, no further testing is required. If further testing is required, we continue with the quantitative impairment test.

In analyzing goodwill for potential impairment in the quantitative impairment test, we use a combination of the income and market approaches to estimate the reporting unit’s fair value. Under the income approach, we calculate the fair value of a reporting unit based on estimated future discounted cash flows. The assumptions we use are based on what we believe a hypothetical marketplace participant would use in estimating fair value. Under the market approach, we estimate the fair value based on market multiples of revenue or earnings before interest, income taxes, depreciation and amortization for benchmark companies. If the fair value of a reporting unit exceeds its carrying value, then no further testing is required. However, if a reporting unit’s fair value were to be less than its carrying value, we would then determine the amount of the impairment charge, if any, which would be the amount that the carrying value of the reporting unit’s goodwill exceeded its fair value.

Indefinite-lived reacquired rights represent the value of rights which we had granted to various affiliate credit reporting agencies that were reacquired in the U.S. and Canada. A portion of our reacquired rights are perpetual in nature and, therefore, the useful lives are considered indefinite in accordance with the accounting guidance in place at the time of the acquisitions. Indefinite-lived intangible assets are not amortized. We are required to test indefinite-lived intangible assets for impairment annually and whenever events and circumstances indicate that there may be an impairment of the asset value. Our annual impairment test date is September 30. We perform the impairment test for our indefinite-lived intangible assets by first assessing qualitative factors to determine whether it is necessary to perform a quantitative impairment test. If the qualitative assessment indicates that we need to perform a quantitative impairment test, we compare the asset’s fair value to its carrying value. We estimate the fair value based on projected discounted future cash flows. An impairment charge is recognized if the asset’s estimated fair value is less than its carrying value.

We completed our annual impairment testing for goodwill and indefinite-lived intangible assets during the twelve months ended December 31, 2021, 2020 and 2019 and we determined that there was no impairment in any of these years.

Purchased Intangible Assets. Purchased intangible assets represent the estimated fair value of acquired intangible assets used in our business. Purchased data files represent the estimated fair value of consumer and commercial data files acquired primarily through the purchase of independent credit reporting agencies in the U.S., Australia and Canada. We expense the cost of modifying and updating credit files in the period such costs are incurred. We amortize purchased data files, which primarily consist of acquired credit files, on a straight-line basis. All of our other purchased intangible assets are also amortized on a straight-line basis.

Asset	Useful Life
	<i>(In years)</i>
Purchased data files	15
Acquired software and technology	2 to 7
Non-compete agreements	4 to 5
Proprietary database	6 to 15
Customer relationships	7 to 25
Trade names	2 to 15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Other Assets. Other assets on our Consolidated Balance Sheets primarily represent our investment in unconsolidated affiliates, the long-term portion of the Company's operating lease right-of-use assets, assets related to life insurance policies covering certain officers of the Company and employee benefit trust assets.

Equity Investment. We record our equity investment in Brazil within Other Assets at fair value, using observable Level 1 inputs. The carrying value of the investment has been adjusted to \$56.4 million as of December 31, 2021 based on quoted market prices, resulting in an unrealized loss of \$64.0 million for the twelve months December 31, 2021. The carrying value of the investment was \$127.7 million as of December 31, 2020, resulting in an unrealized gain of \$116.6 million for the twelve months ended December 31, 2020. All unrealized gains or losses on the investment are recorded in Other Income (Expense), Net within the Consolidated Statements of Income (Loss).

Other Current Liabilities. Other current liabilities on our Consolidated Balance Sheets consist of the current portion of our operating lease liabilities and various accrued liabilities such as costs related to the 2017 cybersecurity incident as described more fully in Note 6, interest expense, and accrued employee benefits. Other current liabilities includes accrued legal expense of \$373.6 million and \$379.7 million as of December 31, 2021 and 2020, respectively. The accrued legal balance primarily consists of \$350.7 million and \$355.2 million accruals for losses associated with certain legal proceedings and investigations related to the 2017 cybersecurity incident that have not been paid as of December 31, 2021 and 2020, respectively. Other current liabilities also include the offset to other current assets related to amounts in specifically designated accounts that hold the funds that are due to customers from our debt collection and recovery management services. These funds were approximately \$28.5 million and \$25.1 million as of December 31, 2021 and 2020, respectively. The associated assets are restricted as to their current use and will be released according to the specific customer agreements.

Benefit Plans. We sponsor various pension and defined contribution plans. We also maintain certain healthcare and life insurance benefit plans for eligible retired U.S. employees. Benefits under the pension and other postretirement benefit plans are generally based on age at retirement and years of service and for some pension plans, benefits are also based on the employee's annual earnings. The net periodic cost of our pension and other postretirement plans is determined using several actuarial assumptions, the most significant of which are the discount rate and the expected return on plan assets. The expected rate of return on plan assets is based on both our historical returns and forecasted future investment returns by asset class, as provided by our external investment advisor. In the fourth quarter of 2020, we voluntarily changed our method of accounting for recognizing actuarial gains and losses and expected return on plan assets for our defined benefit pension and other postretirement benefit plans, as further described below. Our Consolidated Balance Sheets reflect the funded status of the pension and other postretirement plans.

Foreign Currency Translation. The functional currency of each of our foreign operating subsidiaries is that subsidiary's local currency except for Argentina. Argentina has experienced multiple periods of increasing inflation rates, devaluation of the peso and increasing borrowing rates. As such, Argentina was deemed a highly inflationary economy by accounting policymakers. Beginning in the third quarter of 2018, we accounted for Argentina as a highly inflationary economy by remeasuring the peso denominated monetary assets and liabilities which resulted in the recognition of \$0.8 million of foreign currency gains for December 31, 2021 and foreign currency losses of \$0.5 million and \$1.0 million for the twelve months ended December 31, 2020 and 2019, respectively, recorded in other income, net in our Consolidated Statements of Income (Loss).

Other than Argentina, we translate the assets and liabilities of foreign subsidiaries at the year-end rate of exchange and revenue and expenses at the monthly average rates during the year. We record the resulting translation adjustment in other comprehensive loss, included in accumulated other comprehensive loss, a component of shareholders' equity. We also record gains and losses resulting from the translation of intercompany balances of a long-term investment nature in foreign currency translation in other comprehensive loss and accumulated other comprehensive loss. For the year ended December 31, 2021, we recorded \$2.6 million of foreign currency transaction gains and for the years ended December 31, 2020 and 2019, we recorded foreign currency transactions losses of \$7.5 million and \$3.0 million, respectively, in our Consolidated Statements of Income (Loss), respectively.

Financial Instruments. Our financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and short and long-term debt. The carrying amounts of these items, other than long-term debt, approximate their fair market values due to the short-term nature of these instruments. The fair value of our fixed-rate debt is determined using Level 2 inputs such as quoted market prices for publicly traded instruments, and for non-publicly traded instruments, through valuation techniques depending on the specific characteristics of the debt instrument, taking into account credit risk. As of December 31, 2021 and 2020, the fair value of our long-term debt, including the current portion, based on observable inputs was \$5.2 billion and \$4.8 billion, respectively, compared to its carrying value of \$5.0 billion and \$4.4 billion, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fair Value Measurements. Fair value is determined based on the assumptions marketplace participants use in pricing an asset or liability. We use a three level fair value hierarchy to prioritize the inputs used in valuation techniques between observable inputs that reflect quoted prices in active markets, inputs other than quoted prices with observable market data and unobservable data (e.g., a company's own data).

The following table presents assets and liabilities measured at fair value on a recurring basis:

Description	Fair Value at December 31, 2021	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>(In millions)</i>				
Assets and Liabilities:				
Deferred Compensation Plan Assets ⁽¹⁾	\$ 46.1	\$ 46.1	\$ —	\$ —
Deferred Compensation Plan Liability ⁽¹⁾	(46.1)	—	(46.1)	—
Total assets and liabilities	<u>\$ —</u>	<u>\$ 46.1</u>	<u>\$ (46.1)</u>	<u>\$ —</u>

- (1) We maintain deferred compensation plans that allow for certain management employees to defer the receipt of compensation (such as salary and incentive compensation) until a later date based on the terms of the plans. The liability representing benefits accrued for plan participants is valued at the quoted market prices of the participants' investment elections. The asset consists of mutual funds reflective of the participants investment selections and is valued at daily quoted market prices.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis. As disclosed in Note 3, we completed various acquisitions during the years ended December 31, 2021 and 2020. The values of net assets acquired were recorded at fair value using Level 3 inputs. The majority of the related current assets acquired and liabilities assumed were recorded at their carrying values as of the date of acquisition, as their carrying values approximated their fair values due to their short-term nature. The fair values of definite-lived intangible assets acquired in these acquisitions were estimated primarily based on the income approach. The income approach estimates fair value based on the present value of the cash flows that the assets are expected to generate in the future. We developed internal estimates for the expected cash flows and discount rates in the present value calculations.

Variable Interest Entities. We hold interests in certain entities, including credit data, information solutions and an identity authentication company, that are considered variable interest entities, or VIEs. These variable interests relate to ownership interests that require financial support for these entities. Our investments related to these VIEs totaled \$30.2 million at December 31, 2021, representing our maximum exposure to loss, with the exception of the guarantees referenced in Note 6. We are not the primary beneficiary and are not required to consolidate any of these VIEs.

In evaluating whether we have the power to direct the activities of a VIE that most significantly impact its economic performance, we consider the purpose for which the VIE was created, the importance of each of the activities in which it is engaged and our decision-making role, if any, in those activities that significantly determine the entity's economic performance as compared to other economic interest holders. This evaluation requires consideration of all facts and circumstances relevant to decision-making that affects the entity's future performance and the exercise of professional judgment in deciding which decision-making rights are most important.

In determining whether we have the right to receive benefits or the obligation to absorb losses that could potentially be significant to the VIE, we evaluate all of our economic interests in the entity, regardless of form (debt, equity, management and servicing fees, and other contractual arrangements). This evaluation considers all relevant factors of the entity's design, including: the entity's capital structure, contractual rights to earnings (losses), subordination of our interests relative to those of other investors, contingent payments, as well as other contractual arrangements that have the potential to be economically significant. The evaluation of each of these factors in reaching a conclusion about the potential significance of our economic interests is a matter that requires the exercise of professional judgment.

Certain of our VIEs have redeemable noncontrolling interests that are subject to classification outside of permanent equity on the Company's Consolidated Balance Sheet. The redeemable noncontrolling interests are reflected using the redemption method as of the balance sheet date. Redeemable noncontrolling interest adjustments to the redemption values are reflected in retained earnings. The adjustment of redemption value at the period end that reflects a redemption value in excess of fair value is included as an adjustment to net income attributable to Equifax stockholders for the purposes of the calculation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

of earnings per share. None of the current period adjustments reflect a redemption in excess of fair value. Additionally, due to the immaterial balance of the redeemable noncontrolling interest, we have elected to maintain the noncontrolling interest in permanent equity, rather than temporary equity, within our Consolidated Balance Sheet.

Adoption of New Accounting Standards. In June 2016, the FASB issued ASU No. 2016-13 “Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. ASU 2016-13 was effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2019. As of January 1, 2020, we adopted the standard. The adoption of the standard did not have a material impact on our consolidated financial statements with the most significant impact being the increase in allowance for doubtful accounts related to our trade accounts receivable. The adoption adjustment was recorded to Retained Earnings as seen in the Consolidated Statements of Changes in Equity.

In January 2017, the FASB issued ASU 2017-04 “Simplifying the Test for Goodwill Impairment (Topic 350).” This standard eliminates Step 2 from the current goodwill impairment test, instead requiring an entity to recognize a goodwill impairment charge for the amount by which the reporting unit's carrying amount exceeds the reporting unit's fair value. This guidance is effective for interim and annual goodwill impairment tests in fiscal years beginning after December 15, 2019 with early adoption permitted. This guidance must be applied on a prospective basis. The adoption of this standard did not materially impact our consolidated financial statements or disclosures.

In August 2018, the FASB issued ASU No. 2018-13 “Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement” which eliminates, adds, and modifies certain disclosure requirements for fair value measurements as part of its disclosure framework project. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019, and interim periods therein, but entities are permitted to early adopt either the entire standard or only the provisions that eliminate or modify the requirements. The adoption of this standard did not materially impact our consolidated financial statements or disclosures.

In August 2018, the FASB issued ASU No. 2018-14 “Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans” which requires minor changes to the disclosure requirements for employers that sponsor defined benefit pension and/or other postretirement benefit plans. ASU 2018-14 is effective for fiscal years ending after December 15, 2020 and early adoption is permitted. We have updated our disclosures in Note 9 to conform with the standard.

In August 2018, the FASB issued ASU No. 2018-15 “Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract.” ASU 2018-15 requires that issuers follow the internal-use software guidance in Accounting Standards Codification (ASC) 350-40 to determine which costs to capitalize as assets or expense as incurred. The ASC 350-40 guidance requires that certain costs incurred during the application development stage be capitalized and other costs incurred during the preliminary project and post-implementation stages be expensed as they are incurred. ASU 2018-15 is effective for fiscal years beginning after December 15, 2019 and interim periods therein. The adoption of the standard did not have a material impact on our consolidated financial statements.

Recent Accounting Pronouncements. Business Combinations. In October 2021, the FASB issued ASU No. 2021-08 “Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers.” The update provides clarifying guidance to reduce diversity in practice stating that contract assets and contract liabilities acquired in business combinations should be measured in accordance with Accounting Standards topic 606, rather than the fair value principles of Accounting Standards topic 805. ASU 2021-08 is effective for all public business entities for annual periods beginning after December 15, 2022, although early adoption is permitted. This guidance must be applied on a prospective basis. The adoption of this guidance is not expected to have a material impact on our financial position, results of operations or cash flows.

Reference Rate Reform. In March 2020, the FASB issued ASU No. 2020-04 “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” The update provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) contract modifications on financial reporting, caused by reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. We are still evaluating the impact, but do not expect the adoption of the standard to have a material impact on our Consolidated Financial Statements.

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2. REVENUE

Revenue Recognition. Based on the information management reviews internally for evaluating operating segment performance and nature, amount, timing, and uncertainty of revenue and cash flows affected by economic factors, we disaggregate revenue as follows:

<i>Consolidated Operating Revenue</i>	Twelve Months Ended December 31,			Change		Change	
	2021	2020	2019	2021	2020	2020	2019
				\$	%	\$	%
	<i>(In millions)</i>						
Verification Services	\$ 1,608.9	\$ 1,103.2	\$ 700.1	\$ 505.7	46 %	\$ 403.1	58 %
Employer Services	426.5	\$ 358.5	271.0	68.0	19 %	87.5	32 %
Total Workforce Solutions	2,035.4	\$ 1,461.7	971.1	573.7	39 %	490.6	51 %
Online Information Solutions	1,349.8	1,296.4	1,177.9	53.4	4 %	118.5	10 %
Mortgage Solutions	190.4	199.8	136.9	(9.4)	(5)%	62.9	46 %
Financial Marketing Services	246.5	215.0	216.4	31.5	15 %	(1.4)	(1)%
Total U.S. Information Solutions	1,786.7	1,711.2	1,531.2	75.5	4 %	180.0	12 %
Asia Pacific	356.0	296.5	300.1	59.5	20 %	(3.6)	(1)%
Europe	319.9	285.2	303.8	34.7	12 %	(18.6)	(6)%
Latin America	175.9	160.3	190.5	15.6	10 %	(30.2)	(16)%
Canada	250.0	212.6	210.9	37.4	18 %	1.7	1 %
Total International	1,101.8	954.6	1,005.3	147.2	15 %	(50.7)	(5)%
Total operating revenue	\$ 4,923.9	\$ 4,127.5	\$ 3,507.6	\$ 796.4	19 %	\$ 619.9	18 %

3. ACQUISITIONS AND INVESTMENTS

2021 Acquisitions and Investments. On February 10, 2021, the Company acquired 100% of Kount, a provider of fraud prevention and digital identity solutions for \$640 million within the USIS business unit. Additionally in the first quarter of 2021, the Company acquired 100% of HIREtech and i2Verify within the Workforce Solutions business unit as well as a small acquisition and purchase of the remaining noncontrolling interest of a business within our International business unit. In the third quarter of 2021, the Company acquired 100% of Health e(fx) and Teletrack within the Workforce Solutions and USIS business units, respectively, as well as the purchase of the remaining noncontrolling interest of a business within our International business unit. Additionally, the Company acquired 100% of Appriss Insights on October 1, 2021, for cash consideration of approximately \$1.825 billion. Appriss Insights is a source of risk and criminal justice intelligence information and will be reported within the Workforce Solutions business unit. All of these acquisitions expand the Company's data assets as well as product offerings. The purchase price allocations for these acquisitions are not yet finalized and open areas consist of income taxes and working capital for all acquisitions and purchased intangibles for Appriss Insights. Accordingly, adjustments may be made to the values of the assets acquired and liabilities assumed as additional information is obtained about the facts and circumstances that existed at the valuation date.

2020 Acquisitions and Investments. In February 2020, we acquired the remaining 40.6% interest in our India joint venture. In 2020, the Company also completed an acquisition in our USIS segment to expand the Company's product offerings. We have completed the allocation of the purchase prices for the 2020 acquisitions.

2019 Acquisitions and Investments. In April 2019, the Company completed the acquisition of 100% of Knowledge Works, Inc., d/b/a PayNet, Inc. ("PayNet"), a commercial data and analytics company, in our USIS and International segments to expand the Company's product offerings. In 2019, the Company completed various acquisitions in our Workforce Solutions segment to expand the Company's product offerings. We have completed the allocation of the purchase prices for the 2019 acquisitions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Purchase Price Allocation. The following table summarizes the estimated fair value of the net assets acquired and the liabilities assumed at the acquisition dates during 2021 and 2020.

	December 31,	
	2021	2020 ⁽³⁾
	<i>(In millions)</i>	
Cash	\$ 5.2	\$ 9.7
Accounts receivable and other current assets	43.1	2.5
Other assets	26.6	2.7
Identifiable intangible assets ⁽¹⁾	1,094.1	59.5
Goodwill ⁽²⁾	1,842.7	58.3
Total assets acquired	3,011.7	132.7
Other current liabilities	(27.2)	(6.4)
Other liabilities	(43.7)	(15.0)
Net assets acquired	<u>\$ 2,940.8</u>	<u>\$ 111.3</u>

- (1) Identifiable intangible assets are further disaggregated in the following table.
- (2) The goodwill related to the 2021 acquisitions were recognized in the Workforce Solutions, USIS and International operating segments. \$1.4 billion of goodwill related to 2021 acquisitions, with the exception of goodwill related to Kount within USIS and AccountScore within International, was tax deductible. The goodwill related to the 2020 acquisitions were recognized in the International and USIS operating segments. The goodwill related to the International and USIS acquisitions in 2020 are not deductible for tax purposes.
- (3) The above reflects the total net assets recorded from the purchase of the remaining interest of the India joint venture, inclusive of the gain due to remeasurement of the prior equity interest.

The primary reasons the purchase price of these acquisitions exceeded the fair value of the net assets acquired, which resulted in the recognition of goodwill, were expanded growth opportunities from new or enhanced product offerings and geographies, cost savings from the elimination of duplicative activities and the acquisition of an assembled workforce that are not recognized as assets apart from goodwill.

Intangible asset category	December 31,			
	2021		2020	
	Fair value	Weighted-average useful life	Fair value	Weighted-average useful life
	<i>(in millions)</i>	<i>(in years)</i>	<i>(in millions)</i>	<i>(in years)</i>
Proprietary database	\$ 562.3	14.5	\$ 48.2	12.3
Purchased data files	207.0	15.0	—	0.0
Customer relationships	160.7	10.0	10.6	10.0
Acquired software and technology	146.3	6.0	0.3	3.0
Trade names and other intangible assets	11.3	2.0	0.3	2.0
Non-compete agreements	6.5	4.5	0.1	5.0
Total acquired intangibles	<u>\$ 1,094.1</u>	<u>12.6</u>	<u>\$ 59.5</u>	<u>11.7</u>

4. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill. Goodwill represents the cost in excess of the fair value of the net assets acquired in a business combination. As discussed in Note 1, goodwill is tested for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We perform our annual goodwill impairment tests as of September 30 each year. The fair value estimates for our reporting units were determined using a combination of the income and market approaches in accordance with the Company's methodology. Our annual impairment tests as of September 30, 2021, 2020 and 2019 resulted in no impairment of goodwill.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In the fourth quarter of 2021, we integrated our Global Consumer Solutions business into our USIS, Workforce Solutions and International operating segments. U.S. consumer credit monitoring solutions businesses were moved to USIS with the U.S. consumer identity theft protection business moved to Workforce Solutions. All international consumer credit marketing solutions businesses have been moved into the Canada and Europe reporting units based on the geographical location of customers. These changes in reporting units align with how we plan to manage our business going forward. To reflect this new organizational structure, we have reallocated goodwill from the legacy Global Consumer Solutions reporting unit to the USIS, Workforce Solutions, Canada and Europe reporting units based on relative fair value. A change in reporting units requires that goodwill be tested for impairment. During 2021, we performed a goodwill impairment test prior to and following the reallocation of goodwill, which resulted in no impairment for all reporting units.

During 2021, we acquired Appriss Insights, HIREtech, i2Verify and Health e(fx) within the Workforce Solutions operating segment. We acquired Kount and Teletrack within the USIS operating segment. We acquired AccountScore, as well as the remaining noncontrolling interest of businesses within our International segment.

During 2020, we acquired the remaining interest in our India joint venture in our International operating segment and completed an additional acquisition in our USIS operating segment.

Changes in the amount of goodwill for the twelve months ended December 31, 2021 and 2020, are as follows:

	Workforce Solutions	U.S. Information Solutions	International	Total
	<i>(In millions)</i>			
Balance, December 31, 2019	\$ 1,023.0	\$ 1,411.9	\$ 1,873.4	\$ 4,308.3
Acquisitions	—	6.0	52.3	58.3
Adjustments to initial purchase price allocation	0.3	—	—	0.3
Foreign currency translation	—	—	128.9	128.9
Balance, December 31, 2020	1,023.3	1,417.9	2,054.6	4,495.8
Acquisitions	1,342.1	481.5	18.4	1,842.0
Adjustments to initial purchase price allocation	—	0.7	—	0.7
Foreign currency translation	—	—	(79.1)	(79.1)
Divestitures	—	—	(1.3)	(1.3)
Balance, December 31, 2021	<u>\$ 2,365.4</u>	<u>\$ 1,900.1</u>	<u>\$ 1,992.6</u>	<u>\$ 6,258.1</u>

Indefinite-Lived Intangible Assets. Indefinite-lived intangible assets consist of indefinite-lived reacquired rights representing the value of rights which we had granted to various affiliate credit reporting agencies that were reacquired in the U.S. and Canada. At the time we acquired these agreements, they were considered perpetual in nature under the accounting guidance in place at that time and, therefore, the useful lives are considered indefinite. Indefinite-lived intangible assets are not amortized. We are required to test indefinite-lived intangible assets for impairment annually and whenever events or circumstances indicate that there may be an impairment of the asset value. We perform our annual indefinite-lived intangible asset impairment test as of September 30. Our 2021 annual impairment test completed during the third quarter of 2021 resulted in no impairment of indefinite-lived intangible assets. As of December 31, 2021 and 2020, these assets were approximately \$94.9 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Purchased Intangible Assets. Purchased intangible assets, net, recorded on our Consolidated Balance Sheets at December 31, 2021 and 2020, are as follows:

	December 31, 2021			December 31, 2020		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Definite-lived intangible assets:	<i>(In millions)</i>					
Purchased data files	\$ 1,103.1	\$ (466.0)	\$ 637.1	\$ 913.7	\$ (399.2)	\$ 514.5
Proprietary database	710.2	(59.3)	650.9	148.6	(30.7)	117.9
Customer relationships	805.2	(354.9)	450.3	680.1	(331.4)	348.7
Acquired software and technology	160.0	(18.9)	141.1	115.3	(106.6)	8.7
Trade names and other intangible assets	23.9	(12.6)	11.3	14.4	(9.4)	5.0
Non-compete agreements	11.0	(3.7)	7.3	6.5	(3.5)	3.0
Total definite-lived intangible assets	<u>\$ 2,813.4</u>	<u>\$ (915.4)</u>	<u>\$ 1,898.0</u>	<u>\$ 1,878.6</u>	<u>\$ (880.8)</u>	<u>\$ 997.8</u>

Amortization expense related to purchased intangible assets was \$176.4 million, \$141.8 million, and \$140.1 million during the twelve months ended December 31, 2021, 2020, and 2019, respectively.

Estimated future amortization expense related to definite-lived purchased intangible assets at December 31, 2021 is as follows:

Years ending December 31,	Amount
	<i>(In millions)</i>
2022	\$ 225.8
2023	218.2
2024	207.4
2025	204.2
2026	192.9
Thereafter	849.5
	<u>\$ 1,898.0</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. DEBT

Debt outstanding at December 31, 2021 and 2020 was as follows:

	December 31,	
	2021	2020
	<i>(In millions)</i>	
Commercial paper ("CP")	\$ 321.9	\$ —
Notes, 2.30%, due June 2021	—	500.0
Notes, 3.60%, due Aug 2021	—	300.0
Notes, Floating Rate, due Aug 2021	—	300.0
Notes, 3.30%, due Dec 2022	500.0	500.0
Notes, 3.95%, due May 2023	400.0	400.0
Notes, 2.60%, due December 2024	750.0	750.0
Notes, 2.60%, due December 2025	400.0	400.0
Notes, 3.25%, due June 2026	275.0	275.0
Term loan, due August 2026	700.0	—
Debentures, 6.90%, due July 2028	125.0	125.0
Notes, 3.1%, due May 2030	600.0	600.0
Notes, 2.35%, due September 2031	1,000.0	—
Notes, 7.00%, due July 2037	250.0	250.0
Other	3.2	2.2
Total debt	<u>5,325.1</u>	4,402.2
Less short-term debt and current maturities	(824.8)	(1,101.1)
Less unamortized discounts and debt issuance costs	(30.2)	(23.8)
Total long-term debt, net of discount	<u>\$ 4,470.1</u>	<u>\$ 3,277.3</u>

Scheduled future maturities of debt at December 31, 2021, are as follows:

Years ending December 31,	Amount
	<i>(In millions)</i>
2022	\$ 824.8
2023	404.7
2024	767.5
2025	417.5
2026	935.6
Thereafter	1,975.0
Total debt	<u>\$ 5,325.1</u>

2.35% Senior Notes. On August 11, 2021, we issued \$1.0 billion aggregate principal amount of 2.35% ten-year Senior Notes due 2031 (the "2031 Notes") in an underwritten public offering. Interest on the 2031 Notes accrues at a rate of 2.35% per year and is payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2022. The net proceeds of the sale of the 2031 Notes were used to repay the \$300.0 million 3.6% Senior Notes due 2021 and \$300.0 million Floating Rate Notes due 2021. The remaining proceeds were used for general corporate purposes, including the repayment of borrowings under our CP program and the funding of acquisitions, including the Company's \$1.825 billion acquisition of Apriss Insights. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2031 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

2.6% and 3.1% Senior Notes. On April 22, 2020, we issued \$400.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2025 (the "2025 Notes") and \$600.0 million aggregate principal amount of 3.1% ten-year Senior Notes due 2030 (the "2030 Notes") in an underwritten public offering. Interest on the 2025 Notes accrues at a rate of 2.6% per year

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

and is payable semi-annually in arrears on June 15 and December 15 of each year. Interest on the 2030 Notes accrues at a rate of 3.1% per year and is payable semi-annually in arrears on May 15 and November 15 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and Revolver, while the remaining funds were used for general corporate purposes, including the repayment of a portion of the 2021 debt maturities. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2025 Notes and 2030 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

2.6% Senior Notes. On November 15, 2019, we issued \$750.0 million aggregate principal amount of 2.6% five-year Senior Notes due 2024 (the “2024 Notes”) in an underwritten public offering. Interest on the 2024 Notes accrues at a rate of 2.6% per year and is payable semi-annually in arrears on June 1 and December 1 of each year of each year. The net proceeds of the sale of the notes were used to repay borrowings under our Receivables Facility and our CP program and for general corporate purposes. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2024 Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

3.6%, 3.95%, and Floating Rate Senior Notes. In May 2018, we issued \$300.0 million aggregate principal amount of 3.6% Senior Notes due 2021 (the “2021 Notes”), \$400.0 million aggregate principal amount of 3.95% Senior Notes due 2023 (the “2023 Notes”), and \$300.0 million aggregate principal amount Floating Rate Notes due 2021 (the “Floating Rate Notes”) in an underwritten public offering. Interest on the 2021 Notes accrued from their date of issuance at a rate of 3.6% per year and was payable in cash semi-annually in arrears on February 15 and August 15 of each year. Interest on the 2023 Notes accrues from their date of issuance at a rate of 3.95% per year and is payable in cash semi-annually in arrears on June 15 and December 15 of each year beginning on December 15, 2018. Interest on the Floating Rate Notes for a particular interest period was a rate equal to three-month LIBOR on the interest determination date plus 0.87% per annum and was payable in cash quarterly in arrears on February 15, May 15, August 15, and November 15 of each year. The net proceeds of the sale of the 2021 Notes, 2023 Notes and Floating Rate Notes were used to repay borrowings under our Revolver, our prior \$800.0 million three-year delayed draw term loan facility (“Term Loan”) and our CP program. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The 2021 Notes, 2023 Notes and Floating Rate Notes were unsecured and rank equally with all of our unsecured and unsubordinated indebtedness. In August 2021, we repaid the 2021 Notes and Floating Rate Notes using the proceeds from the 2031 Notes.

Senior Credit Facilities. In August 2021, the Company refinanced the existing unsecured revolving credit facility of \$1.1 billion set to expire September 2023 and entered into a new \$1.5 billion five-year unsecured revolving credit facility and a new \$700.0 million delayed draw term loan, collectively known as the “Senior Credit Facilities,” both which mature in August 2026. Borrowings under the Senior Credit Facilities may be used for working capital, for capital expenditures, to refinance existing debt, to finance acquisitions, including the acquisition of Appriss Insights, and for other general corporate purposes. The Revolver includes an option to request a maximum of three one-year extensions of the maturity date any time after the first anniversary of the closing date of the Revolver. Availability of the Revolver is reduced by the outstanding principal balance of our CP notes and by any letters of credit issued under the Revolver. As of December 31, 2021, there were \$321.9 million of outstanding CP notes, \$0.7 million of letters of credit outstanding, no outstanding borrowings under the Revolver and \$700.0 million outstanding under the Term Loan. Availability under the Revolver was \$1,177.4 million at December 31, 2021.

Under the Senior Credit Facilities, the Company must comply with various financial and non-financial covenants. The Senior Credit Facilities include a maximum leverage ratio, defined as consolidated funded debt divided by consolidated EBITDA for the preceding four quarters, of (i) 3.75 to 1.0 initially, (ii) 4.25 to 1.0 for the first fiscal quarter ending after the consummation of the Company’s acquisition of Appriss Insights on October 1, 2021 (the “Appriss Closing Date”), until the fourth fiscal quarter ending after the Appriss Closing Date, (iii) 4.0 to 1.0 for the fifth fiscal quarter ending after the Appriss Closing Date until the sixth fiscal quarter ending after the Appriss Closing Date and (iv) 3.75 to 1.0 for the seventh fiscal quarter ending after the Appriss Closing Date and through the remaining term of the Revolver. We may also elect to increase the maximum leverage ratio by 0.5 to 1.0 (subject to a maximum leverage ratio of 4.75 to 1.0) in connection with certain material acquisitions if we satisfy certain requirements. The Senior Credit Facilities also permit cash in excess of \$175 million to be netted against debt in the calculation of the leverage ratio, subject to certain restrictions. Compliance with this financial covenant is tested quarterly. The non-financial covenants include limitations on liens, subsidiary debt, mergers, liquidations, asset dispositions and certain government regulations. As of December 31, 2021, we were in compliance with our covenants under the Revolver and Term Loan. Our borrowings under these facilities, which have not been guaranteed by any of our subsidiaries, are unsecured and will rank on parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 2021, interest was payable on borrowings under the Revolver and Term Loan at the base rate or London Interbank Offered Rate, or LIBOR, plus a specified margin. The Company is required to pay on a quarterly basis a commitment fee with respect to our Revolver, which is calculated based upon the amount of daily usage of the Revolver over the available aggregate lender commitments thereunder during the applicable quarterly period. Both the applicable interest rate and the commitment fee are subject to adjustment based on the Company's debt ratings.

Commercial Paper Program. In the third quarter of 2021, we increased the size of our CP program from \$1.1 billion to \$1.5 billion, consistent with the increase in our Revolver. The \$1.5 billion CP program has been established through the private placement of CP notes from time-to-time, in which borrowings may bear interest at either a variable rate or a fixed rate, plus the applicable margin. Maturities of CP can range from overnight to 397 days. Because the CP is backstopped by our Revolver, the amount of CP which may be issued under the program is reduced by the outstanding face amount of any letters of credit issued and by the outstanding borrowings under our Revolver. At December 31, 2021, there were \$321.9 million of outstanding CP notes.

2.3% and 3.25% Senior Notes. On May 12, 2016, we issued \$500.0 million principal amount of 2.3%, five-year senior notes and \$275.0 million principal amount of 3.25%, ten-year senior notes in an underwritten public offering. Interest is payable semi-annually in arrears on June 1 and December 1 of each year. The net proceeds of the sale of the notes were used to repay borrowings under our prior revolving credit facility and a portion of the borrowings under our CP incurred to finance the acquisition of Veda. We must comply with various non-financial covenants, including certain limitations on mortgages, liens and sale-leaseback transactions, as well as mergers and sales of substantially all of our assets. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness. In May 2021, we repaid the 2.3% Senior Notes with cash on hand.

7.0% Senior Notes. On June 28, 2007, we issued \$250.0 million principal amount of 7.0%, thirty-year senior notes in underwritten public offerings. Interest is payable semi-annually in arrears on January 1 and July 1 of each year. The net proceeds of the financing were used to repay short-term indebtedness, a substantial portion of which was incurred in connection with an acquisition. We must comply with various non-financial covenants, including certain limitations on liens, additional debt and mortgages, mergers, asset dispositions and sale-leaseback arrangements. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

3.3% Senior Notes. On December 17, 2012, we issued \$500.0 million principal amount of 3.3%, ten-year senior notes in an underwritten public offering. Interest is payable semi-annually in arrears on December 15 and June 15 of each year. The net proceeds of the sale of the notes were used to partially finance an acquisition in December 2012. We must comply with various non-financial covenants, including certain limitations on liens, additional debt and mortgages, mergers, asset dispositions and sale-leaseback arrangements. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

6.9% Debentures. We have \$125.0 million of debentures outstanding with a maturity date of 2028. The debentures are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness.

Cash paid for interest was \$139.7 million, \$130.9 million and \$105.3 million during the twelve months ended December 31, 2021, 2020 and 2019, respectively.

6. COMMITMENTS AND CONTINGENCIES

2017 Cybersecurity Incident.

Litigation, Claims and Government Investigations. In 2017, we experienced a cybersecurity incident following a criminal attack on our systems that involved the theft of certain personally identifiable information of U.S., Canadian and U.K. consumers. Following the 2017 cybersecurity incident, hundreds of class actions and other lawsuits were filed against us typically alleging harm from the incident and seeking various remedies, including monetary and injunctive relief. We were also subject to investigations and inquiries by federal, state and foreign governmental agencies and officials regarding the 2017 cybersecurity incident and related matters. Most of these lawsuits and government investigations have concluded or been resolved, including pursuant to the settlement agreements described below, while others remain ongoing. The Company's participation in these settlements does not constitute an admission by the Company of any fault or liability, and the Company does not admit fault or liability.

In 2019, we recorded expenses, net of insurance recoveries, of \$800.9 million in other current liabilities in our Consolidated Balance Sheets, exclusive of our legal and professional services expenses. The amount accrued represents our best estimate of the liability related to these matters. The Company will continue to evaluate information as it becomes known and adjust accruals for new information and further developments in accordance with ASC 450-20-25. While it is reasonably possible that losses exceeding the amount accrued may be incurred, it is not possible at this time to estimate the additional possible loss in excess of the amount already accrued that might result from adverse judgments, settlements, penalties or other resolution of the proceedings and investigations described below based on a number of factors, such as the various stages of these proceedings and investigations, including matters on appeal, that alleged damages have not been specified or are uncertain, the uncertainty as to the certification of a class or classes and the size of any certified class, as applicable, and the lack of resolution on significant factual and legal issues. The ultimate amount paid on these actions, claims and investigations in excess of the amount already accrued could be material to the Company's consolidated financial condition, results of operations, or cash flows in future periods.

Consumer Settlement. On July 19, 2019 and July 22, 2019, we entered into multiple agreements that resolve the U.S. consolidated consumer class action cases, captioned In re: Equifax, Inc. Customer Data Security Breach Litigation, MDL No. 2800 (the "U.S. Consumer MDL Litigation"), and the investigations of the FTC, the CFPB, the Attorneys General of 48 states, the District of Columbia and Puerto Rico and the NYDFS (collectively, the "Consumer Settlement"). Under the terms of the Consumer Settlement, the Company agreed to contribute \$380.5 million to a non-reversionary settlement fund (the "Consumer Restitution Fund") to provide restitution for U.S. consumers identified by the Company whose personal information was compromised as a result of the 2017 cybersecurity incident as well as to pay reasonable attorneys' fees and reasonable costs and expenses for the plaintiffs' counsel in the U.S. Consumer MDL Litigation (not to exceed \$80.5 million), settlement administration costs and notice costs. The Company has agreed to contribute up to an additional \$125.0 million to the Consumer Restitution Fund to cover certain unreimbursed costs and expenditures incurred by affected U.S. consumers in the event the \$380.5 million in the Consumer Restitution Fund is exhausted. The Company also agreed to various business practice commitments related to consumer assistance and its information security program, including conducting third party assessments of its information security program.

On January 13, 2020, the Northern District of Georgia, the U.S. District Court overseeing centralized pre-trial proceedings for the U.S. Consumer MDL Litigation and numerous other federal court actions relating to the 2017 cybersecurity incident (the "MDL Court"), entered an order granting final approval of the settlement in connection with the U.S. Consumer MDL Litigation. The MDL Court entered an amended order granting final approval of the settlement (the "Final Approval Order") on March 17, 2020. Several objectors appealed the Final Approval Order to the U.S. Court of Appeals for the Eleventh Circuit (the "Eleventh Circuit"). On June 3, 2021, the Eleventh Circuit issued an order reversing the MDL Court's grant of incentive awards to class representatives, but affirming all other aspects of the Final Approval Order. Several objectors filed petitions with the Eleventh Circuit seeking a rehearing, and on July 29, 2021, the Eleventh Circuit denied those petitions. On August 12, 2021, the MDL Court made the Eleventh Circuit's mandate the judgment of the MDL Court. Two objectors filed petitions for a writ of certiorari with the U.S. Supreme Court, and on January 10, 2022, the U.S. Supreme Court denied the last remaining petition. On January 11, 2022, the Consumer Settlement became effective.

Other Matters. We face other lawsuits and government investigations related to the 2017 cybersecurity incident that have not yet been concluded or resolved. These ongoing matters may result in judgments, fines or penalties, settlements or other relief. We dispute the allegations in the remaining lawsuits and intend to defend against such claims. Set forth below are descriptions of the main categories of these matters.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Georgia State Court Consumer Class Actions. Four putative class actions arising from the 2017 cybersecurity incident were filed against us in Fulton County Superior Court and Fulton County State Court in Georgia based on similar allegations and theories as alleged in the U.S. Consumer MDL Litigation and seek monetary damages, injunctive relief and other related relief on behalf of Georgia citizens. These cases were transferred to a single judge in the Fulton County Business Court and three of the cases were consolidated into a single action. On July 27, 2018, the Fulton County Business Court granted the Company's motion to stay the remaining single case, and on August 17, 2018, the Fulton County Business Court granted the Company's motion to stay the consolidated case. Because the plaintiffs in the four putative class actions did not opt out of the Consumer Settlement that became effective on January 11, 2022, these cases have been dismissed and are now closed.

Canadian Class Actions. Five putative Canadian class actions, four of which are on behalf of a national class of approximately 19,000 Canadian consumers, are pending against us in Ontario, British Columbia and Alberta. Each of the proposed Canadian class actions asserts a number of common law and statutory claims seeking monetary damages and other related relief in connection with the 2017 cybersecurity incident. In addition to seeking class certification on behalf of Canadian consumers whose personal information was allegedly impacted by the 2017 cybersecurity incident, in some cases, plaintiffs also seek class certification on behalf of a larger group of Canadian consumers who had contracts for subscription products with Equifax around the time of the incident or earlier and were not impacted by the incident.

On December 13, 2019, the court in Ontario granted certification of a nationwide class that includes all impacted Canadians as well as Canadians who had subscription products with Equifax between March 7, 2017 and July 30, 2017 who were not impacted by the incident. We appealed one of the claims on which a class was certified and on June 9, 2021, our appeal was granted by the Ontario Divisional Court. The plaintiff has since filed a notice of further appeal with the Ontario Court of Appeal, which is scheduled to be heard in June 2022. All remaining purported class actions are at preliminary stages or stayed.

Government Investigations. We have cooperated with federal, state and foreign governmental agencies and officials investigating or otherwise seeking information, testimony and/or documents, regarding the 2017 cybersecurity incident and related matters and these investigations have been resolved as discussed in prior filings.

The U.K.'s Financial Conduct Authority ("FCA") opened an enforcement investigation against our U.K. subsidiary, Equifax Limited, in October 2017. The investigation by the FCA has involved a number of information requirements and interviews. We continue to respond to the information requirements and are cooperating with the investigation.

Although we continue to cooperate in the Canadian class action proceedings and the FCA investigation, an adverse outcome to any such proceedings and investigation could subject us to fines or other obligations, which could have a material adverse effect on our financial condition and results of operations.

Data Processing, Outsourcing Services and Other Agreements

We have separate agreements with Google, Amazon Web Services, IBM, Tata Consultancy Services and others to outsource portions of our network and security infrastructure, computer data processing operations, applications development, business continuity and recovery services, help desk service and desktop support functions, operation of our voice and data networks, maintenance and related functions and to provide certain other administrative and operational services. The agreements expire between 2022 and 2027. The estimated aggregate minimum contractual obligation remaining under these agreements is approximately \$902.4 million as of December 31, 2021, with no future year's minimum contractual obligation expected to exceed approximately \$260.6 million. Annual payment obligations in regard to these agreements vary due to factors such as the volume of data processed; changes in our servicing needs as a result of new product offerings, acquisitions or divestitures; the introduction of significant new technologies; foreign currency; or the general rate of inflation. In certain circumstances (e.g., a change in control or for our convenience), we may terminate these data processing and outsourcing agreements, and, in doing so, certain of these agreements require us to pay significant termination fees.

Under our agreement with Google, we have outsourced certain areas of our network and security infrastructure. The estimated future minimum contractual obligation under the agreement is approximately \$520 million for the remaining term, with no individual year's minimum expected to exceed approximately \$120 million. We may terminate certain portions of this agreement without penalty in the event that Google is in material breach of the terms of the agreement. During 2021, 2020 and 2019, we paid approximately \$62 million, \$29 million and \$14 million, respectively, for these services.

Under our agreement with IBM (which covers our operations in North America, Europe and Asia Pacific), we have outsourced certain of our mainframe and midrange operations, help desk service and desktop support functions, and the operation of our voice and data networks. The scope of services provided by IBM, and the term of our agreement with respect

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

to such services, varies by geography and location. The estimated future minimum contractual obligation under the revised North America (US and Canada), Europe (UK and Spain), Australia and Latin America agreements is approximately \$42 million for the remaining term, with no individual year's minimum expected to exceed approximately \$32 million. We may terminate certain portions of this agreement without penalty in the event that IBM is in material breach of the terms of the agreement. During 2021, 2020 and 2019, we paid approximately \$51 million, \$50 million and \$52 million, respectively, for these services.

Change in Control Agreements

In February 2019, we adopted the Equifax Inc. Change in Control Severance Plan (the "CIC Plan") for certain key executives. The CIC Plan does not apply to Mark W. Begor, our Chief Executive Officer, whose severance benefits in a change of control are contained in his employment agreement with the Company. The CIC Plan and Mr. Begor's agreement provide for, among other things, certain payments and benefits in the event of a qualifying termination of employment (i.e., termination of employment by the executive for "good reason" or termination of employment by the Company without "cause," each as defined in the applicable document) following a change in control of the Company. In the event of a qualifying termination, the executive will become entitled to continuation of certain employee benefits for two years, as well as a lump sum severance payment, all of which differs by executive.

Change in control events potentially triggering benefits under the CIC Plan and Mr. Begor's agreement would occur, subject to certain exceptions, if (1) any person acquires 20% or more of our voting stock; (2) upon a merger or other business combination, our shareholders receive less than two-thirds of the common stock and combined voting power of the new company; (3) members of the current Board of Directors ceasing to constitute a majority of the Board of Directors, except for new directors that are regularly elected; (4) we sell or otherwise dispose of all or substantially all of our assets; or (5) we liquidate or dissolve. If these change in control benefits had been triggered as of December 31, 2021, payments of approximately \$30.5 million would have been made.

Under the Company's existing employee stock benefit plans, upon a change in control, outstanding awards will continue to vest in accordance with the terms. However, if outstanding awards are not assumed or continued in the change in control transaction or if the executive incurs a qualifying termination in connection with the change in control, then all outstanding stock options and nonvested stock awards will vest. With respect to unvested performance based share awards dependent upon the Company's three-year relative total shareholder return, if at least one calendar year of performance during the performance period has been completed prior to the change in control event, the awards will be paid out based on the Company's performance at that time; otherwise the payout of shares will be at 100% of the target award. Under the Company's existing director stock benefit plans, upon a change in control, all outstanding nonvested stock awards will vest.

Guarantees

We will from time to time issue standby letters of credit, performance or surety bonds or other guarantees in the normal course of business. The aggregate notional amount of all performance bonds, surety bonds and standby letters of credit is not material at December 31, 2021 and generally have a remaining maturity of one year or less. We may issue other guarantees in the ordinary course of business. The maximum potential future payments we could be required to make under the guarantees is not material at December 31, 2021. We have agreed to guarantee the liabilities and performance obligations (some of which have limitations) of a certain debt collections and recovery management subsidiary under its commercial agreements. We cannot reasonably estimate our potential future payments under the guarantees and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered. We had no accruals related to guarantees on our Consolidated Balance Sheets at December 31, 2021.

General Indemnifications

Many of our commercial agreements contain commercially standard indemnification obligations related to tort, material breach or other liabilities that arise during the course of performance under the agreement. These indemnification obligations are typically mutual.

We are the lessee under many real estate leases. It is common in these commercial lease transactions for us, as the lessee, to agree to indemnify the lessor and other related third parties for tort, environmental and other liabilities that arise out of or relate to our use or occupancy of the leased premises. This type of indemnity would typically make us responsible to indemnified parties for liabilities arising out of the conduct of, among others, contractors, licensees and invitees at or in connection with the use or occupancy of the leased premises. This indemnity often extends to related liabilities arising from the negligence of the indemnified parties, but usually excludes any liabilities caused by either their sole or gross negligence and their willful misconduct.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Certain of our credit agreements include provisions which require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In certain of these credit agreements, we also bear the risk of certain changes in tax laws that would be subject to payments to non-U.S. lenders to withholding taxes.

In conjunction with certain transactions, such as sales or purchases of operating assets or services in the ordinary course of business, or the disposition of certain assets or businesses, we sometimes provide routine indemnifications, the terms of which range in duration and sometimes are not limited.

The Company has entered into indemnification agreements with its directors and executive officers. Under these agreements, the Company has agreed to indemnify such individuals to the fullest extent permitted by law against liabilities that arise by reason of their status as directors or officers and to advance expenses incurred by such individuals in connection with the related legal proceedings. The Company maintains directors and officers liability insurance coverage to reduce its exposure to such obligations.

We cannot reasonably estimate our potential future payments under the indemnities and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered. We have no accrual related to indemnifications on our Consolidated Balance Sheets at December 31, 2021 and 2020.

Subsidiary Dividend and Fund Transfer Limitations

The ability of some of our subsidiaries and associated companies to transfer funds to us is limited, in some cases, by certain restrictions imposed by foreign governments, which do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends.

Contingencies

In addition to the matters set forth above, we are involved in legal and regulatory matters, government investigations, claims and litigation arising in the ordinary course of business. We periodically assess our exposure related to these matters based on the information which is available. We have recorded accruals in our Consolidated Financial Statements for those matters in which it is probable that we have incurred a loss and the amount of the loss, or range of loss, can be reasonably estimated.

Although the final outcome of these matters cannot be predicted with certainty, any possible adverse outcome arising from these matters is not expected to have a material impact on our Consolidated Financial Statements, either individually or in the aggregate. However, our evaluation of the likely impact of these matters may change in the future. We accrue for unpaid legal fees for services performed to date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAXES

The provision from (benefit for) income taxes consisted of the following:

	Twelve Months Ended December 31,		
	2021	2020	2019
	<i>(In millions)</i>		
Current:			
Federal	\$ 108.1	\$ 34.8	\$ (5.2)
State	39.3	24.0	8.5
Foreign	44.0	33.7	43.7
	<u>191.4</u>	<u>92.5</u>	<u>47.0</u>
Deferred:			
Federal	43.3	40.6	(48.2)
State	4.7	(0.1)	(11.3)
Foreign	(38.7)	26.0	(23.2)
	<u>9.3</u>	<u>66.5</u>	<u>(82.7)</u>
Provision from (benefit for) income taxes	<u>\$ 200.7</u>	<u>\$ 159.0</u>	<u>\$ (35.7)</u>

Domestic and foreign income (loss) before income taxes was as follows:

	Twelve Months Ended December 31,		
	2021	2020	2019
	<i>(In millions)</i>		
U.S.	\$ 885.6	\$ 470.3	\$ (522.7)
Foreign	63.6	214.9	108.9
	<u>\$ 949.2</u>	<u>\$ 685.2</u>	<u>\$ (413.8)</u>

The provision from (benefit for) income taxes reconciles with the U.S. federal statutory rate, as follows:

	Twelve Months Ended December 31,		
	2021	2020	2019
	<i>(In millions)</i>		
Federal statutory rate	21.0 %	21.0 %	21.0 %
Provision computed at federal statutory rate	\$ 199.3	\$ 143.9	\$ (86.9)
State and local taxes, net of federal tax benefit	34.9	17.8	(6.3)
Foreign	(10.4)	5.5	(2.7)
Federal research & development credit	(16.6)	(15.9)	(14.9)
Equity compensation	(14.0)	(6.0)	(3.0)
Tax reserves	(0.8)	1.4	1.2
Legal settlement	—	0.1	69.1
Excess officer's compensation	5.8	5.8	5.1
Valuation Allowance	0.5	7.8	—
Other	2.0	(1.4)	2.7
Provision from (benefit for) income taxes	<u>\$ 200.7</u>	<u>\$ 159.0</u>	<u>\$ (35.7)</u>
Effective income tax rate	<u>21.2 %</u>	<u>23.2 %</u>	<u>8.6 %</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. Deferred income tax assets and liabilities are recorded based on the differences between the financial reporting and income tax bases of assets and liabilities. For additional information about our income tax policy see Note 1 of the Notes to Consolidated Financial Statements.

Components of the deferred income tax assets and liabilities at December 31, 2021 and 2020, were as follows:

	December 31,	
	2021	2020
	<i>(In millions)</i>	
Deferred income tax assets:		
Net operating and capital loss carryforwards	\$ 124.9	\$ 286.1
Goodwill and intangible assets	123.4	128.0
Employee compensation programs	61.0	62.7
Foreign tax credits	17.2	17.4
Employee pension benefits	34.7	34.6
Reserves and accrued expenses	19.6	17.6
Accrued legal expense	94.9	94.9
Research and development costs	34.1	33.0
Operating lease asset	26.0	23.1
Other	14.8	11.8
Gross deferred income tax assets	<u>550.6</u>	709.2
Valuation allowance	<u>(192.0)</u>	<u>(382.7)</u>
Total deferred income tax assets, net	<u>358.6</u>	326.5
Deferred income tax liabilities:		
Goodwill and intangible assets	(620.6)	(540.7)
Undistributed earnings of foreign subsidiaries	(5.7)	(11.3)
Depreciation	(23.4)	(19.1)
Operating lease liability	(26.0)	(23.1)
Prepaid expenses	(10.7)	(11.6)
Investment basis difference	(17.4)	(41.5)
Other	(4.0)	(2.3)
Total deferred income tax liability	<u>(707.8)</u>	<u>(649.6)</u>
Net deferred income tax liability	<u>\$ (349.2)</u>	<u>\$ (323.1)</u>

Our deferred income tax assets and deferred income tax liabilities at December 31, 2021 and 2020, are included in the accompanying Consolidated Balance Sheets as follows:

	December 31,	
	2021	2020
	<i>(In millions)</i>	
Long-term deferred income tax assets, included in other assets	\$ 9.0	\$ 9.2
Long-term deferred income tax liabilities	<u>(358.2)</u>	<u>(332.3)</u>
Net deferred income tax liability	<u>\$ (349.2)</u>	<u>\$ (323.1)</u>

We record deferred income taxes on the temporary differences of our foreign subsidiaries except for the temporary differences related to undistributed earnings of subsidiaries which we consider indefinitely invested. As of December 31, 2021, we have indefinitely invested \$278.0 million attributable to undistributed earnings of our Canadian and Chilean subsidiaries. If these earnings were not considered indefinitely invested, we estimate that \$26.8 million of deferred withholding tax liability would have been provided. Further, we are permanently invested with respect to the original investment in foreign subsidiaries.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Therefore, we have not provided the deferred tax assets on the outside basis of these subsidiaries as we have no intent to sell or divest of these subsidiaries. However, the Company has provided for local country withholding taxes related to these earnings.

At December 31, 2021, we had U.S. federal and state net operating loss carryforwards of \$73.6 million and \$493.9 million, respectively, which will expire at various times between 2022 and 2040. We also had foreign net operating loss carryforwards totaling \$274.9 million of which \$24.2 million will expire between 2022 and 2041 and the remaining \$250.7 million will carryforward indefinitely. Foreign capital loss carryforwards of \$18.0 million may be carried forward indefinitely. We had foreign tax credit carryforwards of \$17.2 million which will expire in the years 2025 through 2028. Additionally, we had state and foreign research and development credit carryforwards of \$34.1 million. The state credits expire between 2022 through 2029 and the foreign credits have an indefinite expiration period. We have state §163(j) interest limitation carryovers of \$498.5 million which have an indefinite expiration period. The tax effected amount of the state §163(j) interest limitation carryovers is \$4.4 million. The deferred tax asset related to the net operating loss, capital loss carryforwards, foreign tax credit carryforwards, §163(j) carryforwards and research and development credit is \$180.7 million of which \$64.4 million has been fully reserved in the deferred tax valuation allowance.

Cash paid for income taxes, net of amounts refunded, was \$192.3 million, \$75.6 million and \$12.0 million during the twelve months ended December 31, 2021, 2020 and 2019, respectively.

We recognize interest and penalties accrued related to unrecognized tax benefits in the provision for income taxes on our Consolidated Statements of Income (Loss).

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	<u>2021</u>	<u>2020</u>
	<i>(In millions)</i>	
Beginning balance (January 1)	\$ 41.5	\$ 27.5
Increases related to prior year tax positions	8.7	12.7
Decreases related to prior year tax positions	(0.1)	(0.1)
Increases related to current year tax positions	8.7	9.1
Decreases related to settlements	(0.5)	(0.2)
Expiration of the statute of limitations for the assessment of taxes	(9.6)	(7.2)
Currency translation adjustment	(0.2)	(0.3)
Ending balance (December 31)	<u>\$ 48.5</u>	<u>\$ 41.5</u>

We recorded liabilities of \$34.5 million and \$27.1 million for unrecognized tax benefits as of December 31, 2021 and 2020, respectively, which included interest and penalties of \$5.2 million and \$3.1 million, respectively. As of December 31, 2021 and 2020, the total amount of unrecognized benefits that, if recognized, would have affected the effective tax rate was \$33.0 million and \$26.2 million, respectively, which included interest and penalties of \$4.7 million and \$2.8 million, respectively. During 2021 and 2020, interest and penalties of \$1.0 million were accrued in each period.

As of December 31, 2021 and 2020, the gross amount of unrecognized tax benefits was \$48.5 million and \$41.5 million, respectively. Of the total, \$19.2 million in 2021 and \$17.5 million in 2020 relate to unrecognized tax benefits for which no liability has been recorded associated with the carryforward of certain state attributes. If we were to prevail on all uncertain tax positions, the net effect would be a benefit of \$29.3 million and \$24.0 million in 2021 and 2020, respectively, exclusive of any benefits related to interest and penalties.

Equifax and its subsidiaries are subject to U.S. federal, state and international income taxes. We are generally no longer subject to federal, state or international income tax examinations by tax authorities for years before 2017. Due to the potential for resolution of state and foreign examinations, and the expiration of various statutes of limitations, it is reasonably possible that Equifax's gross unrecognized tax benefit balance may change within the next twelve months by a range of zero to \$7.1 million.

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Coronavirus Aid, Relief, and Economic Security Act

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (“The CARES Act”), also known as the Third COVID-19 Supplemental Relief bill and the President of the United States signed the legislation into law. The provisions of the legislation have not had a significant impact on the effective tax rate or the income tax payable and deferred income tax positions of the Company.

8. STOCK-BASED COMPENSATION

We have one active share-based award plan, the amended and restated 2008 Omnibus Incentive Plan. This plan was originally approved by our shareholders in 2008 and was amended and restated with shareholder approval in May 2013 to, among other things, increase the reserve for awards under the plan by 11 million shares. The plan provides our directors, officers and certain key employees with stock options, restricted stock units and performance share awards. The plan is described below. We expect to issue common shares held as either treasury stock or new issue shares upon the exercise of stock options or once shares vest pursuant to restricted stock units or performance share awards. Total stock-based compensation expense in our Consolidated Statements of Income (Loss) during the twelve months ended December 31, 2021, 2020 and 2019, was as follows:

	Twelve Months Ended December 31,		
	2021	2020	2019
	<i>(In millions)</i>		
Cost of services	\$ 12.0	\$ 11.2	\$ 10.7
Selling, general and administrative expenses	42.9	43.5	39.0
Stock-based compensation expense, before income taxes	<u>\$ 54.9</u>	<u>\$ 54.7</u>	<u>\$ 49.7</u>

The total income tax benefit recognized for stock-based compensation expense was \$13.0 million, \$13.0 million and \$12.2 million for the twelve months ended December 31, 2021, 2020 and 2019, respectively.

Stock Options. The 2008 Omnibus Incentive Plan provides that qualified and nonqualified stock options may be granted to officers and other employees. The 2008 Omnibus Incentive Plan requires that stock options be granted at exercise prices not less than market value on the date of grant. Generally, stock options are subject to graded vesting for periods of up to three years based on service, with 33% vesting for each year of completed service, and expire ten years from the grant date.

We use the binomial model to calculate the fair value of stock options granted. The binomial model incorporates assumptions regarding anticipated employee exercise behavior, expected stock price volatility, dividend yield and risk-free interest rate. Anticipated employee exercise behavior and expected post-vesting cancellations over the contractual term used in the binomial model were primarily based on historical exercise patterns. These historical exercise patterns indicated there was not significantly different exercise behavior between employee groups. For our expected stock price volatility assumption, we weighted historical volatility and implied volatility. We used daily observations for historical volatility, while our implied volatility assumption was based on actively traded options related to our common stock. The expected term is derived from the binomial model based on assumptions incorporated into the binomial model as described above.

The fair value for stock options granted during the twelve months ended December 31, 2021, 2020 and 2019, was estimated at the date of grant, using the binomial model with the following weighted-average assumptions:

	Twelve Months Ended December 31,		
	2021	2020	2019
Dividend yield	1.0 %	1.3 %	1.3 %
Expected volatility	28.5 %	23.5 %	23.0 %
Risk-free interest rate	0.5 %	1.3 %	2.4 %
Expected term (in years)	4.8	4.4	4.7
Weighted-average fair value of stock options granted	<u>\$ 39.63</u>	<u>\$ 24.29</u>	<u>\$ 14.97</u>

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The following table summarizes changes in outstanding stock options during the twelve months ended December 31, 2021, as well as stock options that are vested and expected to vest and stock options exercisable at December 31, 2021:

	Shares <i>(In thousands)</i>	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term <i>(In years)</i>	Aggregate Intrinsic Value <i>(In millions)</i>
Outstanding at December 31, 2020	1,831	\$ 137.01		
Granted (all at market price)	314	\$ 184.03		
Exercised	(341)	\$ 114.35		
Forfeited and canceled	(94)	\$ 145.92		
Outstanding at December 31, 2021	<u>1,710</u>	\$ 149.67	5.3	\$ 240.9
Vested and expected to vest at December 31, 2021	<u>1,690</u>	\$ 149.36	5.3	\$ 238.6
Exercisable at December 31, 2021	<u>522</u>	\$ 129.57	5.7	\$ 84.1

The aggregate intrinsic value amounts in the table above represent the difference between the closing price of Equifax's common stock on December 31, 2021 and the exercise price, multiplied by the number of in-the-money stock options as of the same date. This represents the value that would have been received by the stock option holders if they had all exercised their stock options on December 31, 2021. In future periods, this amount will change depending on fluctuations in Equifax's stock price. The total intrinsic value of stock options exercised during the twelve months ended December 31, 2021, 2020 and 2019, was \$41.9 million, \$20.3 million and \$18.6 million, respectively. At December 31, 2021, our total unrecognized compensation cost related to stock options was \$5.8 million with a weighted-average recognition period of 1.3 years.

The following table summarizes changes in outstanding options and the related weighted-average exercise price per share for the twelve months ended December 31, 2020 and 2019:

	December 31,			
	2020		2019	
	Shares <i>(In thousands)</i>	Weighted- Average Price	Shares <i>(In thousands)</i>	Weighted- Average Price
Outstanding at the beginning of the year	1,825	\$ 122.46	1,462	\$ 103.50
Granted (all at market price)	433	\$ 158.62	740	\$ 112.48
Exercised	(365)	\$ 106.04	(307)	\$ 72.45
Forfeited and canceled	(62)	\$ 147.83	(70)	\$ 123.62
Outstanding at the end of the year	<u>1,831</u>	\$ 137.01	<u>1,825</u>	\$ 122.46
Exercisable at end of year	563	\$ 112.11	643	\$ 104.95

Other Stock Awards. Our 2008 Omnibus Incentive Plan also provides for awards of restricted stock units and performance shares or units that are settled in shares of our common stock that can be granted to executive officers, employees and directors. Such stock awards are generally subject to cliff vesting over a period between one to three years based on service and may also have vesting conditions based on meeting specified performance goals.

The fair value of these stock awards is based on the fair market value of our common stock on the date of grant. However, stock awards granted prior to February 16, 2017 did not accrue or pay dividends during the vesting period, so the fair value on the date of grant for the pre-2017 awards was reduced by the present value of the expected dividends over the requisite service period (discounted using the appropriate risk-free interest rate). Stock awards granted beginning in 2017 do include the right to dividends or dividend equivalents, which are accrued and payable only if and when the underlying stock vests and is payable.

Pursuant to our 2008 Omnibus Incentive Plan, certain executive officers have been granted performance shares in which the number of shares earned is dependent upon the Company's three-year total shareholder return relative to the three-year total shareholder return of the companies in the S&P 500 stock index, as comprised on the grant date, subject to adjustment, and, in 2017, have also been granted performance shares in which the number of shares earned is dependent upon

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the Company's three-year cumulative adjusted earnings per share. The number of shares which could potentially be issued under these performance share awards ranges from zero to 200% of the target award. The grants outstanding subject to market performance as of December 31, 2021 would result in 276,752 shares outstanding at 100% of target and 553,504 at 200% of target at the end of the vesting period. Compensation expense for shares earned based on the Company's three-year total shareholder return is recognized on a straight-line basis over the measurement period and is based upon the fair market value of the shares estimated to be earned at the date of grant using a Monte-Carlo simulation. Compensation expense for shares earned based on the Company's three-year cumulative adjusted earnings per share is recognized on a straight-line basis over the measurement period based on the grant date fair value of our common stock and the number of awards expected to vest at each reporting date.

The following table summarizes changes in these other stock awards during the twelve months ended December 31, 2021, 2020 and 2019 and the related weighted-average grant date fair value:

	Shares	Weighted-Average Grant Date Fair Value
	<i>(In thousands)</i>	
Nonvested at December 31, 2018	1,075	\$ 120.11
Granted	386	\$ 115.68
Vested	(256)	\$ 127.17
Forfeited	(164)	\$ 119.36
Nonvested at December 31, 2019	1,041	\$ 118.25
Granted	257	\$ 155.84
Vested	(279)	\$ 157.73
Forfeited	(92)	\$ 153.43
Nonvested at December 31, 2020	927	\$ 128.04
Granted	396	\$ 175.51
Vested	(465)	\$ 130.96
Forfeited	(79)	\$ 141.73
Nonvested at December 31, 2021	779	\$ 159.73

The total fair value of stock awards that vested during the twelve months ended December 31, 2021, 2020 and 2019, was \$106.7 million, \$44.0 million and \$32.6 million, respectively, based on the weighted-average fair value on the vesting date, and \$61.0 million, \$32.5 million and \$30.5 million, respectively, based on the weighted-average fair value on the date of grant. At December 31, 2021, our total unrecognized compensation cost related to these nonvested stock awards was \$43.2 million with a weighted-average recognition period of 1.8 years.

Employee Stock Purchase Plan. Effective July 1, 2020, the Equifax board approved the 2020 Employee Stock Purchase Plan ("ESPP"). Under the ESPP, participating employees will have the option to withhold 1% - 10% of their annual salary, up to \$25,000 annually, to purchase Equifax stock at a 5% discount based on the closing stock price of the final day of the offering period. The ESPP is noncompensatory in nature and is treated as any other sale of the Company's equity instruments.

9. BENEFIT PLANS

We have defined benefit pension plans and defined contribution plans. We also maintain certain healthcare and life insurance benefit plans for eligible retired employees. The measurement date for our defined benefit pension plans and other postretirement benefit plans is December 31 of each year.

Pension Benefits. Pension benefits are provided through U.S. and Canadian defined benefit pension plans and three supplemental executive defined benefit pension plans.

U.S. and Canadian Retirement Plans. We sponsor a qualified defined benefit retirement plan, the U.S. Retirement Income Plan ("USRIP"), that covers approximately 8% of current U.S. salaried employees who were hired on or before June 30, 2007, the last date on which an individual could be hired and enter the plan before the USRIP was closed to new participation at December 31, 2008. This plan also covers retirees as well as certain terminated but vested individuals not yet in

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

retirement status. We also sponsor a retirement plan with both defined benefit and defined contribution components that cover most salaried and hourly employees in Canada, the Canadian Retirement Income Plan (“CRIP”); the defined benefit component was also closed to new hires on October 1, 2011.

Effective December 31, 2014, the USRIP plan was frozen for all participants eligible to accrue benefits. Accordingly, pension plan participants earn no new benefits under the plan formula. Additionally, the CRIP, a registered defined benefit pension plan, was changed for employees who did not meet retirement-eligibility status under the CRIP as of December 31, 2012 (“Non-Grandfathered” participants). Under the plan amendment, the service credit for Non-Grandfathered participants froze, but these participants will continue to receive credit for salary increases and vesting service. Additionally, Non-Grandfathered employees and certain other employees not eligible to participate in the CRIP (i.e., new hires on or after October 1, 2011) are eligible to participate in an enhanced defined contribution plan. In 2019, the Compensation Committee of the Board of Directors approved the termination of the plan. The CRIP was frozen effective December 31, 2020 at which date we ceased accruing benefits for all active members. The obligation is expected to be settled in 2022 with lump sum distributions and an annuity purchase.

During the twelve months ended December 31, 2021, we made no voluntary contributions to the USRIP and made contributions of \$2.8 million to the CRIP. During the twelve months ended December 31, 2020, we made no voluntary contributions to the USRIP or the CRIP. At December 31, 2021, the USRIP met or exceeded ERISA’s minimum funding requirements.

The annual report produced by our consulting actuaries specifies the funding requirements for our plans based on projected benefits for plan participants, historical investment results on plan assets, current discount rates for liabilities, assumptions for future demographic developments and recent changes in statutory requirements. We may elect to make additional discretionary contributions to our plans in excess of minimum funding requirements, subject to statutory limitations.

Supplemental Retirement Plans. We maintain three supplemental executive retirement programs for certain key employees. The plans, which are unfunded, provide supplemental retirement payments based on salary and years of service.

Other Benefits. We maintain certain healthcare and life insurance benefit plans for eligible retired employees. Substantially all of our U.S. employees may become eligible for the retiree healthcare benefits if they reach retirement age while working for us and satisfy certain years of service requirements. Employees hired on or after January 1, 2009 are required to pay the full cost of coverage after retirement. The retiree life insurance program covers employees who retired on or before December 31, 2003. We accrue the cost of providing healthcare benefits over the active service period of the employee.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Obligations and Funded Status. A reconciliation of the projected benefit obligations, plan assets and funded status of the plans is as follows:

	Pension Benefits		Other Benefits	
	2021	2020	2021	2020
	<i>(In millions)</i>			
Change in projected benefit obligation				
Benefit obligation at January 1,	\$ 766.5	\$ 720.0	\$ 20.7	\$ 18.7
Service cost	1.4	1.7	0.2	0.2
Interest cost	19.0	23.5	0.5	0.6
Plan participants' contributions	—	—	1.3	1.2
Amendments	—	—	(2.2)	—
Actuarial loss (gain)	(12.5)	63.2	(1.5)	2.7
Foreign currency exchange rate changes	0.1	1.3	—	—
Benefits paid	(42.6)	(43.2)	(1.9)	(2.7)
Projected benefit obligation at December 31,	<u>731.9</u>	<u>766.5</u>	<u>17.1</u>	<u>20.7</u>
Change in plan assets				
Fair value of plan assets at January 1,	638.4	603.2	15.8	15.4
Actual return on plan assets	(5.2)	70.5	—	1.8
Employer contributions	9.7	6.7	1.5	1.5
Plan participants' contributions	—	—	1.3	1.2
Foreign currency exchange rate changes	0.2	1.2	—	—
Other disbursements	—	—	(0.8)	(1.4)
Benefits paid	(42.6)	(43.2)	(2.8)	(2.7)
Fair value of plan assets at December 31,	<u>600.5</u>	<u>638.4</u>	<u>15.0</u>	<u>15.8</u>
Funded status of plan	<u>\$ (131.4)</u>	<u>\$ (128.1)</u>	<u>\$ (2.1)</u>	<u>\$ (4.9)</u>

The accumulated benefit obligation for the USRIP, CRIP and Supplemental Retirement Plans was \$730.8 million at December 31, 2021. The accumulated benefit obligation for the USRIP, CRIP and Supplemental Retirement Plans was \$765.9 million at December 31, 2020.

At December 31, 2021, the USRIP had projected benefit obligations and accumulated benefit obligations in excess of the plan's respective assets. The fair value of plan assets for this plan were \$551.4 million and the projected benefit obligation and accumulated benefit obligation were \$552.6 million at December 31, 2021.

At December 31, 2021, the Supplemental Retirement Plans had projected benefit obligations and accumulated benefit obligations in excess of those plans' respective assets. The projected benefit obligation and accumulated benefit obligation for these plans in the aggregate were \$113.1 million and \$112.1 million, respectively, and these plans did not have any plan assets at December 31, 2021. The fair value of plan assets for the CRIP was \$49.1 million and the projected benefit obligation and accumulated benefit obligation for the CRIP was \$66.1 million at December 31, 2021.

At December 31, 2020, the USRIP had projected benefit obligations and accumulated benefit obligations in excess of the plan's respective assets. The fair value of plan assets for this plan were \$585.3 million and the projected benefit obligation and accumulated benefit obligation were \$588.4 million at December 31, 2020.

At December 31, 2020, the Supplemental Retirement Plans had projected benefit obligations and accumulated benefit obligations in excess of those plans' respective assets. The projected benefit obligation and accumulated benefit obligation for these plans in the aggregate were \$115.6 million and \$115.0 million, respectively, and these plans did not have any plan assets at December 31, 2020. The fair value of plan assets for the CRIP was \$53.1 million and the projected benefit obligation and accumulated benefit obligation for the CRIP was \$62.4 million at December 31, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table represents the net amounts recognized, or the funded status of our pension and other postretirement benefit plans, in our Consolidated Balance Sheets at December 31, 2021 and 2020:

	Pension Benefits		Other Benefits	
	2021	2020	2021	2020
	<i>(In millions)</i>			
Amounts recognized in the statements of financial position consist of:				
Current liabilities	(6.8)	(6.8)	(0.1)	(0.1)
Long-term liabilities	(124.6)	(121.3)	(2.0)	(4.8)
Net amount recognized	<u>\$ (131.4)</u>	<u>\$ (128.1)</u>	<u>\$ (2.1)</u>	<u>\$ (4.9)</u>

At December 31, 2021 and 2020 amounts included in accumulated other comprehensive loss related to pension benefit plans consisted of prior service cost of \$1.9 million and \$2.0 million, net of accumulated taxes of \$0.4 million and \$0.5 million, respectively. For the twelve months ended December 31, 2021 and 2020, we recognized a \$20.2 million loss and \$32.2 million loss, respectively, through net periodic benefit cost related to the annual mark-to-market remeasurement of our pension and postretirement plans. For the twelve months ended December 31, 2021 and 2020, amounts recognized through net periodic benefit cost related to prior service cost, curtailments and settlements were not material.

Components of Net Periodic Benefit Cost

	Pension Benefits			Other Benefits		
	2021	2020	2019	2021	2020	2019
	<i>(In millions)</i>					
Service cost	\$ 1.4	\$ 1.7	\$ 2.8	\$ 0.2	\$ 0.2	\$ 0.3
Interest cost	19.0	23.5	28.3	0.5	0.6	0.9
Expected return on plan assets	(28.7)	(37.7)	(34.3)	(0.7)	(1.0)	(0.9)
Amortization of prior service cost	(1.8)	(1.7)	0.5	(0.1)	(0.2)	(1.0)
Recognized actuarial loss (gain) - mark to market	21.0	30.4	0.2	(0.8)	1.8	(5.0)
Total net periodic benefit cost (income)	<u>\$ 10.9</u>	<u>\$ 16.2</u>	<u>\$ (2.5)</u>	<u>\$ (0.9)</u>	<u>\$ 1.4</u>	<u>\$ (5.7)</u>

Weighted-Average Assumptions

Weighted-average assumptions used to determine benefit obligations at December 31,	Pension Benefits		Other Benefits	
	2021	2020	2021	2020
Discount rate	2.85 %	2.56 %	2.86 %	2.47 %
Rate of compensation increase	6.00 %	5.97 %	N/A	N/A

Weighted-average assumptions used to determine net periodic benefit cost at December 31,	Pension Benefits			Other Benefits		
	2021	2020	2019	2021	2020	2019
Discount rate	2.56 %	3.38 %	4.39 %	2.47 %	3.26 %	4.30 %
Expected return on plan assets	4.65 %	6.46 %	6.46 %	4.80 %	6.50 %	6.70 %
Rate of compensation increase	6.00 %	4.37 %	4.93 %	N/A	N/A	N/A

During 2021, we adopted the MP-2021 mortality improvement projections in determining the liability for the U.S. plans. The updated mortality tables and projection scale contributed to a slight increase in the projected benefit obligation, partially offsetting the increase in the discount rates in 2021, the net of which resulted in the decrease of the projected benefit obligation as of December 31, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During 2020, we adopted the MP-2020 mortality improvement scale in determining liability for the U.S. plans. The updated projection scale contributed to a slight decrease in the projected benefit obligation, partially offsetting the decrease in the discount rates in 2020, the net of which resulted in the increase of the projected benefit obligation as of December 31, 2020.

During 2019, we adopted the Pri-2012 mortality tables and MP-2019 mortality improvement projection scale in determining the liability for the U.S. plans. The updated mortality tables and projection scale, partially offset the decrease in the discount rates in 2019, the net of which resulted in the increase in the projected benefit obligation as of December 31, 2019.

Discount Rates. We determine our discount rates primarily based on high-quality, fixed-income investments and yield-to-maturity analyses specific to our estimated future benefit payments available as of the measurement date. Discount rates are reset annually on the measurement date to reflect current market conditions. To determine the discount rate for our U.S. pension and postretirement benefit plans, we use a bond matching approach to select specific bonds that would satisfy our projected benefit payments. We believe the bond matching approach reflects the process we would employ to settle our pension and postretirement benefit obligations. For our Canadian plans we use a third-party yield curve to develop our discount rates. The yield curve provides discount rates related to a dedicated high-quality bond portfolio whose cash flows extend beyond the current period, from which we choose a rate matched to the expected benefit payments required for each plan.

Expected and Actual Return on Plan Assets. We use a mark-to-market approach to recognize actuarial gains and losses and expected return on plan assets for our defined benefit pension and other postretirement benefit plans. Under this accounting principle the expected returns on plan assets are used to estimate pension expense throughout the year and remeasurement of the projected benefit obligation and plan assets are immediately recognized in earnings through net periodic benefit cost within Other Income (Expense) on the Consolidated Statements of Income (Loss) with pension and postretirement plans to be remeasured annually in the fourth quarter.

Healthcare Costs. For the Canadian plan, a flat 5.0% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2022 and thereafter. Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plan.

We estimate that the future benefits payable for our retirement and postretirement plans are as follows at December 31, 2021:

Years ending December 31,	U.S. Defined Benefit Plans	Non-U.S. Defined Benefit Plans	Other Benefit Plans
	<i>(In millions)</i>		
2022	\$ 42.2	\$ 66.6	\$ 1.7
2023	\$ 42.3	\$ —	\$ 1.7
2024	\$ 42.4	\$ —	\$ 1.5
2025	\$ 41.8	\$ —	\$ 1.4
2026	\$ 41.2	\$ —	\$ 1.4
Next five fiscal years to December 31, 2031	\$ 194.2	\$ —	\$ 6.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fair Value of Plan Assets. The fair value of the pension assets at December 31, 2021 and 2020, are as follows:

		Fair Value Measurements at Reporting Date Using:			
		Fair Value at December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>(In millions)</i>					
U.S. Equity	(1)	\$ 44.8	\$ 44.8	\$ —	\$ —
International Equity	(2)	36.5	—	36.5	—
Fixed Income	(2)	475.8	—	475.8	—
Private Equity	(3)	16.1	—	—	16.1
Hedge Funds	(4)	0.1	—	—	0.1
Real Assets	(5)	4.4	—	—	4.4
Cash	(1)	22.8	22.8	—	—
Total		<u>\$ 600.5</u>	<u>\$ 67.6</u>	<u>\$ 512.3</u>	<u>\$ 20.6</u>

		Fair Value Measurements at Reporting Date Using:			
		Fair Value at December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>(In millions)</i>					
U.S. Equity	(1)	\$ 38.5	\$ 38.5	\$ —	\$ —
International Equity	(2)	42.4	—	42.4	—
Fixed Income	(2)	489.8	—	489.8	—
Private Equity	(3)	9.8	—	—	9.8
Hedge Funds	(4)	15.3	—	—	15.3
Real Assets	(5)	16.3	—	—	16.3
Cash	(1)	26.3	26.3	—	—
Total		<u>\$ 638.4</u>	<u>\$ 64.8</u>	<u>\$ 532.2</u>	<u>\$ 41.4</u>

- (1) Fair value is based on observable market prices for the assets.
- (2) For the portion of this asset class categorized as Level 2, fair value is determined using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.
- (3) Private equity investments are initially valued at cost. Fund managers periodically review the valuations utilizing subsequent company-specific transactions or deterioration in the company's financial performance to determine if fair value adjustments are necessary. Private equity investments are typically viewed as long term, less liquid investments with return of capital coming via cash distributions from the sale of underlying fund assets. The Plan intends to hold these investments through each fund's normal life cycle and wind down period. As of December 31, 2021 and 2020, we had \$17.5 million and \$21.9 million, respectively, of remaining commitments related to these private equity investments.
- (4) Fair value is reported by the fund manager based on observable market prices for actively traded assets within the funds, as well as financial models, comparable financial transactions or other factors relevant to the specific asset for assets with no observable market. These investments are redeemable quarterly with a range of 30 – 90 days notice.
- (5) The fair value of Real Assets are reported by the fund manager based on a combination of the following valuation approaches: current replacement cost less deterioration and obsolescence, a discounted cash flow model of income streams and comparable market sales. As of December 31, 2021 and 2020, we had \$0.3 million and \$0.1 million, respectively, of remaining commitments related to the real asset investments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table shows a reconciliation of the beginning and ending balances for assets valued using significant unobservable inputs for the years ended December 31, 2021 and 2020:

	<u>Private Equity</u>	<u>Hedge Funds</u>	<u>Real Assets</u>
	<i>(In millions)</i>		
Balance at December 31, 2019	\$ 12.9	\$ 36.3	\$ 18.9
Return on plan assets:			
Unrealized	(0.1)	—	(0.1)
Realized	(1.0)	(1.3)	0.1
Purchases	0.1	—	0.1
Sales	(2.1)	(19.7)	(2.7)
Balance at December 31, 2020	<u>\$ 9.8</u>	<u>\$ 15.3</u>	<u>\$ 16.3</u>
Return on plan assets:			
Unrealized	\$ 3.4	\$ (2.1)	\$ (0.6)
Realized	2.2	2.1	0.2
Purchases	4.8	—	0.1
Sales	(4.1)	(15.2)	(11.6)
Balance at December 31, 2021	<u>\$ 16.1</u>	<u>\$ 0.1</u>	<u>\$ 4.4</u>

The fair value of the postretirement assets at December 31, 2021 and 2020, are as follows:

Description		Fair Value Measurements at Reporting Date Using:			
		Fair Value at December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		<i>(In millions)</i>			
U.S. Equity	(1)	1.2	1.2	—	—
International Equity	(2)	1.0	—	1.0	—
Fixed Income	(2)	12.1	—	12.1	—
Private Equity	(3)	0.5	—	—	0.5
Hedge Funds	(4)	—	—	—	—
Real Assets	(5)	0.1	—	—	0.1
Cash	(1)	0.1	0.1	—	—
Total		<u>\$ 15.0</u>	<u>\$ 1.3</u>	<u>\$ 13.1</u>	<u>\$ 0.6</u>

Description		Fair Value Measurements at Reporting Date Using:			
		Fair Value at December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		<i>(In millions)</i>			
U.S. Equity	(1)	\$ 1.0	\$ 1.0	\$ —	\$ —
International Equity	(2)	0.9	—	0.9	—
Fixed Income	(2)	12.2	—	12.2	—
Private Equity	(3)	0.3	—	—	0.3
Hedge Funds	(4)	0.4	—	—	0.4
Real Assets	(5)	0.4	—	—	0.4
Cash	(1)	0.6	0.6	—	—
Total		<u>\$ 15.8</u>	<u>\$ 1.6</u>	<u>\$ 13.1</u>	<u>\$ 1.1</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (1) Fair value is based on observable market prices for the assets.
- (2) For the portion of this asset class categorized as Level 2, fair value is determined using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.
- (3) Private equity investments are initially valued at cost. Fund managers periodically review the valuations utilizing subsequent company-specific transactions or deterioration in the company's financial performance to determine if fair value adjustments are necessary. Private equity investments are typically viewed as long term, less liquid investments with return of capital coming via cash distributions from the sale of underlying fund assets. The Plan intends to hold these investments through each fund's normal life cycle and wind down period.
- (4) Fair value is reported by the fund manager based on observable market prices for actively traded assets within the funds, as well as financial models, comparable financial transactions or other factors relevant to the specific asset for assets with no observable market. These investments are redeemable quarterly with a range of 30 – 90 days notice.
- (5) The fair value of Real Assets are reported by the fund manager based on a combination of the following valuation approaches: current replacement cost less deterioration and obsolescence, a discounted cash flow model of income streams and comparable market sales.

Gross realized and unrealized gains and losses, purchases and sales for Level 3 postretirement assets were not material for the twelve months ended December 31, 2021.

USRIP, or the Plan, Investment and Asset Allocation Strategies. The primary goal of the asset allocation strategy of the Plan is to produce a total investment return which will satisfy future annual cash benefit payments to participants and minimize future contributions from the Company. Additionally, this strategy will diversify the plan assets to minimize nonsystemic risk and provide reasonable assurance that no single security or class of security will have a disproportionate negative impact on the Plan. Investment managers are required to abide by the provisions of ERISA. Standards of performance for each manager include an expected return versus an assigned benchmark, a measure of volatility and a time period of evaluation.

The asset allocation strategy and investment manager recommendations are determined by the Investment Committee, with the advice of our external advisor. The asset allocation and ranges are approved by our in-house Investment Committee and Plan Administrators, who are Named Fiduciaries under ERISA.

In an effort to meet asset allocation and funded status objectives of the Plan, assets are categorized as Liability-Hedging Assets and Return-Seeking Assets. During 2020, the Investment Committee made the decision to reduce exposure to Return-Seeking Assets due to the plan's high funded status. As of December 31, 2021, the approved allocation ranges are set forth in the table below, with an 80% targeted allocation to Liability-Hedging Assets and a 20% targeted allocation to Return-Seeking Assets. Liability-Hedging Assets represent investments which are meant to provide a hedge relative to the Plan's liabilities and consist primarily of fixed income securities. Return-Seeking Assets include any asset class not intended to hedge the Plan's liabilities. At December 31, 2021, these assets included domestic and international equities, private equity (including secondary private equity), real assets and hedge funds. Additionally, the Plan allows certain of their managers, subject to specific risk constraints, to utilize derivative instruments in order to enhance asset return, reduce volatility or both. Derivatives are primarily employed by the Plans in their fixed income portfolios and in the hedge fund-of-funds area. Derivatives can be used for hedging purposes to reduce risk.

No shares of Equifax common stock were directly owned by the Plan at December 31, 2021 or 2020. Not more than 5% of the portfolio (at cost), and 10% of the equity portfolio's market value, shall be invested in the securities of any one issuer, except the U.S. Government and U.S. Government Agencies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following asset allocation ranges and actual allocations were in effect as of December 31, 2021 and 2020:

USRIP	Range		Actual	
	2021	2020	2021	2020
U.S. Equity	0% - 20%	0% - 20%	8.1 %	6.6 %
International Equity	0% - 10%	0% - 10%	6.6 %	5.8 %
Private Equity	0% - 10%	0% - 10%	2.9 %	1.7 %
Hedge Funds	0% - 10%	0% - 10%	0.1 %	2.6 %
Real Assets	0% - 10%	0% - 10%	0.8 %	2.8 %
Fixed Income	65% - 100%	65% - 100%	80.6 %	76.7 %
Cash	0% - 15%	0% - 15%	0.9 %	3.8 %

CRIP Investment and Asset Allocation Strategies. The primary goal of the asset allocation strategy of the Plan is to produce a total investment return which will satisfy future annual cash benefit payments to participants and minimize future contributions from the Company. Additionally, this strategy will diversify the plan assets to minimize nonsystemic risk and provide reasonable assurance that no single security or class of security will have a disproportionate impact on the Plan. Due to our decision to windup the Plan, and our anticipation of the settlement of the liabilities in 2022, the Investment Committee of the CRIP adopted a more conservative asset allocation and in 2021 to further de-risk the Plan by reducing equity exposure and increasing cash. The Investment Committee maintains an investment policy for the CRIP, which imposes certain limitations and restrictions regarding allowable types of investments. The current investment policy imposes those restrictions on investments or transactions such as (1) Equifax common stock or securities, except as might be incidental to any pooled funds which the plan may have, (2) commodities or loans, (3) short sales and the use of margin accounts, (4) put and call options, (5) private placements and (6) transactions which are “related-party” in nature as specified by the Canadian Pension Benefits Standards Act and its regulations.

The following specifies the asset allocation ranges and actual allocation as of December 31, 2021 and 2020:

CRIP	Range		Actual	
	2021	2020	2021	2020
Public Equities	0% - 10%	0% - 40%	— %	16.3 %
Fixed Income	0% - 100%	60% - 100%	63.6 %	75.8 %
Cash	0% - 100%	0% - 10%	36.4 %	7.9 %

Equifax Retirement Savings Plans. Equifax sponsors a U.S. tax qualified defined contribution plan, the Equifax Inc. 401(k) Plan, or the Plan. Beginning with the 2019 plan year, we provide a discretionary match of participants’ contributions, up to five or six percent of employees eligible pay depending on certain eligibility rules under the Plan. Prior to the 2019 plan year, we also provided a discretionary direct contribution to certain eligible employees, the percentage of which was based upon an employee’s credited years of service. Company contributions for the Plan during the twelve months ended December 31, 2021, 2020 and 2019 were \$34.5 million, \$31.8 million and \$26.9 million, respectively.

Foreign Retirement Plans. We also maintain defined contribution plans for certain employees in Canada and Spain and meet certain compulsory contribution requirements to retirement funds for employees in Australia, the U.K. and Ireland. For the years ended December 31, 2021, 2020 and 2019, our contributions related to these plans were \$15.7 million, \$13.4 million, and \$13.9 million, respectively.

Deferred Compensation Plans. We maintain deferred compensation plans that allow for certain management employees and the Board of Directors to defer the receipt of compensation (such as salary, incentive compensation or shares payable under vested restricted stock units) until a later date based on the terms of the plans. The Company also makes contributions to the accounts of certain executives who are not eligible to participate in either of the Supplemental Retirement Plans. The benefits under our deferred compensation plans are guaranteed by the assets of a grantor trust which, through our funding, make investments in certain mutual funds. The purpose of this trust is to ensure, subject to the claims of the Company’s creditors in the event of the Company’s insolvency, the distribution of benefits accrued by participants of the deferred compensation plans, and to ensure full funding, upon a change in control, of the present value of accrued benefits payable to participants or beneficiaries under the plans.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Annual Incentive Plan. We have a shareholder-approved Annual Incentive Plan, which is a component of our amended and restated 2008 Omnibus Incentive Plan, for certain key officers that provides for annual or long-term cash awards at the end of various measurement periods, based on the earnings per share, revenue and/or various other criteria over the measurement period. Our total accrued incentive compensation for all incentive plans included in accrued salaries and bonuses on our Consolidated Balance Sheets was \$147.3 million and \$149.0 million at December 31, 2021 and 2020, respectively.

Employee Benefit Trusts. We maintain two employee benefit trusts for the purpose of satisfying obligations under the two Supplemental Retirement Plans. One of these trusts held 0.6 million shares of Equifax stock with a value, at cost, of \$5.9 million at December 31, 2021 and 2020, as well as cash, which was not material for both periods presented. These employee benefits trust assets are dedicated to ensure the payment of benefits accrued under our Supplemental Retirement Plans, and to ensure full funding of the accrued benefits in case of a change in control, as defined in the trust agreements. The assets in these plan trusts which are recorded on our Consolidated Balance Sheets are subject to creditor's claims in case of insolvency of Equifax Inc.

10. ACCUMULATED OTHER COMPREHENSIVE LOSS

Changes in accumulated other comprehensive loss by component, after tax, for the twelve months ended December 31, 2021, are as follows:

	Foreign currency	Pension and other postretirement benefit plans	Cash flow hedging transactions	Total
	<i>(In millions)</i>			
Balance, December 31, 2020	\$ (168.4)	\$ (2.0)	\$ (1.0)	\$ (171.4)
Other comprehensive income before reclassifications	(124.1)	—	—	(124.1)
Amounts reclassified from accumulated other comprehensive loss	—	0.1	—	0.1
Balance, December 31, 2021	<u><u>\$ (292.5)</u></u>	<u><u>\$ (1.9)</u></u>	<u><u>\$ (1.0)</u></u>	<u><u>\$ (295.4)</u></u>

Changes in accumulated other comprehensive loss related to noncontrolling interests were not material as of December 31, 2021.

11. RESTRUCTURING CHARGES

In the fourth quarter of 2021, fourth quarter of 2020 and first quarter of 2019, we recorded \$8.6 million (\$6.5 million, net of tax), \$31.9 million (\$24.3 million, net of tax) and \$11.5 million (\$8.8 million, net of tax) of restructuring charges, respectively, all of which were recorded in selling, general and administrative expenses on our Consolidated Statements of Income (Loss). These charges were recorded to general corporate expense and resulted from our continuing efforts to realign our internal resources to support the Company's strategic objectives. The 2021, 2020 and 2019 restructuring charges primarily relate to a reduction in headcount. As of December 31, 2021, no payments have been made related to the 2021 restructuring charge. As of December 31, 2021, payments for the 2020 and 2019 restructuring charges were substantially completed.

12. LEASES

We determine if an arrangement is a lease at inception. Operating lease right-of-use ("ROU") assets and liabilities are included in other assets, net and other current and long-term liabilities, respectively, in our Consolidated Balance Sheets.

Operating lease ROU assets and lease liabilities are recognized based on the present value of the future fixed lease payments over the lease term at the commencement date. As most of our leases do not provide an implicit rate, we use our quarterly incremental borrowing rate based on the information available that corresponds to each lease commencement date and lease term when determining the present value of future payments.

Our operating leases principally involve office space. These operating leases may contain variable non-lease components consisting of common area maintenance, operating expenses, insurance and similar costs of the office space that we occupy. We have adopted the practical expedient to not separate these non-lease components from the lease components and instead account for them as a single lease component for all of our leases. The operating lease ROU assets include future fixed lease payments made as well as any initial direct costs incurred and exclude lease incentives. Variable lease payments are not included within the operating lease ROU assets or lease liabilities and are expensed in the period in which they are incurred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Lease expense for operating leases was \$37.8 million, \$39.3 million and \$40.8 million for the twelve months ended December 31, 2021, 2020 and 2019, respectively. Our leases have remaining lease terms of one year to twelve years, some of which may include options to extend the lease term up to five years and some of which may include options to terminate leases within one year. We have elected to not record operating lease ROU assets and liabilities for short-term leases that have a term of twelve months or less. Our lease expense includes our short-term lease cost which is not material to our Consolidated Financial Statements.

Other information related to our operating leases was as follows:

Twelve Months Ended December 31, 2021	Amount
<i>(in millions, except lease term and discount rate)</i>	
Supplemental Cash Flows Information	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows used by operating leases	\$ 27.8
Right-of-use assets obtained in exchange for lease obligations (non-cash):	
Operating leases	\$ 42.1
Weighted Average Remaining Lease Term	5.1 years
Weighted Average Discount Rate	3.1 %

Estimated future minimum payment obligations for non-cancelable operating leases are as follows as of December 31, 2021:

Years ending December 31,	Amount
	<i>(In millions)</i>
2022	\$ 29.5
2023	27.8
2024	18.7
2025	15.8
2026	10.9
Thereafter	16.4
	<u>\$ 119.1</u>

We do not have any significant sublease agreements and, as a result, expected sublease income is not reflected as a reduction in the total minimum rental obligations under operating leases in the table above.

13. SEGMENT INFORMATION

In the fourth quarter of 2021, we integrated our Global Consumer Solutions business into our USIS, Workforce Solutions and International operating segments. U.S. consumer credit monitoring solutions businesses have been moved into the Online Information Solutions business of USIS with the U.S. consumer identity theft protection business moved to the Employer Services business of Workforce Solutions. All international consumer credit monitoring solutions businesses in Canada and Europe have been moved into the respective country operations within the International operating segment. These changes in operating segments align with how we manage our business as of the fourth quarter of 2021. Footnote disclosures below have been retrospectively restated to reflect these changes.

Reportable Segments. We manage our business and report our financial results through the following three reportable segments, which are the same as our operating segments:

- Workforce Solutions
- U.S. Information Solutions

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- International

The accounting policies of the reportable segments are the same as those described in our summary of significant accounting policies (see Note 1). We evaluate the performance of these reportable segments based on their operating revenue, operating income and operating margins, excluding any unusual or infrequent items, if any. The measurement criteria for segment profit or loss and segment assets are substantially the same for each reportable segment. Inter-segment sales are not material for all periods presented. All transactions between segments are accounted for at fair market value or cost depending on the nature of the transaction and no timing differences occur between segments.

A summary of segment products and services is as follows:

Workforce Solutions. This segment includes employment, income, criminal history and social security number verification services as well as complementary payroll-based transaction services, employment tax management services and identity theft protection products.

U.S. Information Solutions. This segment includes consumer and commercial information services (such as credit information and credit scoring, credit modeling services and portfolio analytics, locate services, fraud detection and prevention services, identity verification services and other consulting services); mortgage services; financial marketing services; identity management; and credit monitoring products sold to resellers or directly to consumers.

International. This segment includes information services products, which includes consumer and commercial services (such as credit and financial information, credit scoring and credit modeling services), credit and other marketing products and services. In Asia Pacific, Europe, Latin America and Canada, we also provide information, technology and services to support debt collections and recovery management. In Europe and Canada we also provide credit monitoring products to resellers or directly to consumers.

Segment information for the twelve months ended December 31, 2021, 2020 and 2019 and as of December 31, 2021 and 2020 is as follows:

	Twelve Months Ended December 31,		
	2021	2020	2019
Operating revenue:	<i>(In millions)</i>		
Workforce Solutions	\$ 2,035.4	\$ 1,461.7	\$ 971.1
U.S. Information Solutions	1,786.7	1,711.2	1,531.2
International	1,101.8	954.6	1,005.3
Total operating revenue	<u>\$ 4,923.9</u>	<u>\$ 4,127.5</u>	<u>\$ 3,507.6</u>

	Twelve Months Ended December 31,		
	2021	2020	2019
Operating income (loss):	<i>(In millions)</i>		
Workforce Solutions	\$ 1,000.7	\$ 703.9	\$ 391.3
U.S. Information Solutions	551.8	515.3	493.9
International	141.9	75.7	109.6
General Corporate Expense	(556.4)	(618.3)	(1,330.2)
Total operating income (loss)	<u>\$ 1,138.0</u>	<u>\$ 676.6</u>	<u>\$ (335.4)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	December 31,	
	2021	2020
Total assets:		
	<i>(In millions)</i>	
Workforce Solutions	\$ 3,888.3	\$ 1,632.5
U.S. Information Solutions	3,091.4	2,330.5
International	3,271.5	3,436.2
General Corporate	789.7	2,212.6
Total assets	<u>\$ 11,040.9</u>	<u>\$ 9,611.8</u>

	Twelve Months Ended December 31,		
	2021	2020	2019
Depreciation and amortization expense:			
	<i>(In millions)</i>		
Workforce Solutions	\$ 106.5	\$ 71.9	\$ 55.8
U.S. Information Solutions	158.5	120.2	85.8
International	141.1	133.4	118.6
General Corporate	74.3	65.5	70.9
Total depreciation and amortization expense	<u>\$ 480.4</u>	<u>\$ 391.0</u>	<u>\$ 331.1</u>

	Twelve Months Ended December 31,		
	2021	2020	2019
Capital expenditures:			
	<i>(In millions)</i>		
Workforce Solutions	\$ 73.5	\$ 74.6	\$ 50.5
U.S. Information Solutions	92.9	126.0	93.6
International	123.8	68.3	76.8
General Corporate	200.3	161.8	155.0
Total capital expenditures*	<u>\$ 490.5</u>	<u>\$ 430.7</u>	<u>\$ 375.9</u>

*Amounts above include accruals for capital expenditures.

Financial information by geographic area is as follows:

	Twelve Months Ended December 31,					
	2021		2020		2019	
	<i>(In millions)</i>					
Operating revenue (based on location of customer):	Amount	%	Amount	%	Amount	%
U.S.	\$ 3,822.2	78 %	\$ 3,172.9	77 %	\$ 2,502.3	71 %
Australia	336.9	7 %	282.6	7 %	289.9	8 %
U.K.	252.0	5 %	222.9	5 %	239.6	7 %
Canada	250.0	5 %	212.6	5 %	210.9	6 %
Other	262.8	5 %	236.5	6 %	264.9	8 %
Total operating revenue	<u>\$ 4,923.9</u>	<u>100 %</u>	<u>\$ 4,127.5</u>	<u>100 %</u>	<u>\$ 3,507.6</u>	<u>100 %</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31,

	2021		2020	
	Amount	%	Amount	%
	<i>(In millions)</i>			
Long-lived assets:				
U.S.	\$ 7,035.9	71 %	\$ 4,097.6	57 %
Australia	1,901.9	19 %	2,021.2	28 %
U.K.	280.5	3 %	255.7	4 %
Canada	193.3	2 %	177.1	3 %
Other	508.4	5 %	581.9	8 %
Total long-lived assets	<u>\$ 9,920.0</u>	<u>100 %</u>	<u>\$ 7,133.5</u>	<u>100 %</u>

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of Equifax's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report (i) were appropriately designed to provide reasonable assurance of achieving their objectives and (ii) were effective and provided reasonable assurance that the information required to be disclosed by Equifax in reports filed under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) accumulated and communicated to Equifax's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of Equifax's internal control over financial reporting as of December 31, 2021 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013 Framework). Based on this assessment using those criteria, our management concluded that, as of December 31, 2021, Equifax's internal control over financial reporting was effective. Management reviewed the results of its assessment with the Audit Committee of its Board of Directors. The effectiveness of Equifax's internal control over financial reporting as of December 31, 2021 has been audited by Ernst & Young LLP, Equifax's independent registered public accounting firm, as stated in their report, which appears in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K on page 55.

On February 10, 2021, the Company acquired Kount, a provider of fraud prevention and digital identity solutions in the U.S. Additionally, the Company acquired Appriss Insights, a source of risk and criminal justice intelligence information in the U.S., on October 1, 2021. As permitted by Securities and Exchange Commission guidance, we elected to exclude Kount and Appriss Insights, representing total assets (excluding goodwill and identified intangible assets) of approximately 0.6% of our consolidated total assets as of December 31, 2021 and operating revenues of 1.7% of our consolidated operating revenues for the year ended December 31, 2021, from our assessment of internal control over financial reporting as of December 31, 2021. There were no other acquisitions completed during 2021 that were material to the 2021 consolidated financial statements.

Changes in Internal Control Over Financial Reporting

There have been no changes in internal control over financial reporting identified in connection with the foregoing that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except for the information about our executive officers shown below, the information required by this Item 10 is incorporated herein by reference from the information contained in our Proxy Statement to be filed with the SEC in connection with the solicitation of proxies for our 2022 Annual Meeting of Shareholders (the “2022 Proxy Statement”) under the sections entitled “Proposal 1 Election of Directors,” “Section 16(a) Beneficial Ownership Reporting Compliance” and “Board Leadership and Corporate Governance—Committees of the Board of Directors.”

We have adopted a written Code of Ethics and Business Conduct applicable to all our employees, including our principal executive officer, principal financial officer, and principal accounting officer and controller, and to members of our Board of Directors. Our Code of Ethics and Business Conduct is available on our investor relations website: www.equifax.com/about-equifax/corporate-governance. We will disclose amendments to certain provisions of our Code of Ethics and Business Conduct, or waivers of such provisions granted to executive officers and directors, on this website.

Executive Officers

Information regarding the executive officers of Equifax Inc. is set forth below.

Mark W. Begor (63) has been our Chief Executive Officer and a member of the Board of Directors since April 2018. Prior thereto, he was a Managing Director in the Industrial and Business Services group at Warburg Pincus, a global private equity investment firm, since June 2016. Prior to Warburg Pincus, Mr. Begor spent 35 years at General Electric Company (“GE”), a global industrial and financial services company, in a variety of operating and financial roles. During his career at GE, Mr. Begor served in a variety of roles leading multibillion dollar units of the company, including President and CEO of GE Energy Management from 2014 to 2016, President and CEO of GE Capital Real Estate from 2011 to 2014, and President and CEO of GE Capital Retail Finance (Synchrony Financial) from 2002 to 2011. Mr. Begor served on the Fair Isaac Corporation (FICO) board of directors from 2016 to 2018. He currently serves on the board of directors of NCR Corporation.

Sunil Bindal (47) has been our Executive Vice President, Chief Corporate Development Officer since October 2020. Prior to joining Equifax, Mr. Bindal served as Senior Vice President, Global Head of Mergers and Acquisitions and Corporate Development, at Total System Services since July 2018. Prior thereto, he served as Vice President of Corporate Development at Broadridge Financial Solutions since August 2015. Prior thereto, he served as Director, Technology Mergers and Acquisitions, of Credit Suisse since July 2006.

Carla Chaney (51) has been our Executive Vice President, Chief Human Resources Officer since April 2019. Prior thereto, she served as Executive Vice President, Human Resources of Graphic Packaging Holding Company and Graphic Packaging International, since July 2013. Prior thereto, she served as Executive Vice President, Human Resources and Communications, since February 2012. Prior thereto, she held a variety of leadership roles with Exide Technologies and Newell Rubbermaid, Inc., since 2004.

Jamil Farshchi (44) has been our Executive Vice President, Chief Information Security Officer since February 2018. Prior to joining Equifax, Mr. Farshchi served as Chief Information Security Officer at The Home Depot since April 2015. Prior thereto, he was the first Global Chief Information Security Officer at Time Warner Inc., from August 2014 to March 2015. Prior thereto, he was the Vice President of Global Information Security at Visa Inc. from August 2011 to August 2014. Mr. Farshchi has also held senior roles at Los Alamos National Laboratory, Sitel Corporation, Nextwave Broadband and NASA.

John W. Gamble, Jr. (59) has been our Executive Vice President, Chief Financial Officer and Chief Operations Officer since February 2021. Prior thereto, he was Corporate Vice President and Chief Financial Officer since May 2014. Prior to that, Mr. Gamble was Executive Vice President and Chief Financial Officer of Lexmark International, Inc., a global provider of document solutions, enterprise content management software and services, printers and multifunction printers, from September 2005 until May 2014.

Julia A. Houston (51) has been our Executive Vice President, Chief Strategy and Marketing Officer since March 2021. Prior thereto, she was our Chief Transformation Officer since October 2017. Prior thereto, she was Senior Vice President, U.S. Legal, since October 2013. Prior to joining Equifax, Ms. Houston was Senior Vice President, General Counsel and Corporate Secretary at Convergys Corporation, from 2011 to 2013. Prior thereto, she served in roles of increasing responsibility at Mirant Corporation from 2004 to 2010, ultimately serving as Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary.

John J. Kelley III (61) has been our Executive Vice President, Chief Legal Officer and Corporate Secretary since January 2013. Prior to joining Equifax, Mr. Kelley was a senior partner in the Corporate Practice Group of the law firm of King & Spalding LLP.

Bryson Koehler (46) has been our Executive Vice President, Chief Technology, Product and D&A Officer since December 2021. Prior thereto, he was our Chief Technology Officer since June 2018. Prior to joining Equifax, Mr. Koehler served as Chief Technology Officer of IBM Watson and Cloud Platform since November 2016. Prior to that, Mr. Koehler was Chief Technology and Information Officer of The Weather Channel Companies, before it was acquired in 2015 by IBM. Before that, he served as Senior Vice President of Global Revenue & Guest Technology at the Intercontinental Hotels Group.

Lisa Nelson (58) has been our Executive Vice President, President, International since June 2021. Prior thereto, she served as Group Managing Director, Equifax Australia and New Zealand, since August 2019. Prior thereto, she served as President and General Manager, Equifax Canada, since January 2015. Prior thereto, she served as Senior Vice President, Enterprise Alliance Leader of Equifax U.S. Information Solutions, since November 2011. Prior to joining Equifax, she served as Vice President, Global Scoring Solutions of FICO, since August 2004.

Rodolfo O. Ploder (61) has been our Executive Vice President, President, Workforce Solutions since November 2015. Prior thereto, he served as President, U.S. Information Solutions, since April 2010. Prior thereto, he served as President, International, from January 2007 to April 2010. Prior thereto, he was Group Executive, Latin America from February 2004 to January 2007.

Sid Singh (44) has been our Executive Vice President, President, U.S. Information Solutions since February 11, 2019. Mr. Singh served as group president of Integrated Solutions & Vertical Markets at Global Payments Inc., since February 2013. Prior thereto, he served as Senior Vice President, Global Product of Global Payments Inc. since 2010. Prior thereto, he served as Vice President and Regional Head, Asia Pacific of Global Payments Inc. since 2006. Prior thereto, he held senior management positions with HSBC and Citibank.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 is incorporated herein by reference from the information contained in our 2022 Proxy Statement under the sections entitled “Executive Compensation” and “Director Compensation.”

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item 12 is incorporated herein by reference from the information contained in our 2022 Proxy Statement under the sections entitled “Security Ownership of Management and Certain Beneficial Owners” and “Executive Compensation Equity Compensation Plan Information.”

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item 13 is incorporated herein by reference from the information contained in our 2022 Proxy Statement under the sections entitled “Board Leadership and Corporate Governance Director Independence,” “Related Person Transaction Policy” and “Certain Relationships and Related Person Transactions of Directors, Executive Officers, and 5 Percent Shareholders.”

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item 14 is incorporated herein by reference from the information contained in our 2022 Proxy Statement under the section entitled “Proposal 3 Ratification of Appointment of Ernst & Young LLP as Independent Registered Public Accounting Firm for 2022.”

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) List of Documents Filed as a Part of This Report:

- (1) *Financial Statements.* The following financial statements are included in Item 8 of Part II:
- Consolidated Balance Sheets — December 31, 2021 and 2020;
 - Consolidated Statements of Income (Loss) for the Years Ended December 31, 2021, 2020 and 2019;
 - Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2021, 2020 and 2019;
 - Consolidated Statements of Cash Flows for the Years Ended December 31, 2021, 2020 and 2019;
 - Consolidated Statements of Shareholders' Equity and Accumulated Other Comprehensive Loss for the Years Ended December 31, 2021, 2020 and 2019; and
 - Notes to Consolidated Financial Statements.
- (2) *Financial Statement Schedules.*
- Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

- (3) *Exhibits.* See exhibits listed under Part (b) below.

(b) Exhibits:

Exhibit Number	Description
<i>Articles of Incorporation and Bylaws</i>	
3.1	Amended and Restated Articles of Incorporation of Equifax Inc. (incorporated by reference to Exhibit 3.1 to Equifax's Form 8-K filed May 14, 2009).
3.2	Amended and Restated Bylaws of Equifax Inc. (incorporated by reference to Exhibit 3.2 to Equifax's Form 8-K filed February 9, 2021).
<i>Instruments Defining the Rights of Security Holders, Including Indentures</i>	
4.1	Indenture dated as of June 29, 1998, between Equifax Inc. and The First National Bank of Chicago, Trustee (the "1998 Indenture")(under which Equifax's 6.9% Debentures due 2028 were issued) (incorporated by reference to Exhibit 4.4 to Equifax's Form 10-K filed March 31, 1999).
4.2	Second Supplemental Indenture dated as of June 28, 2007, between Equifax Inc. and The Bank of New York Trust Company, N.A. (under which Equifax's 7.00% Senior Notes due 2037 were issued), to the 1998 Indenture (incorporated by reference to Exhibit 4.3 to Equifax's Form 8-K filed June 29, 2007).
4.3	Fourth Supplemental Indenture dated as of December 17, 2012, between Equifax Inc. and The Bank of New York Mellon Trust Company, N.A. (under which Equifax's 3.30% Senior Notes due 2022 were issued), to the 1998 Indenture (incorporated by reference to Exhibit 4.2 to Equifax's Form 8-K filed December 11, 2012).
4.4	Credit Agreement, dated as of September 27, 2018, by and between Equifax Inc., Equifax Limited, Equifax Canada Co., Equifax Australia Holdings Pty Limited, and SunTrust Bank as administrative agent (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed October 1, 2018).
4.5	Indenture, dated as of May 12, 2016, between Equifax Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed May 12, 2016).
4.6	First Supplemental Indenture, dated as of May 12, 2016, between Equifax Inc. and U.S. Bank National Association, as Trustee, including the form of 2021 Note as Exhibit A (incorporated by reference to Exhibit 4.2 to Equifax's Form 8-K filed May 12, 2016).
4.7	Second Supplemental Indenture, dated as of May 12, 2016, between Equifax Inc. and U.S. Bank National Association, as Trustee, including the form of 2026 Note as Exhibit A (incorporated by reference to Exhibit 4.3 to Equifax's Form 8-K filed May 12, 2016).

- 4.8 Third Supplemental Indenture, dated as of May 25, 2018, between Equifax Inc. and the Trustee, including the form of 2021 Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed May 25, 2018).
- 4.9 Fourth Supplemental Indenture, dated as of May 25, 2018, between Equifax Inc. and the Trustee, including the form of 2023 Note as Exhibit A (incorporated by reference to Exhibit 4.2 to Equifax's Form 8-K filed May 25, 2018).
- 4.10 Fifth Supplemental Indenture, dated as of May 25, 2018, between Equifax Inc. and the Trustee, including the form of Floating Rate Note as Exhibit A (incorporated by reference to Exhibit 4.3 to Equifax's Form 8-K filed May 25, 2018).
- 4.11 Sixth Supplemental Indenture, dated as of November 19, 2019, between Equifax Inc. and the Trustee, including the form of 2024 Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed November 19, 2019).
- 4.12 Seventh Supplemental Indenture, dated as of April 27, 2020, between Equifax Inc. and the Trustee, including the form of 2025 Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed April 27, 2020).
- 4.13 Eighth Supplemental Indenture, dated as of April 27, 2020, between Equifax Inc. and the Trustee, including the form of 2030 Note as Exhibit A (incorporated by reference to Exhibit 4.2 to Equifax's Form 8-K filed April 27, 2020).
- 4.14 Ninth Supplemental Indenture, dated as of August 13, 2021, between Equifax Inc. and the Trustee, including the form of Note as Exhibit A (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed August 16, 2021).
- 4.15 Credit Agreement, dated as of August 25, 2021, by and among Equifax Inc., Equifax Limited, Equifax Canada Co., Equifax International Treasury Services Unlimited Company and Equifax Australia Holdings Pty Limited, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed August 31, 2021).
- 4.16 Term Loan Credit Agreement, dated as of August 25, 2021, by and between Equifax Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.2 to Equifax's Form 8-K filed August 31, 2021).
- 4.17 Description of the Company's Securities Registered under Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.14 to Equifax's Form 10-K filed February 20, 2020).

Except as set forth in the preceding Exhibits 4.1 through 4.17, instruments defining the rights of holders of long-term debt securities of Equifax have been omitted where the total amount of securities authorized does not exceed 10% of the total assets of Equifax and its subsidiaries on a consolidated basis. Equifax agrees to furnish to the SEC, upon request, a copy of such instruments with respect to issuances of long-term debt of Equifax and its subsidiaries.

Management Contracts and Compensatory Plans or Arrangements

- 10.1 Form of Director/Executive Officer Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed May 14, 2009).
- 10.2 Supplemental Retirement Plan for Executives of Equifax Inc. (incorporated by reference to Exhibit 10.6(a) to Equifax's Form 10-K filed February 24, 2016).
- 10.3 Amendment No. 1 to Supplemental Retirement Plan for Executives of Equifax Inc., effective January 1, 2020 (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-K filed February 25, 2021).
- 10.4 Amendment No. 2 to Supplemental Retirement Plan for Executives of Equifax Inc., effective November 4, 2020 (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-K filed February 25, 2021).
- 10.5 Trust Agreement for Supplemental Retirement Plan for Executives of Equifax Inc. dated as of September 16, 2011, between Equifax Inc. and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.6(b) to Equifax's Form 10-K filed February 23, 2012).
- 10.6 Equifax Inc. Executive Life and Supplemental Retirement Benefit Plan (incorporated by reference to Exhibit 10.8 to Equifax's Form 10-K filed March 29, 2001).
- 10.7 Equifax Inc. 2008 Omnibus Incentive Plan, as amended and restated effective May 2, 2013 (incorporated by reference to Appendix C to Equifax's definitive proxy statement on Schedule 14A filed March 20, 2013).
- 10.8 Amendment No. 1 to Equifax Inc. 2008 Omnibus Incentive Plan, effective February 6, 2017 (incorporated by reference to Exhibit 10.8 to Equifax's Form 10-K filed February 25, 2021).
- 10.9 Amendment No. 2 to Equifax Inc. 2008 Omnibus Incentive Plan, effective November 4, 2020 (incorporated by reference to Exhibit 10.9 to Equifax's Form 10-K filed February 25, 2021).

- 10.10 Form of Non-Qualified Stock Option Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.9 to Equifax's form 10-K filed February 22, 2013).
- 10.11 Form of Non-Employee Director Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.11 to Equifax's Form 10-K filed February 25, 2021).
- 10.12 Equifax Inc. Director Deferred Compensation Plan, as amended through November 5, 2020. (incorporated by reference to Exhibit 10.12 to Equifax's Form 10-K filed February 25, 2021).
- 10.13 Equifax Grantor Trust dated as of January 23, 2014, between Equifax Inc. and Principal Trust Company, Trustee, relating to supplemental deferred compensation and phantom stock benefits (incorporated by reference to Exhibit 10.13 to Equifax's Form 10-K filed February 25, 2021).
- 10.14 Equifax Inc. Director and Executive Stock Deferral Plan, as amended and restated effective January 1, 2019 (incorporated by reference to Exhibit 10.14 to Equifax's Form 10-K filed February 25, 2021).
- 10.15 Amendment No. 1 to Equifax Inc. Director and Executive Stock Deferral Plan, effective as of November 4, 2020 (incorporated by reference to Exhibit 10.15 to Equifax's Form 10-K filed February 25, 2021).
- 10.16* Amendment No. 2 to Equifax Inc. Director and Executive Stock Deferral Plan, effective as of December 2, 2021.
- 10.17 Equifax 2005 Executive Deferred Compensation Plan, as amended and restated effective January 1, 2015 (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed July 28, 2016).
- 10.18 Amendment No. 1 to Equifax 2005 Executive Deferred Compensation Plan, effective January 1, 2016 (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed July 28, 2016).
- 10.19 Amendment No. 2 to Equifax 2005 Executive Deferred Compensation plan, effective January 1, 2016 (incorporated by reference to Exhibit 10.27 to Equifax's Form 10-K filed March 1, 2018).
- 10.20 Amendment No. 3 to Equifax 2005 Executive Deferred Compensation Plan, effective as of November 4, 2020 (incorporated by reference to Exhibit 10.19 to Equifax's Form 10-K filed February 25, 2021).
- 10.21 Amendment No. 4 to Equifax 2005 Executive Deferred Compensation Plan, effective as of May 5, 2021 (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed July 22, 2021).
- 10.22 Equifax Inc. Employee Deferred Compensation Plan (incorporated by reference to Exhibit 4.1 to Equifax's Form S-8 filed November 24, 2021).
- 10.23* Equifax Inc. Board of Directors Deferred Compensation Plan.
- 10.24 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in February 2017) (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-Q filed April 27, 2017).
- 10.25 Employment Agreement, dated March 27, 2018, between the Company and Mark W. Begor (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed March 28, 2018).
- 10.26 Letter Agreement, dated February 4, 2021, between the Company and Mark W. Begor (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed February 9, 2021).
- 10.27 Form of Restricted Stock Unit Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in March 2018 to January 2021) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed April 26, 2018).
- 10.28 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in March 2018 to January 2021) (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-Q filed April 26, 2018).
- 10.29 Form of Restricted Stock Unit Award Agreement (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in or after February 2021) (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q filed April 22, 2021).
- 10.30 Form of Premium-Priced Stock Option Award Agreement (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in or after February 2021) (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-Q filed April 22, 2021).
- 10.31 Form of Performance Share Award Agreement (TSR) (CEO) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in or after February 2021) (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-Q filed April 22, 2021).
- 10.32 Form of Restricted Stock Unit Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in or after February 2021) (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-Q filed April 22, 2021).
- 10.33 Form of Non-Qualified Stock Option Award Agreement (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in or after February 2021) (incorporated by reference to Exhibit 10.5 to Equifax's Form 10-Q filed April 22, 2021).

- 10.34 Form of Performance Share Award Agreement (TSR) (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in or after February 2021) (incorporated by reference to Exhibit 10.6 to Equifax's Form 10-Q filed April 22, 2021).
- 10.35 Form of Performance Share Award Agreement (TSR) (Senior Leadership Team) under the Equifax Inc. Amended and Restated 2008 Omnibus Incentive Plan (for awards granted in March 2018 to January 2021) (incorporated by reference to Exhibit 10.4 to Equifax's Form 10-Q filed April 26, 2018).
- 10.36 Equifax Inc. Change in Control Severance Plan (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed February 27, 2019).
- 10.37 Equifax Inc. 2020 Employee Stock Purchase Plan (incorporated by reference to Annex B to Equifax's definitive proxy statement filed on March 27, 2020).

Material Contracts

- 10.38** Settlement Agreement and Release dated July 22, 2019 between the Company and the Settlement Class Representatives (as defined therein) (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed July 22, 2019).
- 10.39** Stipulated Order for Permanent Injunction and Monetary Judgment dated July 19, 2019 between the Company and the Federal Trade Commission (incorporated by reference to Exhibit 10.2 to Equifax's Form 8-K filed July 22, 2019).
- 10.40** Stipulated Order for Permanent Injunction and Monetary Judgment dated July 19, 2019 between the Company and the Bureau of Consumer Financial Protection (incorporated by reference to Exhibit 10.3 to Equifax's Form 8-K filed July 22, 2019).
- 10.41** Final Judgment and Consent Decree dated July 19, 2019 between the Company and the State of Alabama, with a schedule of the additional jurisdictions in which such agreement (consent decrees) have been approved that are substantially identical in all material respects (incorporated by reference to Exhibit 10.4 to Equifax's Form 8-K filed July 22, 2019).

Other Exhibits and Certifications

- 21.1* Subsidiaries of Equifax Inc.
- 23.1* Consent of Independent Registered Public Accounting Firm.
- 24.1* Powers of Attorney (included on signature page).
- 31.1* Rule 13a-14(a) Certification of Chief Executive Officer.
- 31.2* Rule 13a-14(a) Certification of Chief Financial Officer.
- 32.1* Section 1350 Certification of Chief Executive Officer.
- 32.2* Section 1350 Certification of Chief Financial Officer.
- 101.INS Inline XBRL Instance Document.
- 101.SCH Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase.
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase.
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase.
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

**Schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished as a supplement to the Securities and Exchange Commission upon request.

(c) Financial Statement Schedules. See Item 15(a)(2).

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 24, 2022.

EQUIFAX INC.

(Registrant)

By: /s/ Mark W. Begor

Mark W. Begor

Chief Executive Officer

We, the undersigned directors and executive officers of Equifax Inc., hereby severally constitute and appoint John W. Gamble, Jr. and James M. Griggs, and each of them singly, our true and lawful attorneys with full power to them and each of them to sign for us, and in our names in the capacities indicated below, any and all amendments to this Annual Report on Form 10-K filed with the SEC, hereby ratifying and confirming our signatures as they may be signed by our said attorneys to any and all amendments to said Annual Report on Form 10-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 24, 2022.

/s/ Mark W. Begor

Mark W. Begor

Chief Executive Officer

(Principal Executive Officer)

/s/ John W. Gamble, Jr.

John W. Gamble, Jr.

Executive Vice President, Chief Financial Officer and Chief Operations Officer

(Principal Financial Officer)

/s/ James M. Griggs

James M. Griggs

Chief Accounting Officer and Corporate Controller

(Principal Accounting Officer)

/s/ Mark L. Feidler

Mark L. Feidler

Director and Non-Executive Chairman

/s/ G. Thomas Hough

G. Thomas Hough

Director

/s/ Robert D. Marcus

Robert D. Marcus

Director

/s/ Scott A. McGregor

Scott A. McGregor

Director

/s/ John A. McKinley

John A. McKinley

Director

/s/ Robert W. Selander

Robert W. Selander

Director

/s/ Melissa D. Smith

Melissa D. Smith

Director

/s/ Audrey Boone Tillman

Audrey Boone Tillman

Director

/s/ Heather H. Wilson

Heather H. Wilson

Director

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

2021

Column A	Column B	Column C		Column D	Column E
Description	Balance at Beginning of Period	Additions		Deductions	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts		
<i>(In millions)</i>					
Reserves deducted in the balance sheet from the assets to which they apply:					
Trade accounts receivable	\$ 12.9	\$ 0.3	\$ —	\$ 0.7	\$ 13.9
Deferred income tax asset valuation allowance	382.7	(12.7)	(198.0)	20.0	192.0
	<u>\$ 395.6</u>	<u>\$ (12.4)</u>	<u>\$ (198.0)</u>	<u>\$ 20.7</u>	<u>\$ 205.9</u>

2020

Column A	Column B	Column C		Column D	Column E
Description	Balance at Beginning of Period	Additions		Deductions	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts		
<i>(In millions)</i>					
Reserves deducted in the balance sheet from the assets to which they apply:					
Trade accounts receivable	\$ 11.2	\$ 6.3	\$ —	\$ (4.6)	\$ 12.9
Deferred income tax asset valuation allowance	379.8	(34.4)	10.1	27.2	382.7
	<u>\$ 391.0</u>	<u>\$ (28.1)</u>	<u>\$ 10.1</u>	<u>\$ 22.6</u>	<u>\$ 395.6</u>

2019

Column A	Column B	Column C		Column D	Column E
Description	Balance at Beginning of Period	Additions		Deductions	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts		
<i>(In millions)</i>					
Reserves deducted in the balance sheet from the assets to which they apply:					
Trade accounts receivable	\$ 10.9	\$ 5.4	\$ —	\$ (5.1)	\$ 11.2
Deferred income tax asset valuation allowance	431.9	(61.9)	(2.0)	11.8	379.8
	<u>\$ 442.8</u>	<u>\$ (56.5)</u>	<u>\$ (2.0)</u>	<u>\$ 6.7</u>	<u>\$ 391.0</u>

Board of Directors



Mark W. Begor
Chief Executive Officer,
Equifax Inc.



Melissa D. Smith
Chair and Chief Executive Officer,
WEX Inc.



Mark L. Feidler
Independent Chairman,
Equifax Inc. and
Founding Partner,
MSouth Equity Partners



Robert D. Marcus
Former Chairman and
Chief Executive Officer,
Time Warner Cable Inc.



Audrey Boone Tillman
Executive Vice President and
General Counsel,
Aflac Incorporated



Robert W. Selander
Former President and
Chief Executive Officer,
Mastercard Incorporated and
Mastercard International



Heather H. Wilson
Chief Executive Officer,
CLARA Analytics, Inc.



Scott A. McGregor
Former President and
Chief Executive Officer,
Broadcom Corporation



John A. McKinley
Founder,
Great Falls Ventures



G. Thomas Hough
Retired Americas Vice Chair,
Ernst & Young LLP



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