

2025

# Verisk Climate Risk Report

Report prepared in accordance with the Task Force on Climate-related Financial Disclosures' June 2017 Final Report of Recommendations and October 2021 Annex



# Introduction

## About this Report

Verisk is a leading strategic data analytics and technology partner to the global insurance industry. It empowers clients to strengthen operating efficiency, improve underwriting and claims outcomes, combat fraud and make informed decisions about global risks, including climate change, catastrophic events, sustainability and political issues. Through advanced data analytics, software, scientific research and deep industry knowledge, Verisk helps build global resilience for individuals, communities, and businesses.

This Report has been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and is organized around the TCFD's four pillars: Governance, Strategy, Risk Management, and Metrics and Targets. The information and analyses reported herein reflect Verisk's business and operations as a strategic data analytics and technology partner to the global insurance industry during FY2025.



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# Governance

## Corporate Structure

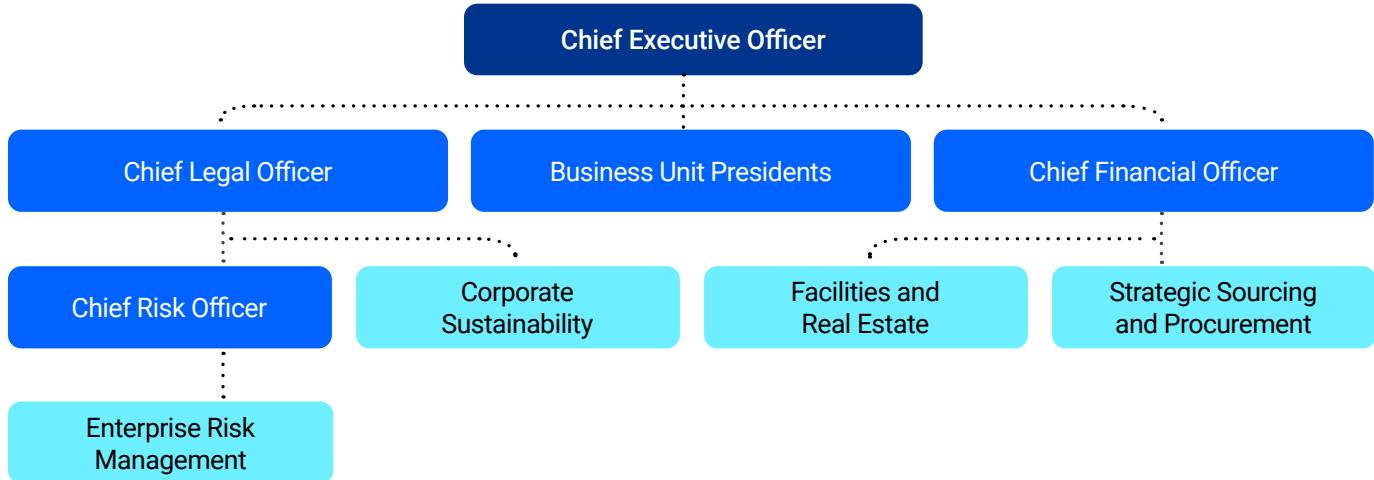
Verisk's governance framework includes a Board of Directors and Board-level committees responsible for the evaluation of major financial and operational risks to the enterprise and oversight of the Company's sustainability strategy, including public disclosures. With oversight from the Board, the Chief Executive Officer (CEO) and senior leadership team set strategic priorities to mitigate risk, capitalize on opportunities, and promote resource stewardship around sustainability efforts.

An overview of Verisk's climate governance structure, and a description of roles and responsibilities, are presented in Chart 1, Chart 2, and Table 1. For more information on the Board and its committees, see [Verisk's 2025 Proxy Statement](#).

**Chart 1: Board governance structure**



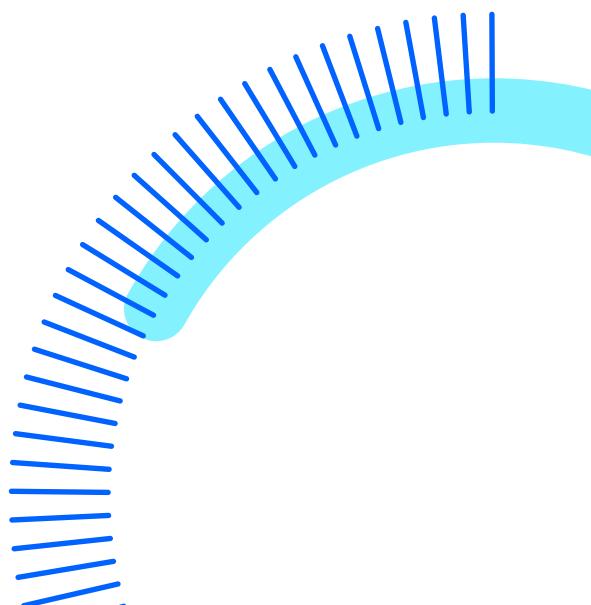
**Chart 2: Management governance structure**



**Table 1: Description of climate governance roles and responsibilities**

Role	Responsibilities
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Meets quarterly and as necessary to review the prioritization of major financial and operational risks to the Company and the Company's mitigation actions related to those risks.</li> <li>Engages management on business strategies, which include quantifying investments that help customers address risks associated with climate- and weather-related events.</li> </ul>
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>Assists the Board in oversight of the Company's risk management and risk assessment framework in coordination with the Risk Committee and delegates responsibility to other Committees as appropriate.</li> <li>Reviews financial and reporting risk in collaboration with management and the auditors.</li> <li>Reviews the data collection process and independent third-party verification of Verisk's annual greenhouse gas (GHG) emissions inventory, as well as progress against emission reduction targets.</li> </ul>
<b>Governance, Corporate Sustainability, and Nominating Committee</b>	<ul style="list-style-type: none"> <li>Assists the Board in overseeing the Company's corporate sustainability program, including its climate strategy, and evaluates the Company's key sustainability risks and opportunities.</li> <li>Provides oversight of the Company's public disclosures and shareholder engagement concerning sustainability matters.</li> </ul>
<b>Risk Committee</b>	<ul style="list-style-type: none"> <li>Oversees risk assessment and risk management of the Company, including the Company's Enterprise Risk Management function, in coordination with the Audit Committee and other relevant Committees as appropriate.</li> <li>Reviews strategic, operational and enterprise risks facing the Company, including but not limited to the policies, procedures and strategic approach to cyber, technology, information security, privacy, data usage and protection, compliance with legal, governmental and regulatory requirements, competition and such other risks that the Board may determine.</li> <li>Reviews the results of annual risk assessment conducted by the Enterprise Risk Management team, which addresses all risks to the enterprise, including climate-related risks.</li> </ul>
<b>Chief Executive Officer (CEO)</b>	<ul style="list-style-type: none"> <li>Sets Verisk's operational agenda for addressing stakeholder expectations associated with sustainability and resiliency.</li> <li>Champions critical investments and resource allocations required to address strategic climate-related risks and opportunities.</li> <li>Promotes responsible environmental stewardship, including measuring and disclosing carbon-related emissions against specified emission reduction targets.</li> </ul>

Role	Responsibilities
<b>Chief Legal Officer (CLO)</b>	<ul style="list-style-type: none"> <li>Provides leadership in aligning corporate priorities with the sustainability expectations of stakeholders.</li> <li>Oversees Corporate Sustainability, the team that leads the company's annual emissions inventory, climate reporting, and progress against the Company's climate strategy.</li> <li>Communicates Verisk's sustainability commitments and progress to internal and external audiences.</li> </ul>
<b>Business Unit Presidents</b>	<ul style="list-style-type: none"> <li>Assesses climate-related risks and opportunities within the parameters of their respective operations, including as part of the annual risk survey.</li> <li>Collaborates with senior leadership to address risk and pursue climate-related business opportunities, including acquisitions, investments in new and existing products, and consideration of new markets.</li> </ul>
<b>Chief Risk Officer</b>	<ul style="list-style-type: none"> <li>Leads Verisk's annual risk survey, which identifies the Company's most significant internal and external risks in terms of likelihood and potential impact.</li> <li>Provides regular updates to the Board and the Risk Committee on the status of mission-critical risks.</li> <li>Manages our business continuity and crisis management programs, designed to ensure the safety of employees and the continuity of our business in the event of major incidents, including environmental disasters.</li> <li>Convenes quarterly ERM risk committee meetings, bringing together the senior leaders of all the functional and business units to discuss the evolving risk landscape and how identified risks are being managed day-to-day.</li> </ul>
<b>Chief Financial Officer (CFO)</b>	<ul style="list-style-type: none"> <li>Oversees Facilities and Real Estate, which is responsible for managing risk across our office footprint, including tracking energy efficiency and helping collect environmental data from our leased offices.</li> <li>Oversees Strategic Sourcing and Procurement, which is responsible for managing risk in our supply chain, including ensuring suppliers adhere to our Supplier Code of Conduct.</li> </ul>



# Strategy

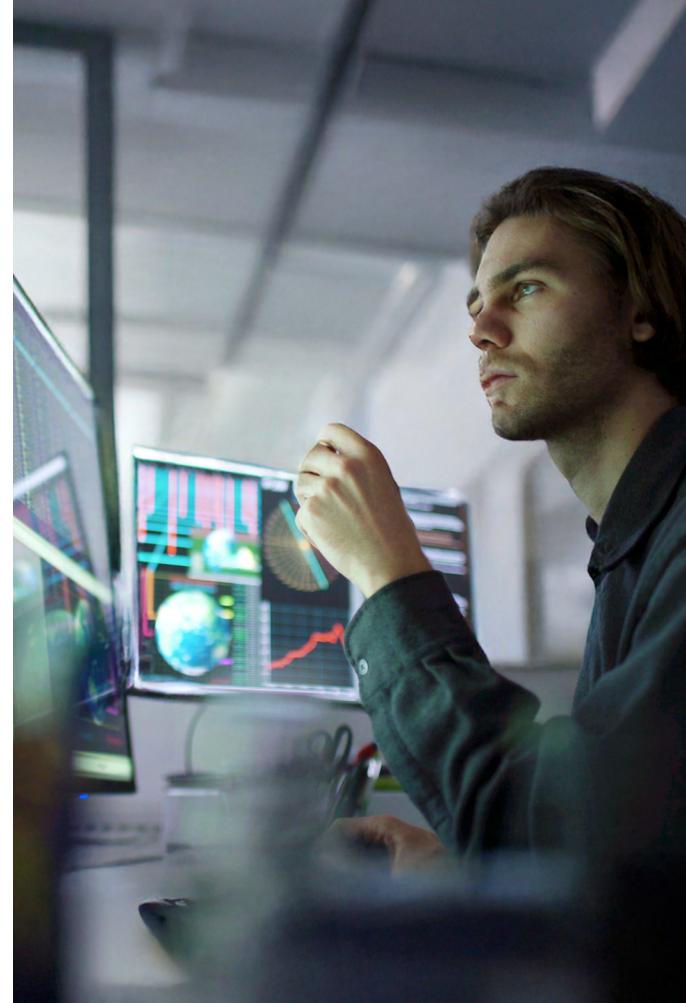
## 2025 Climate Risk Analysis

In Fall 2025, Verisk conducted a refreshed climate risk scenario analysis, building on the comprehensive results of our [2023 TCFD Report](#). We partnered with our internal business unit, Verisk Maplecroft, to run the assessment. Verisk Maplecroft has over 20 years of experience in climate advisory risk services, including TCFD-aligned analyses and reporting. Their work is underpinned by proprietary global risk data and supported by a global team of sectoral and regional experts. Verisk Maplecroft conducted their work independently of both Verisk Corporate Sustainability and of the 2023 TCFD Report results to ensure a fair and neutral assessment of the latest risk landscape for Verisk's global footprint.

The assessment concluded that Verisk faces relatively low risk across its operations from both physical and transition risks. Water stress emerged as the only non-minor physical risk in the near term, while reputational risks stood out as the most significant transition risks for Verisk's business. The intrinsic nature of Verisk's leased office model, coupled with already underway climate mitigation efforts, kept most risks minor. Nonetheless, we plan to revisit this assessment regularly to ensure our strategy and risk management approach remain resilient and up to date as climate science, regulations and business conditions evolve.

## Physical Risk Assessment

Addressing physical risks requires a tailored approach and targeted adaptation strategies, which may vary by location. Assessing exposure to the physical impacts of climate change across geographies and under different emissions scenarios enables Verisk to identify weaknesses, vulnerabilities, and opportunities, informing future capital allocation and continued resilience building.



**Table 2: Physical risk time periods\***

Baseline
<b>2000</b> representing average conditions between 1985-2014
<b>Medium-Term</b>
<b>2030</b> representing average conditions between 2015-2044
<b>Long-Term</b>
<b>2050</b> representing average conditions between 2035-2064

\* To ensure inter-annual variability is adequately accounted for, a 'time period' represents the average conditions (i.e. the climate) over a 30-year period, with the stated year being the year that falls in the middle of the 30-year window.

Our latest physical risk analysis evaluated exposure to climate-related hazards across Verisk's global portfolio of 42 operational, leased locations as of FY2024. The assessment considered a broad range of chronic and acute climate hazards across three time periods and under three different emissions scenarios, as outlined in Tables 2 and 3. The results provide insight into how geospatial risk distributions across key physical risk issues are projected to change over time and under different emissions scenarios.

**Table 3: Physical risk scenarios**

SSP1-2.6  $<2^{\circ}\text{C}$ temperature rise	SSP2-4.5  $2.7^{\circ}\text{C}$ temperature rise	SSP5-8.5  $4.7^{\circ}\text{C}$ temperature rise
<b>Sustainable Future</b>  A scenario with low greenhouse gas emissions and less than $2^{\circ}\text{C}$ temperature rise by 2100. This scenario represents the lower end of the future concentration pathways. Under this scenario, CO <sub>2</sub> emissions begin to decline after 2020 and reach net zero by 2100.	<b>Middle of the Road</b>  A scenario with intermediate greenhouse gas emissions with a best estimate temperature rise of $2.7^{\circ}\text{C}$ by 2100. This scenario represents the middle of the range of future concentration pathways. Under this scenario, CO <sub>2</sub> emissions start to decline around 2045 but do not reach net zero by 2100.	<b>Fossil Fuel Development</b>  A scenario with very high greenhouse gas emissions and a best estimate temperature rise of $4.7^{\circ}\text{C}$ by 2100. This scenario represents the high end of the future concentration pathways. Under this scenario, emissions continue to increase towards the end of the century, peaking around 2080.

## A. Methodology

Verisk Maplecroft leveraged their proprietary global data to develop physical risk profiles for each of Verisk's locations, assessing their exposure to 22 acute and chronic climate hazards. For each location distinct risk scores were derived for each hazard, and for all three time periods and emissions scenarios, with some exceptions due to the intrinsic nature of the risk or data limitations.

The number of Verisk offices whose hazard-specific risk scores exceeded a recommended materiality threshold were represented as a percentage of the total number of offices, for each scenario and time period. The result is a Verisk-wide exposure rating for each hazard on a 0-100 scale.

A qualitative analysis was then conducted to define the severity of each hazard and the resilience of Verisk's operations to that hazard. Finally, business impact was calculated as a function of exposure, severity, and resilience. As defined, "resilience" acts as a factor that mediates the relationship between the risk "exposure" and "severity" and the potential "business impact."

**Table 4: Physical risk assessment framework**

Consideration	Definition	Scale
<b>Exposure</b>	Percent of offices exceeding the materiality threshold for each hazard	0-100 percentage ratings generated for each hazard for three time periods and three scenarios
<b>Severity</b>	Independent of exposure, evaluates consequence of risk manifesting assuming no relevant business, strategy, and financial planning.	One rating generated for each hazard, held constant across all time frames and scenarios.
<b>Resilience</b>	Relevant business, strategy, and financial planning already in place at the time of the assessment.	One rating generated for each hazard, held constant across all time frames and scenarios.
<b>Business Impact</b>	Combination of likelihood, severity and resilience ratings.	Ratings generated for each hazard for three time periods and three scenarios

## B. Results

At the conclusion of the physical risk analysis, a shortlist of risks was developed based on the specifics of Verisk's business model and the geographies in which it operates. Since Verisk does not own or intend to own the buildings where its offices are located, the shortlist focused on hazards that inhibit the ability of Verisk employees to access their offices. The team also compared risks for redundancies, focusing on the downstream hazards that are most likely to impact Verisk's people and business.

The final business impact of each shortlisted risk is shown in Table 5 below. These numbers consider Verisk's existing mitigation strategies (captured under the "resilience" score), including the flexibility inherent in our leased office model, especially for slower onset risks such as heat stress. Also considered were Verisk's Business Continuity Plan (see [Risk Management](#)) and the regular risk assessments performed by our Facilities team, for both new and existing properties.

**Table 5: Physical risk assessment outcomes**

		SSP1-2.6		SSP2-4.5		SSP5-8.5	
Hazard	Baseline	Medium	Long	Medium	Long	Medium	Long
Sea level rise	Minor						
Heat Stress	Minor	Minor	Incidental	Minor	Incidental	Minor	Incidental
Cooling Degree Days	Minor						
Flooding	Minor						
Hurricane/Cyclone*	Minor						
Wildfire	Minor						
Water stress	Incidental						

The most notable physical risk identified in the assessment was water stress, with approximately 40% of Verisk offices currently located in water stressed areas. Water stress not only presents a risk to our operations, but also to the communities in which we operate. We acknowledge our responsibility to manage water efficiently and minimize our impact on shared resources. Our ongoing risk assessments evaluate opportunities for conservation, responsible storage, and contingency planning to support business continuity and community resilience.

## Transition Risk Assessment

Transition risks are those associated with the global movement towards a lower-carbon economy. Verisk Maplecroft's transition risk assessment considered four categories of risk – policy and legal, technology, market, and reputation – and how their impact may vary under two different Network for Greening the Financial System (NGFS) scenarios (NZ50 and NDC) and across three time horizons, as outlined in Tables 6 and 7 below. The narratives and parameters outlined in each scenario – such as forecasts on energy costs, carbon pricing, macroeconomics plus regulatory intensity – are used to inform the risk assessment.

**Table 6: Transition risk time horizons**

Baseline	0-3 years
Medium-Term	3-9 years
Long-Term	9+ years

**Table 7: Network for Greening the Financial System scenarios**

<b>Nationally Determined Contributions (NDC) scenario</b>
A scenario that reflects all pledged policies as of the beginning of 2024. The scenario assumes moderate and heterogeneous climate ambition that leads to a 2.3C of warming by 2100.
<b>Net Zero 2050 (NZ50) scenario</b>
A scenario that sets out a pathway to achieve net-zero CO2 emissions by 2050. This scenario assumes a rapid deployment of ambitious climate policies. Carbon dioxide removal (e.g., afforestation, BECCS, direct air capture) is used to accelerate decarbonization. At least a 50% chance of limiting warming to 1.5C by the end of the century.

## A. Methodology

Verisk Maplecroft developed an initial long list of risks across a range of categories, taking into consideration market dynamics, industry trends, and Verisk's operational footprint. This list was then reviewed by, and discussed with, key internal stakeholders to arrive at a final shortlist of six potential transition risks for Verisk across four categories.

A qualitative scenario analysis was conducted to rate the shortlisted transition risks based on likelihood, severity, and resilience across the short-, medium- and long-term horizons and the two climate scenarios. Business impact was then calculated as a function of likelihood, severity, and resilience. As defined, "resilience" acts as a factor that mediates the relationship between the risk "likelihood" and "severity" and the potential "business impact."





**Table 8: Transition Risk Assessment Framework**

Consideration	Definition	Scale
<b>Likelihood</b>	Estimated based upon current trajectory of regional and global developments.	Ratings generated for each risk issue for three time periods and two scenarios.
<b>Severity</b>	Independent of likelihood, evaluates consequence of risk manifesting assuming no relevant business, strategy, and financial planning.	One rating generated for each risk issue, held constant across all time frames and scenarios.
<b>Resilience</b>	Relevant business, strategy, and financial planning already in place at the time of the assessment.	One rating generated for each risk issue, held constant across all time frames and scenarios.
<b>Business Impact</b>	Combination of likelihood, severity and resilience ratings.	Ratings generated for each risk issue for three time periods and two scenarios

## B. Results

The final business impact of each risk is shown in Table 9 below. These ratings consider Verisk's existing risk mitigation strategies (captured under the "resilience" score), including a robust climate governance and risk management structure (see [Governance](#)), regular communication with stakeholders, transparency in reporting across multiple disclosure platforms, a continued shift away from physical infrastructure, and our SBTi emissions reduction commitments (see [Metrics and Targets](#)).

Table 9: Transition risk assessment outcomes		NDC			NZ50		
Transition Risk		Short	Medium	Long	Short	Medium	Long
Policy & Legal Technology	Emissions Regulations	Minor	Minor	Minor	Minor	Minor	Incidental
	Enhanced Climate-Related Reporting Obligations	Minor	Minor	Minor	Minor	Minor	Minor
Technology	Cost to Transition to Low Emissions Technologies	Minor	Minor	Minor	Minor	Minor	Minor
Market	Shift in Consumer Preferences	Minor	Minor	Minor	Minor	Minor	Minor
Reputational	Increasing Pressure from Stakeholders	Minor	Minor	Incidental	Incidental	Moderate	Significant
	Failure to Meet Climate-Related Targets	Minor	Minor	Minor	Minor	Incidental	Moderate

Verisk's overall transition risk profile is low, with only reputational risks rising to high levels in the future, especially under the more aggressive NZ50 scenario. This is mostly driven by the higher severity of these risks in the context of Verisk's market size and current reputation. We will continue to meet these risks head on by being transparent with our stakeholders about our goals, progress, and challenges, especially given most of our footprint lies beyond our operational control.

## Opportunities

Verisk helps clients understand and manage risk, including climate-related risk, with greater precision, efficiency, and discipline. We provide our clients with a host of tools ranging from extreme event models to post-event claims management platforms and from global risk indices to location-specific underwriting analytics. As climate-risk evolves, Verisk sees opportunity for continued revenue growth in these areas.

Verisk [Catastrophe and Risk Solutions](#) (CRS) are at the forefront of advancing natural catastrophe modeling, using cutting-edge algorithms and software to help our clients plan for, and recover from, catastrophic events. CRS continues to leverage a Climate Advisory Council comprised of leading climate experts who provide strategic guidance on our catastrophe models and ensure we are operating at the forefront of evolving climate science.

Meanwhile, Verisk Maplecroft are developing global risk assessment indices to address climate and weather exposures and their economic, social, and political consequences. Verisk's **Natural Hazard Response Solutions** help our clients mitigate risk before, during, and after natural hazard events such as floods, hurricanes, severe storms, and wildfires.

While not directly connected to climate risk, Verisk's **Underwriting Solutions** and **Claims Solutions** businesses provide tools and administer programs to help insurers understand and mitigate exposure, price and cover risk, and process claims associated with multiple perils, including those resulting from changing climate patterns. Underwriting Solutions helps insurance companies serve the needs of policyholders, including administering the Building Code Effectiveness Grading Schedule (BCEGS®) and Public (Fire) Protection Grading Schedule, industry-sponsored programs that make buildings safer and help reduce property losses. Verisk's Claims business provides a range of services that help clients estimate the economic impact of loss and the cost of repair and rebuilding, helping insurers more effectively deploy resources following sudden losses due to natural catastrophes.

Verisk's market research indicates that the Company's stakeholders are keenly interested in all that can be done to increase the precision of predictive catastrophe models, the scope of mitigation efforts, the accuracy of underwriting and claims information, and the speed and efficiency of the post-event response and recovery process. The combination of deteriorating weather/climate trends and customer needs represents a continued growth opportunity for Verisk's Catastrophe and Risk Solutions, Underwriting Solutions, and Claims Solutions businesses. For recent examples of our impact in these areas, please consult the Working with Purpose section of our [\*\*2024 CR Report\*\*](#).

### **Chart 3: Verisk's Climate and Weather Services**



#### **Sustainability and Resilience**

Provides unparalleled insight into the global environmental, political, and human rights risks that are key to the future sustainability and resilience of our clients' business, through industry-leading datasets and predictive models.



#### **Catastrophe and Risk Solutions**

Helps clients understand and quantify the risk they face from extreme events with sophisticated catastrophe risk modeling, global loss indexes, and advanced analytics.



#### **Claims Solutions – Weather Response and Analytics**

Keeps clients prepared for extreme weather events and accelerates their claims process with comprehensive data insights. Provides access to real-time national catastrophe loss data and empowers clients to proactively manage their weather-related risks.



#### **Emerging Issues**

Provides original analysis, curated newsfeeds, webinars, and more to clients to help them stay ahead of the competition on a range of emerging risks, including generative AI, 3D printing, electric vehicles, climate change, cannabis, PFAS, robotics, and cybersecurity.



# Risk management

## Risk Assessment Process

Verisk conducts an annual risk survey facilitated by its internal Enterprise Risk Management (ERM) department, which engages a wide range of corporate and business unit leaders to identify the most important risks to the Company by assessing their likelihood and potential impact. The results are provided to the Risk Committee and the broader Board of Directors to guide annual risk planning.

As part of the Survey, the universe of known and potential risks is grouped into major categories, each with a brief descriptive statement. The categories include Strategic/Operational, Economic/Financial, Geopolitical/Environmental, Legal and Regulatory, Societal/Talent, and Technology and Cyber. Respondents are asked to indicate whether a specific risk (e.g., climate-related physical risk within the "Environmental" category) is applicable to their respective business or function, and to assess the risk in terms of its impact and likelihood. The respondents are also encouraged to add any other risks not included in the survey, including any emerging risks.

At the completion of the Survey, the executive team and the Board review, analyze, and prioritize the risks to identify those that are mission critical.

The Risk Committee and the Board then receive regular updates throughout the year on the external risk landscape, trends, and risk indicators for mission-critical risks.

In addition to the corporate-wide annual Risk Survey, Verisk also conducts periodic topical risk assessments on climate-related physical and transition risk, information and technology risk, location risk, and employee travel safety risk.

These individual assessments bolster and complement the company-wide process and synergize with one another to build Verisk's overall resilience.

The most recent results of the climate-related assessment, conducted in Fall 2025, are described in detail in the Strategy section above.



## Business Continuity Program

Verisk's Business Continuity Program (BCP) is an essential part of the Company's risk management framework, helping to ensure the continuity of critical business processes in the event of an incident rendering facilities inaccessible, computer systems inoperable, and/or employees unavailable. The Program incorporates standards compliant with ISO 22301: 2019 requirements and is overseen by a Crisis Management Team, comprised of senior executives representing various disciplines.



The Crisis Management response is enacted immediately upon the reporting of an incident, including climate-related events such as hurricanes/cyclones. This initiates a swift evaluation and escalation process to assess the severity and potential impact of the crisis. If the crisis requires action, the Crisis Management Team will oversee and coordinate the deployment of all firm resources for emergency management, work with local crisis teams to understand current business impacts and priorities, and ensure the appropriate funding and resources are available for recovery.

Upon navigation of the crisis, the plan deactivation phase ensures a seamless return to normal operations, minimizing disruptions and reinforcing Verisk's commitment to resilience and preparedness. The Company also conducts regular exercises to assess and continually enhance response plans.



# Metrics and targets

## Material Datapoints

Given Verisk's low exposure to most physical and transition climate risks, as outlined in the [Strategy](#) section above, the main metrics we track are Scope 1, 2, and 3 emissions and company-wide energy usage. Given the significance of water stress to many of Verisk's offices, we also have ambitions to better track water usage, though collecting accurate water data from leased office buildings can be a challenge.

Verisk's Scope 1 and 2 data includes electricity, heating, and fugitive emissions from the company's office locations, as well as our vehicle fleet. Verisk's Scope 3 data include only the categories material to our business, namely categories 1 through 7, 13, and 15. As a professional services firm with leased office space and few owned assets, Scope 3 is by far our biggest driver of company-wide emissions. A more detailed breakout of Scope 3 emissions sources can be found in our [full inventory](#). Verisk's emissions are calculated according to GHG Protocol standards.

**Table 10:****Emissions Profile**

	2022		2023		2024	
	Location-based	Market-based	Location-based	Market-based	Location-based	Market-based
Scope 1 (MT CO2e)	2,594.7	2,594.7	2,332.0	2,332.0	2,387.6	2,387.6
Scope 2 (MT CO2e)	6,555.1	413.6	4,750.3	406.3	2,983.5	317.7
Scope 3 (MT CO2e)	72,648.7	70,766.32	75,446.4	75,421.9	59,321.7	59,360.5
Scope 1,2,3 Total	81,798.5	73,774.5	82,528.7	78,160.2	64,692.8	62,065.8
Emissions Intensity (MT CO2e per \$M Revenue)	27.0	24.3	30.3	28.6	22.4	21.5
Emissions Intensity (MT CO2e per average FTE)	9.1	8.2	10.8	10.2	8.5	8.2

\* All of Scopes 1 & 2 and portions of Scope 3 (Category 6 Air Travel and Category 13) have undergone third party assurance for years 2022-2024

**Table 11:****Scope 2 Energy Use**

	2022	2023	2024
Total Energy (MwH)	21,202.34	15,375.39	9,184.64
Renewable Energy	95.4%	94.8%	94.5%

## Emissions Reduction Strategy

Because of Verisk's business model, emissions reductions are the strongest lever we have to reduce Verisk's overall risk profile. By managing our emissions effectively, we are minimizing both our physical and transition risks, especially our reputational risks.

In January 2025, the Science-Based Targets Initiative (SBTi) validated Verisk's GHG emissions reduction targets, which are outlined in Chart 4.

Verisk remains committed to a multi-year strategy that increases operational efficiency and lowers costs while delivering meaningful emissions reductions.

Verisk has accelerated efforts to transition data management and processing to cloud-based platforms. In 2023, Verisk decommissioned its western data center, dismantling the operating environment and reselling or recycling 100% of the hardware. In 2024, Verisk ended operations at its eastern data center as well. Nearly all of Verisk's data is now managed by cloud-based services, with our leading provider using 100% renewable energy.

Verisk has also aggressively managed its office footprint by closing or consolidating offices, reducing office square footage under lease, and taking advantage of environmentally friendly features associated with new properties. Between 2022 and 2024, approximately 40 offices were closed and/or consolidated, exclusive of divestments. Additionally, as of 2024, approximately 60% of our employees are assigned to an office with a green building certification. The ability to reduce the Company's office footprint and optimize the usage of smaller spaces relies in part on Verisk's significant investments in the technologies and associated infrastructure needed to ensure a stable hybrid work environment for its global workforce.

As we look forward to 2026, Verisk plans to focus on five key areas for continued emissions reduction:

#### **Smarter data management**

Continue to enhance the quality of the data we rely on to calculate our annual footprint, focusing on key Scope 3 categories such as purchased goods and services and employee commuting.

#### **Leased offices**

Starting with our largest offices, partner with facilities teams to understand key environmental metrics and pilot improvements. Continue to vet any new potential offices for exposure to physical climate risk prior to leasing.

#### **Air travel**

Create a formalized and comprehensive business air travel management plan, accounting for changing in-person expectations and identifying where efficiencies can be built in.

#### **Supply chain strategy**

Work with procurement to enhance our sustainable supply chain strategy, including building closer relationships with our largest suppliers to capture more specific data and drive sustainable practices adoption.

#### **Computing and AI**

Understand the environmental impact of growing AI usage, project how this will affect our emissions footprint, and make informed choices (provider, region, renewable energy sourcing) accordingly.

#### **Chart 4: Verisk's SBTi Targets**



##### **Near-Term Targets**

- Reduce absolute scope 1 and 2 GHG emissions 58.8% by 2034 from 2022 base year
- Reduce absolute Scope 3 GHG emissions from purchased goods and services and capital goods 58.8% within the same timeframe
- Reduce Scope 3 GHG emissions from business travel 63.8% per FTE within the same timeframe



##### **Long-Term Net-Zero Target**

- Reduce absolute Scope 1, 2, and 3 GHG emissions 90% by 2050 from 2022 base year.



# Appendix

## Physical & Transition Risk Rating Scales

Exposure (Physical)	
Rating	Description
5	Very high (>25%)
4	High (20%-25%)
3	Moderate-high (15%-20%)
2	Moderate (10%-15%)
1	Low (<10%)
0	None (0%)

Likelihood (Transition)	
Rating	Description
5	Expected
4	Probable
3	Possible
2	Rare
1	Unlikely
0	Very unlikely

Severity	
Rating	Description
5	Critical
4	High
3	Moderate-high
2	Moderate
1	Low
0	None

Resiliency	
Rating	Description
5	No measures
4	Mostly unmitigated
3	Partially mitigated
2	Mostly mitigated
1	Fully mitigated
0	Mitigation not required

Business Impact	
0-20%	<b>Minor</b> Low materiality, financial risks managed as part of existing processes
20-30%	<b>Incidental</b> Low materiality, financial risks likely managed as part of existing processes
30-40%	<b>Moderate</b> Moderate materiality, requiring additional adaptation planning and mitigation responses
40-70%	<b>Significant</b> High materiality, likely to require significant pivot of business strategy or operational protocols
70%+	<b>Material</b> Critical materiality, requiring major pivot business, strategy, or financial planning

## Key Physical Hazard Definitions

Hazard	Definition
<b>Sea level rise</b>	The Sea Level Rise Index quantifies the physical threat of inundation due to rising sea levels under future climate change scenarios.
<b>Heat Stress</b>	The Heat Stress indices assess the prevalence of temperature and humidity conditions that may have adverse physiological effects in baseline and future climates.
<b>Cooling Degree Days</b>	Cooling Degree Days are a measure of how far (in degrees), and for how long (in days), the outside temperature is above a threshold temperature. Cooling degree days reflect the amount of cooling required once the outside temperature rises above a given threshold. In this index, the threshold temperature is 65°F (18.3°C) which is the US base temperature standard for both heating and cooling degree days.
<b>Flooding</b>	The Flood Hazard Index quantifies the physical threat posed by riverine flooding. This refers to the floods associated with rivers bursting their banks, as opposed to flooding associated with inundations caused by flash flooding or sea water, or water pooling following heavy rain.
<b>Hurricane/Cyclone</b>	The Tropical Storm and Cyclone Hazard Index quantifies the physical threat posed by tropical storms and tropical cyclones (hurricanes and typhoons).
<b>Wildfire</b>	The Wildfire Hazard Index quantifies the physical threat posed by wildfires, based on preceding meteorological conditions and local land cover.
<b>Water stress</b>	The Water Stress Index evaluates total water use relative to total annual available flow, accounting for upstream consumptive use.

## Transition Risk Definitions

Risk	Definition
<b>Emissions Regulations</b>	Potential costs associated with the introduction of mandatory global carbon pricing and any associated litigation.
<b>Enhanced climate-related reporting obligations</b>	Potential regulatory mandates on the measurement and disclosure of climate-related risks, opportunities, management and performance.
<b>Cost to transition to low emissions technologies</b>	Potential increase in costs required to comply with regulatory mandates involving the use of low-emissions energy sources and technology.
<b>Shift in consumer preferences</b>	Potential impacts of a market shift in customer demand toward low-carbon solutions.
<b>Increasing pressure from stakeholders</b>	Potential impacts on our business from increasing stakeholder expectations related to real or perceived deficiencies associated with Verisk's climate leadership, strategy, performance, and disclosures.
<b>Failure to meet climate-related targets</b>	Potential impacts on our business from failing to meet any climate-related targets we set now or in the future.



# Discover more

Learn more about Verisk's commitment to climate efforts.

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