

2022 Climate Disclosure Report

Verisk's sustainability team is currently working with an independent consultant to help the Company complete a report meeting the expectations set forth by the Task Force on Climate-Related Financial Disclosures (TCFD). As part of the exercise, the Company is conducting the requisite physical- and transition-risk scenario analyses assessing the impact of climate change on both Verisk's direct operations and across key elements of its value chain. The team is also engaging with internal stakeholders regarding Verisk's current risk-assessment activities and framework for identifying climate-related opportunities. The report is expected to be published in late 2023.

As a separate but concurrent exercise, the sustainability team and consultant are conducting a process for setting emissions reduction targets that (1) meet the requirements of the Science-Based Targets initiative and (2) will support a long-term Net Zero emissions mitigation commitment aligned with a 1.5°C trajectory. Verisk expects to announce such a commitment within 24 months, along with the outline of a plan supporting its achievement.

The Climate Disclosure Report presented herein provides an overview of Verisk's current climate governance; an update on climate-, weather-, and energy transition-related activities occurring during the past year; and a report on Verisk's progress to reduce its absolute Scope 1 and 2 emissions 21% by 2024, compared to a 2019 baseline.

Overview of Climate Governance

Verisk's governance framework includes Board and Board-level committee responsibility for the evaluation of major financial and operational risks to the enterprise and oversight of the Company's ESG strategy, including public disclosures. The chief executive officer and senior leadership team set strategic priorities to capitalize on opportunities, mitigate risk, and promote environmental stewardship.

| Board of Directors | Reviews major financial and operational risks to the enterprise and as part of a structured annual "Value at Risk" exercise. Monitors internal operational strategies, including those related to the security of data, vulnerabilities associated with office and work environments, and the safety of employees. Engages with senior management on business growth strategies, including those related to opportunities associated with climate change. Reviews and approves the Company's annual operating budgets, and material acquisitions and investments. |
|---|--|
| Governance, Corporate Sustainability and Nominating Committee | 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. Assists the Board by overseeing the Company's corporate sustainability program. |
| Audit Committee of the Board | Reviews the results of Verisk's annual greenhouse gas emissions inventory, including progress against emissions reduction targets. |
| Chief Executive Officer | Sets Verisk's operational agenda for addressing stakeholder expectations regarding the impact of climate change. Champions investments and resource allocations required to address strategic climate-related risks and opportunities. Promotes responsible environmental stewardship, including the measurement and disclosure of carbon-related emissions against specified emissions reduction targets. |
| Senior Vice President, Enterprise Risk Management | Reports to the chief executive officer. Advises the Board on material risk issues. Leads Verisk's 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 | Appointed by the Board and reports to the chief executive officer. Provides leadership in aligning corporate priorities with the sustainability expectations of stakeholders. Chairs the Sustainability Council, leads the company's annual emissions inventory, and communicates Verisk's ESG stewardship commitments and progress to internal and external audiences. |

Verisk Enlists Leading Climate Experts to Help Guide Strategy

Verisk has welcomed four leading climate experts to serve on a newly created Verisk Climate Advisory Council. Advisory Council members will provide strategic guidance on the evolving state of climate change and feedback on the solutions Verisk is developing, such as the climate conditioning of Verisk's extreme event models. Council members will also be invited to present research specific to their areas of specialty.

The initial members of the Advisory Council are:



Cindy Bruyère

Director for the Capacity Center for Climate and Weather Extremes at the National Center for Atmospheric Research, whose research focuses on the impact of weather and climate extremes



Henk Dijkstra

Director of the Centre for Complex Systems Studies at Utrecht University, whose research focuses on understanding the physics of the large-scale ocean circulation and the role of the ocean in the climate system





Kenneth E. Kunkel

A research professor of atmospheric sciences at North Carolina State University and lead scientist for assessments with the North Carolina Institute for Climate Studies, whose research focuses on climate variability and change, particularly related to extreme weather and climate events

Park Williams

Associate professor in the Department of Geography at the University of California, Los Angeles, a hydroclimatologist whose research focuses on the causes and consequences of changes in water availability across earth's continents, including drought and wildfire

Opportunity Update

Verisk supports customers with an array of climate and weather services including global risk-assessment indices, extreme event models, individual risk and portfolio management tools, event response and claims management platforms, and more. The Company also publishes research and commentary, provides thought leadership on emerging trends, and sponsors expert broadcasts and stakeholder forums addressing topics relating to climate change and the energy transition.

Global Risk Assessment Indices

Verisk, RiskSpan Bring New Climate Risk Management Tools to the Housing Finance Industry

Verisk has collaborated with mortgage analytics firm RiskSpan to create a first-of-its-kind solution for measuring and mitigating the risks of climate change in housing finance transactions. The effort unites Verisk's leading extreme event models, data, and climate analytics with RiskSpan's loan-level approach to mortgage credit and prepayment modeling.



With extreme events posing a significant risk to the finance industry, lenders are already facing increased pressure to factor climate risk into their decision making. Verisk estimates that 62 million residential locations are at moderate to extreme risk of flooding alone.

The collaboration has resulted in complementary solutions, including loan-level scoring and climate stress testing, and applications for loan screening, portfolio management, and financial disclosures.

Extreme Event Models

Verisk Releases Climate Change Projections for U.S. Hurricane and Caribbean Tropical Cyclone Models

Verisk has released climate change projections for its U.S. Hurricane and Caribbean Tropical Cyclone Models that can help quantify climate-related extreme event losses and their potential evolution over the next few decades.

The climate change projections provide a probabilistic view of future risk in 2030, 2050, 2075, and 2100 across various socioeconomic and greenhouse gas concentration pathways. They can be leveraged to assess future losses for residential, commercial/industrial, manufactured (mobile) homes, and automobile lines of business. They can also inform climate risk reporting to regulators, investors, and other stakeholders; enable stress-testing and rebalancing of portfolios; and provide peril-specific insights that lead to appropriate mitigation and adaptation strategies.

The projections are based on the latest international research and simulations of hurricanes, including findings that followed from a 2021 collaboration among experts from the Brookings Institution, AXIS Capital Holdings Limited, and Verisk Extreme Event Solutions. That research indicated climate change will increase the frequency of the strongest hurricanes and create additional storm surge flooding caused by rising sea levels.



Individual Risk Assessment

Verisk Helping Insurers Comply with New Wildfire Regulation in California

Verisk has enhanced its wildfire assessment solution—FireLine® to help insurers comply with a new regulation adopted by the California Department of Insurance, which requires them to account for property- and community-level wildfire mitigation efforts in their filed rating plans.



The latest version of FireLine incorporates all mandatory factors. At the property level, FireLine tracks mitigation activities surrounding defensible space zones and structure hardening efforts. At the community level, the solution identifies attributes represented by Firewise USA® sites as designated by the National Fire Protection Association (NFPA) and Fire Risk Reduction Communities as designated by the California Department of Forestry and Fire Prevention. These property- and community-level details complement the foundational factors already delivered by FireLine, such as fuel type, land slope, and access for firefighting.

Additionally, Verisk is actively updating its advisory rating materials to give insurers a head start in evaluating potential premium credits and delivering the associated policyholder notices.

Event Response and Claims Management

Verisk Expands Product Suite with Interactive Platform to Analyze Impact of Severe Weather

Insurers, first responders, and supply-chain professionals can now analyze the impact of severe weather more effectively with Verisk's newly enhanced, web-based weather analytics data solution.

Verisk's Respond® mapping and analytics platform, Respond MAP™, enables users to combine valuable weather data with locations of interest, such as in-force policies, to quickly evaluate the impact of major weather events on people and property. The platform features five-day forecasts for hurricanes and tropical storms issued by Verisk's Weather Solutions team and leverages artificial intelligence, geospatial technology, and robust property and claims data to analyze damage. The combination makes it easier and quicker to identify properties potentially exposed to the storms, possibly enabling proactive warnings to policyholders and property owners, which may help mitigate damage.

During Hurricane Ian, Verisk worked with the Vexcel Data Program, the world's largest aerial imaging program, to integrate pre- and post-hurricane aerial imagery into Respond MAP. On behalf of its partner, Geospatial Insurance Consortium, Vexcel deployed multiple fixed-wing aircraft with market-leading cameras to collect the high-resolution imagery.



Respond MAP displays hail size data for a 2022 storm affecting the Dallas, Texas metro area.

Support U.S. Federal Interagency Management Efforts

With initial sponsorship by the U.S. Space Force, and working in coordination with the U.S. Forest Service, Verisk has developed and deployed an automated system enabling the detection and real-time tracking of active wildfires throughout the United States.

Verisk's Fire Autonomous Detection and Dissemination System (FADDS) uses real-time feeds from the GOES-R geostationary satellite system, combined with cloud detection and spectral sampling algorithms, to provide timely detection of new wildfire starts and continued monitoring of established fires. FADDS delivers quantitative information on wildfires, including wildfire location, boundaries, intensity, temperature, and effective burning area.

GOES-R generates data sets that are updated over the continental United States every five minutes. FADDS runs continuously on the Amazon Web Services commercial cloud, producing GIS shapefile wildfire depictions every five minutes as well. These rapid updates represent a significant advance over existing methods, where observational gaps of many hours frequently occur.

Wildfire poses an ever-increasing threat to communities, especially those in the western United States, which is experiencing a trend toward more frequent and larger fires within an extended fire season stemming from high temperatures combined with drought conditions. Meanwhile, according to the U.S. Department of Homeland Security, the wildland– urban interface has been expanding by more than two million acres each year.

Energy Portfolio Assessments and Tools

Enhancements Strengthen Wood Mackenzie's Emissions Benchmarking Tool

Several significant enhancements have strengthened Wood Mackenzie's Emissions Benchmarking Tool, helping customers, investors, and policymakers achieve greater insight into their emissions profiles and reduction efforts.

The Emissions Benchmarking Tool provides an objective assessment of carbon emissions across the oil, gas, metals, and mining industries on an asset-by-asset basis. Output informs strategic decisions on emissions risk management via competitive benchmarking, portfolio analysis, and economic impact assessment.



The recent enhancements included the addition of Scope 3 emissions for upstream and downstream oil and gas assets, more accurate satellite data for estimation of flaring and methane leakage, integrated life-cycle analyses of crude oil and natural gas moving through the value chain, and forecasts of carbon prices in more than 220 jurisdictions.

Research and Commentary

Environmental Risk Outlook Cites Threat of Cascading Climate Risk

According to Verisk Maplecroft's *Environmental Risk Outlook 2022*, the increasing frequency of extreme weather events the world is already experiencing is likely to trigger a cascade of second-order climate risks across a huge swathe of countries. Among the risks: civil unrest, political instability, food insecurity, mass migration, and worsening human rights.

The conclusions follow from the launch of Verisk Maplecroft's Cascading Climate Risk Resilience Model (CCRRM), which analyzed a broad spectrum of interconnected factors, such as physical exposure to weather-related events, political stability, economic power, resource security, civil unrest, poverty, respect for human rights, conflict, and strength of infrastructure—all of which are crucial factors in assessing a country's resilience.

While Africa's and Asia's developing economies will undeniably bear the brunt, the developed world will have to respond as these issues press increasingly on their borders.

The Environmental Risk Outlook acknowledges that organizations and governments are beginning to create extensive mitigation plans for physical climate threats. On the other hand, low levels of investment in looking at the secondary risks show that most are almost entirely unprepared to deal with the wider political, economic, and developmental impacts of a warming planet.

Client and Industry Engagement

Energy Thought Leaders Featured on Wood Mackenzie Podcasts

Two leading podcasts produced by Wood Mackenzie—*The Energy Gang* and *The Interchange Recharged*—concluded another successful year bringing together thought leaders and covering topics associated with the energy transition.

The Energy Gang focused on U.S. energy policy, renewables supply chains, COP 27, California's energy grid, and the energy crisis in Europe. The Interchange Recharged featured emerging clean energy tech firms and tackled topics including community solar, wind storage, sustainable maritime, and more.

Among the featured guests on the podcasts: Elliot Mainzer, president and CEO of California ISO, which operates the power grid serving 80% of California; Fredrik Mowill, CEO of Hystar, a company specializing in the production of hydrogen; Dr. Melissa C. Lott, senior research scholar and director of research at Columbia University's Center on Global Energy Policy; and Jacob A. Sterling, head of ocean decarbonization and innovation at Maersk.

The podcasts have been downloaded more than 13 million times since 2017.



To learn more, visit: https://vrsk.co/3LbLOSJ.

Metrics and Targets

Emissions Reporting

For the fifth consecutive year, Verisk balanced 100% of the Scope 1, 2, and 3 (business air travel) emissions it reported in conjunction with CDP's annual climate change questionnaire. The outcome was achieved largely by reducing energy consumption across the company and investing in renewable energy certificates (RECs). A small number of carbon offsets were applied to balance the remainder.

As in prior years, Verisk engaged an independent accounting firm 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 at https://vrsk.co/3T35das.

In the interest of transparency, Verisk fully discloses its emissions data on both a location-and marketbasis, with and without the application of carbon offsets.

The chart below summarizes absolute emissions for the five-year period 2017-2021. Results for the latest year represent 100% of Verisk's business units globally, including five acquisitions that began reporting the first full calendar month following their integration. Emissions associated with Verisk 3E and Verisk Financial are also included in the results, despite the subsequent divestments of both units during early 2022.

travel



Verisk Inventory of Greenhouse Gas Emissions¹ MT CO₂e

Location-Basis Summary

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------|----------|----------|----------|----------|----------|
| Scope 1 | 4,607.9 | 6,830.8 | 8,721.2 | 2,607.5 | 2,913.0 |
| Scope 2 | 11,776.0 | 12,954.6 | 11,649.1 | 9,539.2 | 7,910.6 |
| Scope 3 | 8,152.2 | 9,775.6 | 9,998.4 | 1,927.6 | 688.2 |
| TOTAL | 24,536.1 | 29,561.0 | 30,368.7 | 14,074.3 | 11,511.7 |

Market-Basis Summary²

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------|------------|------------|------------|-----------|-----------|
| Scope 1 | 4,607.9 | 6,830.8 | 8,721.2 | 2,607.5 | 2,913.0 |
| Scope 2 | 1,427.7 | 431.3 | 138.6 | 431.5 | 392.4 |
| Scope 3 | 8,152.2 | 9,775.6 | 9,998.4 | 1,929.3 | 693.4 |
| Total | 14,187.8 | 17,037.7 | 18,858.2 | 4,968.3 | 3,998.7 |
| Carbon Offsets Retired | (14,188.0) | (17,038.0) | (18,859.0) | (4,969.0) | (3,999.0) |
| BALANCE | 0 | 0 | 0 | 0 | 0 |

1. Totals are rounded

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

Measured on a location-basis, Verisk's total 2021 Scope 1 and 2 emissions decreased nearly 11% over the prior year. Scope 1 emissions-largely attributable to the Company's automobile fleet in the United Statesincreased approximately 11.8% as location-specific survey activity began returning to pre-pandemic levels. However, Scope 2 emissions-attributable to the purchased electricity, chilled water, and steam used in offices and data centers-decreased 17% as the Company continued its strategic consolidation of offices and the transition of data processing activities to more energy-efficient cloud-based platforms.

Measured on a market-basis, Scope 2 emissions totaled 392.4 MT CO2e, a decrease of approximately 9% over the prior year.

The significant difference between reporting Scope 2 emissions on a location-versus-market-basis is attributable to Verisk's investments in energy-attribute certificates (such as RECs). RECs are market-based instruments conveying property rights to the environmental attributes of energy generated from renewable sources such as solar, wind, hydropower, or biomass, with each REC representing one megawatt hour (MWh) of electricity.

During 2021, Verisk applied such instruments in virtually every region where it operates, the total representing 24,778 MWh of electricity from renewable sources—or approximately 95.6% of the Company's total Scope 2 consumption.

RECs applied by Verisk were associated with the Persimmon Creek Wind Farm in the United States, the Drax Power Station in England (which uses biomass to generate power), the East Point Wind Farm in Canada, the Qirehata'er Hydropower Station in China, Shivalakha Solar Energy in India, and the Mashabe Sade solar installation in Israel, among others.

RECs are the best renewable energy option for a company of Verisk's circumstances: A decentralized global energy footprint with its businesses and data centers operating from leased spaces, often in multi-tenant buildings—factors that make it impractical (if not impossible) for Verisk to purchase renewable energy directly.

Carbon offsets support emissions reductions outside the company's operations, each representing a metric ton of carbon dioxide avoided or reduced. In 2021, Verisk retired 3,999 offsets from carbon capture projects undertaken by the Rockingham County Landfill in Virginia.

RECs and carbon offsets utilized by Verisk are certified by various independent organizations, including the International REC Standard and Verified Carbon Standard.

In addition to reporting on an absolute basis, the Company also discloses trends in emissions intensity as functions of both annual revenue and average annual full-time employee equivalent.



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 annual 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: Average Annual Full-Time Equivalent Employees MT CO, e / Average FTE



Progress Against 2024 Emissions Reduction Target

The results indicate that Verisk exceeded its target to reduce absolute Scope 1 and 2 emissions 21% by 2024, compared to a 2019 baseline.

The target was calculated by Ecometrica, an accomplished provider of sustainability software and services using Science Based Targets guidance aligned with a 1.5° global future. Progress against the target was measured on a location-basis—that is, before the application of RECs or carbon offsets.

Verisk's actual reduction through year-end 2021 stood at 26.6%. It was principally attributable to two factors.

More Efficient Data Processing

During 2015, the Company took the first steps of a longer-term strategy to reduce costs and increase efficiency by transitioning its main data processing operations from Verisk's Jersey City headquarters to facilities certified to LEED (Gold) standards operating in the eastern and western United States. In subsequent years, Verisk further concentrated its processing footprint by consolidating operations hosted by individual business units, including many legacy operations inherited by Verisk through acquisitions. More recently, the Company accelerated efforts to capitalize on the cost and efficiency benefits offered by cloudbased platforms, a transition already under way and expected to continue through the immediate future.

The transition to the cloud has enabled Verisk to eliminate its mainframe computers and dismantle their associated operating environments. It has also significantly reduced the number of servers, the amount of storage, and the volume of cooling power required for what remains of in-house activities. Moreover, the lead provider of Verisk's cloud-based services utilizes 100% renewable energy and offers inherent operational efficiencies that enable it to perform the services at a small fraction of the total emissions that would have been generated by Verisk.





Office Consolidations and Space Optimization

Verisk has aggressively moved to reduce physical space and consolidate business operations into more modern, energy-efficient facilities. Over the course of the past two years, Verisk consolidated seven offices spread across metropolitan Boston and London into two modern and energy-efficient business centers. In addition, the Company closed or reduced the amount of leased space involving more than a dozen smaller offices across Asia, the United States, and the United Kingdom.

In Boston, four offices were consolidated into a LEED-certified business center, reducing the Company's overall office footprint by more than 20,000 square feet. Approximately 30% of the power consumed by the building comes from renewable sources. The interior features LED lighting, occupancy sensors, Energy Star appliances, low-flow-rate plumbing fixtures, and numerous structural and design features meeting high environmental standards.

In London, three offices were consolidated into a business center awarded a BREEAM Excellent sustainability rating. The building operates on certified 100% renewable electricity and features LED lighting. The building has also adopted circular economy principles and aims to achieve a 95% recycling rate and a 5% reduction of all waste, year on year.

On a smaller scale, the closings and consolidations also translate to fewer servers, printers, and appliances and a corresponding resource reduction.

In addition to the actions described above, Verisk's investments in technology to support remote working capabilities have led to implementation of a hybrid work model and enabled greater flexibility in optimizing leased space and reducing business travel.

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