



2021 Climate Disclosure Report

Verisk advanced its climate and energy transition strategy throughout 2021—strengthening Board oversight of ESG and climate-related issues, building on 14 categories of assets and engagement channels to define new and expanded opportunities, and continuing a downward trend in Scope 1 and 2 emissions of its own.

In addition, Verisk committed to a 21% reduction in its absolute Scope 1 and 2 GHG emissions by 2024, compared to a 2019 baseline.

Progress is discussed within the context of reporting guidelines recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

Climate Governance

Verisk's governance framework has been strengthened during the past year by reconstituting the Nominating and Corporate Governance Committee as the "Governance, Corporate Sustainability and Nominating Committee" and amending its charter to include responsibility for ESG matters, including risks and opportunities. The change is described in full on page 55.

Oversight of climate-related matters is summarized as follows:

Board of Directors	<ul style="list-style-type: none">• Reviews and approves the company's annual operating budgets and its material acquisitions and investments.• Annually evaluates major financial and operational risks to the enterprise as part of a structured "Value at Risk" exercise.• Actively engages with senior executives on business growth strategies, including those related to climate change and the energy transition.• Actively monitors internal operational strategies, including those related to data security, to vulnerabilities associated with office and work environments, and to employee safety.
Governance, Corporate Sustainability and Nominating Committee	<ul style="list-style-type: none">• Assists the Board in overseeing the Company's corporate sustainability program.• Evaluates the Company's key ESG risks and opportunities.• Provides oversight of the Company's ESG public disclosures and shareholder engagement with respect to ESG matters.
Audit Committee	<ul style="list-style-type: none">• Reviews the results of Verisk's annual GHG emissions inventory, including progress against emissions reduction targets.
Chief Executive Officer	<ul style="list-style-type: none">• Participates in the annual "Value at Risk" exercise and meets quarterly with business unit leadership to set strategy for operational priorities and assess business opportunities.• Champions critical investments in corporate infrastructure, including investments designed to mitigate the potential consequences of weather- and physical-related events, such as those leading to Verisk's ISO 27001 certification.• Promotes responsible environmental stewardship, allocating resources to the measurement and disclosure of carbon-related emissions and the purchase of RECs and carbon offsets.
Senior Vice President, Enterprise Risk Management	<ul style="list-style-type: none">• Appointed by the Board and reports to the chief operating officer.• Leads the annual "Value at Risk" exercise and works with senior leadership to strengthen corporate infrastructure, protecting data and intellectual property, offices, and people from the consequences of risk, whatever the cause.
Chief Sustainability Officer	<ul style="list-style-type: none">• Appointed by the Board and reports to the chief executive officer.• Provides leadership in aligning corporate priorities with the expectations of stakeholders.• Chairs the Sustainability Council, leads the company's annual emissions inventory, arranges the purchase of RECs and carbon offsets, and communicates Verisk's environmental stewardship commitments and progress to both internal and external audiences.



Strategy

Risk Assessment

At the enterprise level, Verisk's assessment of the climate-related risks facing the organization remains unchanged from the 2020 review conducted by the company's Sustainability Council. That effort evaluated nine risk areas—Economic/Market, Financial, Human Resources, Litigation/Regulation, Operational, Physical, Reputation, Supply Chain, and Technology—concluding that none currently constitute a material risk to Verisk. Moreover, the Sustainability Council found that even the four most likely risks to occur would do so well into the future and have a low likelihood of posing material risks to the company even then.

During 2022, Verisk will undertake a "Value at Risk" exercise where participants will explicitly rate climate risk, as well as other risks facing their respective businesses. The process will be facilitated by an independent risk management firm, working with Verisk's Enterprise Risk Management team and each of Verisk's business units. Results will be reported to the Board along with recommended action plans and periodic progress reports. Findings will be summarized in Verisk's *2022 Corporate Social Responsibility Report*.

Opportunity Assessment

Verisk exists to help clients understand and manage risk with greater precision, efficiency, and discipline. What the company offered 50 years ago—advisory pricing and coverage information for companies insuring property perils, such as fire and windstorm—has since evolved in scope, depth, and sophistication because of Verisk's investments across the entire weather-, climate-, and energy transition-risk spectrum.

Today, Verisk serves multiple markets with tools ranging from extreme event models to post-event claims management platforms and global risk indices to location-specific underwriting analytics.

Verisk has also positioned itself to support the renewable energy transition, acquiring and integrating market-leading companies with unique knowledge of supply chains and investment trends in areas ranging from solar and wind power, to smart grids, energy storage, and battery raw materials.

The following examples illustrate the company's range of capabilities and investments and describe several of Verisk's best-in-class products and services that are already being used by customers across the globe:

CLIMATE/WEATHER SERVICES

Global Risk Assessment Indices

These indices assess climate and weather risk across 198 countries and nearly two dozen hazard/impact combinations, ranging from various types of economic exposure to the country's climate change adaptive capacity.



Based on a 0–10 scoring system, Verisk professionals use these indices to help clients conduct portfolio, corporate, and asset-level risk assessments.

Verisk also provides carbon-related global risk indices assessing carbon policy and progress towards targets, total GHG emissions, and CO₂ emissions from land use change and forestry, among others.

For more information, please visit:

<https://vrsk.co/3uFoV0e>

Extreme Event Models

Verisk created and maintains extreme event models for 110+ countries, including models for more than 80 countries to help customers assess the threat of various perils associated with climate risk.

The models are specific to perils affecting individual countries or geographic regions. Examples include a hurricane model for North America; an inland flood model for central Europe, Great Britain, Japan, and the United States; a multi-peril crop insurance model for Canada, India, and the United States; and a typhoon model for China, Japan, Southeast Asia, and South Korea.

Verisk's hurricane model for the United States is approved for insurance ratemaking in multiple states, including certification by the Florida Commission on Hurricane Loss Projection Methodology.

For more information, please visit:

<https://vrsk.co/3iN8ysL>

Individual Risk Assessment

Verisk provides address-level risk information in the United States to help insurers underwrite and price individual policies, as well as manage exposure at the portfolio level.



The information covers a range of exposures, including flood, hurricane, severe thunderstorm and tornado, wildfire, winter storm, and more. Verisk also provides the scores assigned for the specific address from its Building Code Effectiveness Grading Schedule (BCEGS®) and Public (fire) Protection Classifications (PPC®).

In addition, Verisk professionals travel on-site to perform property surveys meeting the specific requirements of customers.

For more information please visit:

<https://vrsk.co/3wPSYVv>

Event Response and Claims Management

Verisk's range of tools and services help customers track events in real time, inform their response and recovery efforts, and empower them to resolve insurance claims quickly and accurately. The combination of these offerings accelerates the rebuilding process for thousands of claimants following a loss.

Verisk has developed real-time weather analytics and loss estimates, video collaboration tools to triage and fast-track property claims, claims management and reporting software, repair and reconstruction cost-estimating software, personal contents estimations, and more, covering a broad spectrum of post-event activities. Verisk also integrates its fraud prevention capabilities, using tools to confirm property level date of loss with recorded weather events and utilizing the powerful claims matching technology of ClaimSearch®, the world's largest database of property/casualty claims.

For more information please visit:
<https://vrsk.co/3LugjQl>

Loss Estimates for the Global Risk and Supply Chain

Verisk's PCS® service features independent loss estimates on catastrophes and large individual losses, which are widely accepted as triggers in many traded financial market instruments, including reinsurance contracts, catastrophe bonds, catastrophe swaps, industry loss warranties (ILWs), and other derivative instruments.

For more information, please visit:
<https://vrsk.co/3LvSPuO>

Risk Management Platforms

Verisk integrates robust data and analytics into risk management platforms and tools that customers use to manage asset-and-portfolio-level exposure associated with location, climate, weather, and extreme events.

Tools such as the Touchstone® enterprise risk-modeling platform and Sequel Impact are utilized across the insurance industry by insurers, reinsurers, brokers, and others.

For examples, please visit:
<https://vrsk.co/3qKKpHO> and
<https://vrsk.co/3LtsWLX>

Community Hazard Mitigation Programs

Verisk conducts assessments of municipal building codes and their enforcement on behalf of the property/casualty insurance industry in the United States. Studies have concluded that municipalities with well-enforced, up-to-date building codes should demonstrate better loss experience, which can be reflected in lower insurance rates.

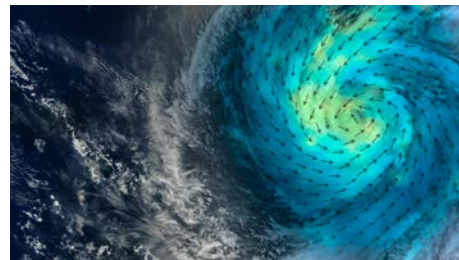


Verisk also evaluates municipal fire suppression capabilities in the United States and provides complimentary training and consulting for municipal building code and fire officials interested in strengthening resilience.

For more information, please visit:
<https://vrsk.co/3NCKabx>

Scientific Applications Benefitting Society

Scientists at Verisk study atmospheric and oceanographic changes, climate, weather, and associated phenomena on earth and in space. As peers within the worldwide science community, their research contributes to a broad scientific ecosystem and helps transform leading-edge research into operational uses that benefit society.



For example, their work has contributed directly to the development of an autonomous carbon dioxide and methane measurement system, real-time flood mapping solutions, and global hail forecast models.

For examples, please visit:
<https://vrsk.co/3mWKQwP> and
<https://vrsk.co/36F3sMU>



ENERGY TRANSITION SERVICES

Energy Market Intelligence

Verisk professionals analyze trends and changes in technology, regulations, growth, and pricing to understand geographic market fundamentals and develop an integrated perspective to help inform client strategies in power asset investment.



Services are provided at the regional level—Asia Pacific, Europe, Latin America, North America, and Southern Cone—and across several local markets.

For more information, please visit:

<https://vrsk.co/3q07Ekt>

Energy Sector Intelligence



Verisk professionals conduct in-depth analyses of key market drivers, technologies, deployments, and trends affecting various energy sectors and their value chain components.

Market sectors include solar, wind, and grid edge services. Value chain components include battery raw materials, electric vehicles, and energy storage.

For more information, please visit:

<https://vrsk.co/38j6ib3> and
<https://vrsk.co/3tS8WfZ>

Energy Portfolio Assessment Platforms and Tools

Verisk has introduced platforms and tools to help customers assess various risks and opportunities within their respective energy portfolios.

Lens and the Emissions Benchmarking Tool combine multiple risk datasets with field-level commercial data to help customers evaluate asset-level oil and gas company exposure to ESG, climate, and political risks.

Other tools support more effective emissions risk management via competitive benchmarking, portfolio analysis, and economic impact assessments. Verisk is also helping energy and natural resources companies estimate GHGs associated with their supply chains and analyze Scope 3 emissions data.

For more information, please visit:

<https://vrsk.co/3iPwmMP> and
<https://vrsk.co/3NuRUMZ>

CLIENT SUPPORT & ENGAGEMENT

Consulting

Verisk's experts are organized around consultancies dedicated to specific weather, climate, and energy transition practice areas. Verisk also leverages its physical and transition risk data sets to help clients fulfill their climate risk disclosure and reporting commitments.



For more information, please visit:
<https://vrsk.co/3uHLPE1>

Research and Commentary



Verisk continually publishes research and commentary, provides thought leadership on emerging trends, and sponsors expert broadcasts addressing topics relating to climate, weather, and energy.

For more information, please visit:
<https://vrsk.co/3qPMsu7> and
<https://vrsk.co/3NLdq07>

Client and Industry Engagement

Verisk hosts numerous industry and stakeholder forums that feature expert perspectives from all points along the stakeholder value chain:



- AIR Envision Conference
- Verisk Risk Symposium
- Elevate Conference
- Verisk's Emerging Issues Panel
- Wood Mackenzie Global Energy Summit
- Wood Mackenzie Solar Summit
- Wood Mackenzie Energy Storage Summit

The aforementioned capabilities and assets, individually and together, position Verisk to pivot quickly as opportunities emerge and mature. During 2022 and into the near-term future, the company expects to address such opportunities by:

- Leveraging extreme event models for 110+ countries, global risk indices covering 160+ resilience and sustainability issues, and investible market intelligence across the energy value chain, to create new solutions addressing the convergence of resilience and sustainability agendas.
- Delivering bespoke climate analytics and platforms that meet the needs of lenders and investors.
- Strengthening datasets by expanding raw climate variables, derived climate variables, and composite indices.
- Promoting thought leadership and innovation by broadening channels and relationships in the academic, scientific, and customer communities.



Risk Management

As reported in the company's 2020 *Corporate Social Responsibility Report*, Verisk's Sustainability Council assessed the potential impacts of climate-related risks in the following areas: economic/market, financial, human resources, litigation/regulation, operational, physical, reputation, supply chain, and technology. The Sustainability Council concluded that none of the aforementioned areas then constituted a material risk to Verisk. It concluded further that even the four most likely risks to occur at all would do so well into the future and would present a low likelihood of material risk even then.

"Value at Risk" Exercise

During 2022, Verisk will undertake a "Value at Risk" exercise in which participants will explicitly rate climate risk, as well as other risks facing their respective businesses. The process will be facilitated by an independent risk management firm working in conjunction with Verisk's Enterprise Risk Management department.

The exercise is designed to begin at the business unit level, with each management team identifying its top risks in terms of likelihood and impact and their potential "value at risk" estimated in U.S. dollars. The management team then recommends whether or how the risk can be avoided, mitigated, or transferred.

The individual business unit assessments are then aggregated and prioritized by the company's senior leadership, with the most significant threats, trajectories, and associated action plans presented to the

company's Board of Directors for review. With feedback from the Board, the action plans are implemented, subject to periodic progress reports and audits. Risks identified by the business units but not included among the corporate priorities presented to the Board are still subject to monitoring at the business unit's operational meetings with senior management.

Information and Technology Risk Management

Verisk maintains an ISO/IEC 27001 certification, an internationally recognized best practice framework for information security management systems. A critical step in the certification process involves the identification of threats to an organization's information security—including threats emanating from climate-related hazards—and the organization's adoption of controls warranted by the level of risk.

Verisk also follows the NIST (National Institute of Standards and Technology) cybersecurity framework designed to ensure the protection and resilience of critical infrastructure. The framework consists of standards, guidelines, and best practices to manage cybersecurity risk, regardless of its cause.

Global Protection Services

Verisk's Global Protection Services team contributes to the company's risk management efforts by addressing issues involving physical security, crisis management, and employee safety.

The team provides physical security assessments for current and proposed Verisk offices to highlight possible threats

and weaknesses and makes recommendations to business unit management to avoid or mitigate potential risks to health, safety, and business operations.

The team prepares for and responds to numerous safety and security events, including major weather events, wildfires, earthquakes, and civil unrest. It combines intelligence feeds from private and public sources to assist in timely and holistic preparation, response, and mitigation efforts. It has also implemented a mass communication system that enables robust administration and rapid communication with employee populations during an emergency. The team monitors and notifies employees of risks that may be associated with their business travel.

During the pandemic, the team has led the company's efforts to ensure the safety of employees and workspaces. In addition, it designed and conducted business continuity tabletop exercises for each of Verisk's businesses.

Metrics and Targets

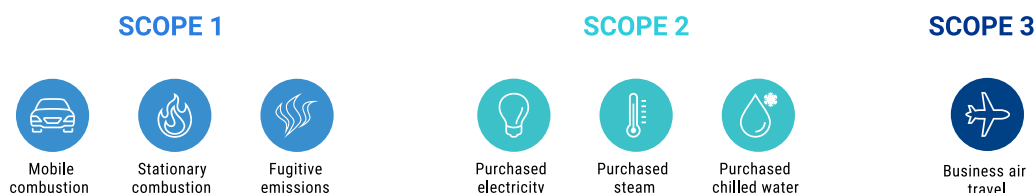
Emissions Reporting

Verisk completed CDP's 2021 Climate Change Questionnaire, using investments in RECs and carbon offsets to balance 100% of its reported Scope 1, Scope 2, and Scope 3 (business air travel) emissions for the fourth consecutive year. Notwithstanding these investments, Verisk continues to fully disclose its emissions on both a location and a market basis.

As in prior years, Verisk engaged independent accounting firm PricewaterhouseCoopers LLP to externally assure the emissions data. Its review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Its report can be found here: <https://vrsk.co/3uKxfvP>

The Location-Basis chart below summarizes results for the six-year period, 2015-2020. One hundred percent of the

units conducting business within the Verisk family of companies are included for their respective years. Results are presented on an unadjusted basis—that is, reflecting the full or partial year effects of all acquisitions and divestments occurring during the period.



Verisk Inventory of Greenhouse Gas Emissions

MT CO₂e

Location-Basis Summary

	2015	2016	2017	2018	2019	2020
Scope 1	3,800.1	3,471.1	4,607.9	6,830.8	8,721.2	2,607.5
Scope 2	12,496.1	12,086.6	11,776.0	12,954.6	11,649.1	9,539.2
Scope 3	7,735.6	8,093.8	8,152.2	9,775.6	9,998.4	1,927.6
TOTAL	24,031.8	23,651.5	24,536.1	29,561.0	30,368.7	14,074.3

Market-Basis Summary¹

	2017	2018	2019	2020
Scope 1	4,607.9	6,830.8	8,721.2	2,607.5
Scope 2	1,427.7	431.3	138.6	431.5
Scope 3	8,152.2	9,775.6	9,998.4	1,929.3
Total	14,187.8	17,037.7	18,858.2	4,968.3
Carbon Offsets Retired	(14,188.0)	(17,038.0)	(18,859.0)	(4,969)
BALANCE	0	0	0	0

1. Verisk began purchasing RECs and carbon offsets in 2017.

Overall, the company's 2020 emissions decreased significantly compared to the prior year. Emissions categorized as Scope 1—which arise from the combustion of fuels purchased in pure form, such as gasoline, oil, and natural gas—decreased by approximately 70%. The difference was attributable in large part to the divestiture of Geomni's aircraft operations, as well as a COVID-related decline in the miles traveled by staff conducting on-site field surveys for insurers.

On a location-basis, emissions defined as Scope 2—the purchased electricity, chilled water, and steam used in offices and data centers—totaled 9,539 MT CO₂e, a year-

over-year decrease of approximately 18%. The result was attributable to a combination of factors, including the strategic consolidation of Verisk offices, the ongoing transition of data processing activities to more efficient cloud-based platforms, COVID-related effects on in-office operations, and, to a lesser extent, divestments involving Geomni and Intellicorp. On the other hand, the emissions of several acquisitions made during 2019 and 2020 were added in full or in part for the first time.

Not surprisingly, emissions associated with business air travel, reported voluntarily as Scope 3, declined approximately

81% because of COVID-related limitations on business travel during most of the year.

On a market-basis, Scope 2 emissions totaled approximately 432 MT CO₂e, about 5% of the total calculated on a location-basis. The difference is attributable to Verisk's investments in RECs, a practical option for a company of Verisk's size and circumstances that doesn't own its facilities and is therefore unable to produce or purchase renewable energy directly.



RECs are tradeable, nontangible energy commodities that represent the benefits of generating 1 megawatt-hour (MWh) of renewable energy. During 2020, the company purchased RECs representing more than 28,000 MWh of electricity, supporting renewable energy projects in many countries where Verisk has offices. The largest of these investments were made in the Persimmon Creek Wind Farm in the United States, the Kype Muir Wind Farm in Scotland, the Allain Duhangan Hydropower Plant in India, and the Gros-Morne Wind Farm in Canada.

Verisk also purchased carbon offsets, which support emissions reductions that take place outside the company's operations. Each offset represents a metric ton of carbon and carbon-equivalent emissions avoided or reduced. For 2020, Verisk used them to offset nearly 5,000 metric tons of emissions. The offsets were generated by efforts to reduce emissions at landfills in Illinois and Virginia.

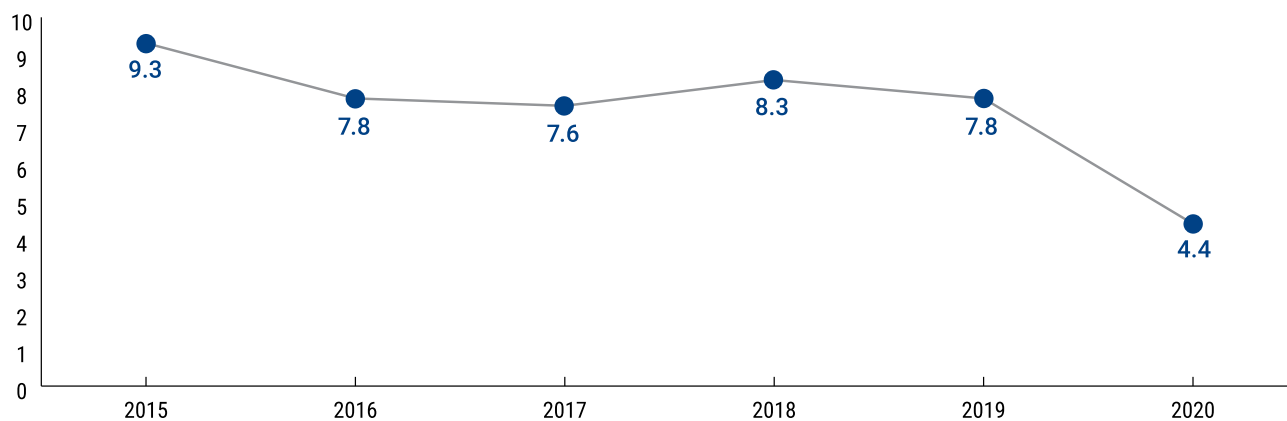
Third parties, including Green-e Energy, the International REC Standard, and the Verified Carbon Standard, certified all projects according to international standards.



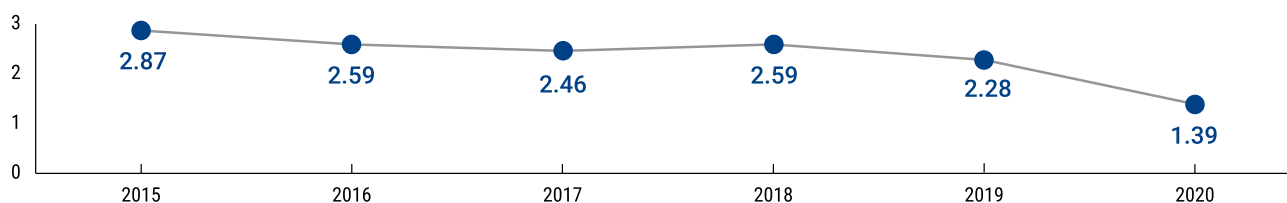
Emissions Intensity (Location-Based)

Putting the results into perspective, the following charts compare trends in Verisk's location-based emissions intensity (Scope 1 and 2) measured on the basis of revenue (per million \$) and employee counts (per average full-time equivalent employees). The trends are measured from 2015, the year of the company's first emissions inventory, and are unadjusted for the effects of acquisitions and divestments.

Emissions Intensity: Revenue MT CO₂e / Revenue \$ (Millions)



Emissions Intensity: Average Full-Time Equivalent Employees MT CO₂e / Average FTE



Targets

During 2021, Verisk committed to a 21% reduction in absolute Scope 1 and 2 GHG emissions by 2024, compared to a 2019 baseline.

In selecting the targets, Verisk collaborated with Ecometrica, an accomplished provider of sustainability metrics software and services. Ecometrica has supported Verisk's GHG accounting and CDP reporting since 2017. They quantified several options using the latest Science Based Targets (SBT) guidance. Verisk adopted the most ambitious option aligned with a 1.5° C global future, calculated in accordance with the SBT's absolute contraction approach. This approach supports how much and how quickly companies need to reduce their GHG emissions to limit the most serious effects of climate change.

To ensure consistency in comparing the results over time, the baseline was adjusted to reflect the full-year effects of acquisitions and divestments made at various points during 2019. Similar adjustments may be necessary to account for acquisitions and divestments made during the 2020–2024 reporting period. The first progress report will follow completion of the 2021 emissions inventory, which is currently underway.

Emissions Reduction Plan

The company remains focused on implementing meaningful physical and operational changes to drive a long-term emissions reduction strategy. Some have already been completed, some are in motion, and others are planned for the reporting period. Here are the key elements.

Site Selection

Measured by square footage, more than half of Verisk's total leased office space worldwide is located in buildings that have been accredited in accordance with LEED or other internationally recognized building standards. These include Verisk's head-

quarters in Jersey City, New Jersey (LEED Gold for commercial interior); the company's Eastern and Western data centers (both LEED Gold); a Verisk IT center in Hyderabad, India (recognized by the Indian Green Building Council's LEED rating system as a Gold property); the headquarters hubs for Verisk business units in Boston and Houston (both LEED Gold); and the headquarters hub for Verisk business units operating in London (BREEAM Excellent sustainability rating).

The first three of these properties—Verisk's headquarters in New Jersey, and its Eastern and Western data centers—accounted for more than half of the company's total electricity consumption during 2020.

Office Consolidations

In the recent past, Verisk closed or consolidated a number of smaller offices in Asia, Europe, and the United States. During 2021, multiple Verisk offices in Boston and London consolidated into new energy-, water-, and waste-efficient business centers featuring innovative designs, sustainable materials, LED lighting, and commuter-friendly options. The London center is powered 100% by renewable energy.

Verisk is actively reviewing options for additional consolidations and closings as business needs evolve and leases expire.

Space Optimization

Investments in the company's IT infrastructure already support a remote working environment for employees that's reliable, stable, and efficient. Consequently, Verisk will be introducing more flexible telecommuting options post-pandemic, a change that will diminish current and forecasted space needs.

Operational Efficiencies

During the last several years, the company migrated much of its internal data processing from Jersey City and other individual

offices to the Eastern and Western data centers, both LEED (Gold) facilities. Verisk has since begun transitioning its processing activities to more efficient cloud-based platforms.

On a smaller scale, the company expects to continue to purchase more resource-efficient equipment for offices, office kitchens, and lavatories, and reduce the number of printers and copiers.

Automobile Fleet

Over the years, the fuel efficiency of Verisk's automobile fleet has improved as end-of-service vehicles have been replaced with more fuel-efficient models, including hybrids. This process will be accelerated, subject to vehicle or model availability.

Reduced Business Air Travel

The lessons of the pandemic and the upgrade in communications and networking platforms have prompted changes to Verisk's guidelines regarding internal and customer-related travel.

Next Steps

The aforementioned targets and emissions reduction plan is the first step in a longer-term strategy to hold the company accountable while moving toward adoption of approved science-based targets and taking meaningful steps evidencing a formal net zero commitment.

