

United Nations Global Compact

2020

Communication on
Progress



About Verisk



Helping customers manage risk is at the heart of what we do. Using our data and insights, tens of thousands of customers in insurance, energy and specialized markets, and financial services, including more than 70 percent of the FORTUNE 100, can make better decisions about the risks they face—decisions that affect millions of lives each day.

Our story of growth and innovation has taken us from our roots in 1971 as a not-for-profit advisory and rating organization serving U.S. insurers to a privately held for-profit firm to the publicly held global data analytics provider we are today. We now serve customers around the world from our more than 100 offices in 34 countries.

We use artificial intelligence, machine learning, advanced predictive analytics, and other emerging technologies to collect and analyze billions of records. The breadth and depth of our unique data, deep industry knowledge of the markets we serve, and ongoing collaborations with our customers help us create long-term value for all our stakeholders.

Our People

Our 9,000 employees include actuaries, commercial bankers, data scientists, engineers, insurance analysts, natural resources specialists, physicists, predictive modeling experts, and supply chain analysts. This highly accomplished team is dedicated to helping customers succeed and remain competitive.

As a certified Great Place to Work[®] for the fifth consecutive year in the U.S. and for the first time in the UK, India, and Spain, we bring to work our data analytics mindset, our drive to innovate, our customer focus, and our passion for continuous improvement. The Verisk Way[™]—to serve, add value, and innovate—guides how we help customers and what we expect of ourselves.

Our Purpose

Much of what we do makes the world better, safer, and stronger. We're committed to environmental and social responsibility, advancing issues of global consequence, and acting with uncompromising integrity. We foster an inclusive and diverse culture where all team members feel they belong.

Headquartered in Jersey City, New Jersey, Verisk is traded on the Nasdaq exchange and a part of the S&P 500 Index and the Nasdaq-100 Index.

For more information, please visit www.verisk.com

For more information on Verisk's Corporate Social Responsibility Program, visit www.verisk.com/csr



STATEMENT OF SUPPORT

We're pleased to submit Verisk's first United Nations Global Compact (UNGC) Communication on Progress, reaffirming our support for the Ten Principles of the UNGC and reporting on Verisk's efforts to advance the Sustainable Development Goals within our sphere of influence.

During a period marked by the combined headwinds of a pandemic and economic turbulence, social upheaval, and continuing political divisions, I'm particularly proud of what we were able to accomplish.

We gave heightened visibility to our principles and policies through a mandatory company-wide training program, featuring modules addressing Anti-Bribery and Corruption, Modern Slavery, and Workplace Harassment for Employees and Managers, among other topics.

We continued to develop an inspired workforce through competitive compensation and benefits, a welcoming and supportive atmosphere, personal and career development opportunities, and work/life balance. Doing so helped the company earn our highest employee engagement scores yet and recognition by Great Place to Work® for the fifth consecutive year in the United States and for the first time in the UK, India, and Spain.

For the third consecutive year, we balanced 100 percent of the company's reported Scope 1, 2, and 3 (business air travel) greenhouse gas emissions through purposeful energy reduction initiatives and investments in renewable energy certificates and carbon offsets.

As a company whose research and solutions often lie at the intersection of good business and sound public policy, we're especially proud that our work helped advance achievement of the Sustainable Development Goals. We're also proud of our continuing support for global and local communities, frequently combining Verisk's financial assistance with data analytics and professional expertise to drive outcomes that funds alone couldn't achieve.

It's that pride, the global reach of our business and employees, and the challenges inherent in the UNGC Principles and Sustainable Development Goals that inspire us to do more. On behalf of Verisk's Board of Directors and all my teammates, I fully support the company's commitment to action for our policies, people, work, environment, and communities.

Sincerely,

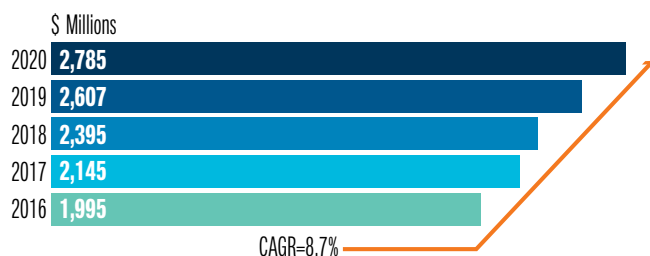
Scott G. Stephenson
Chairman, President, and Chief Executive Officer

FINANCIAL HIGHLIGHTS

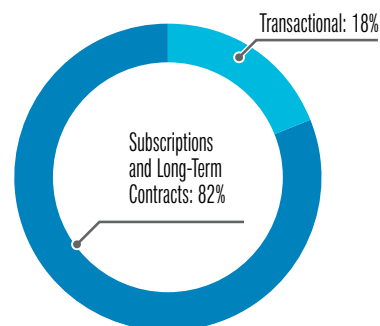
2020 revenues were \$2.78 billion, and adjusted EBITDA was \$1.38 billion.

From 2016 to 2020, Verisk revenues increased at a compound annual growth rate (CAGR) of 8.7%. Adjusted EBITDA¹ increased at a CAGR of 8.4%.

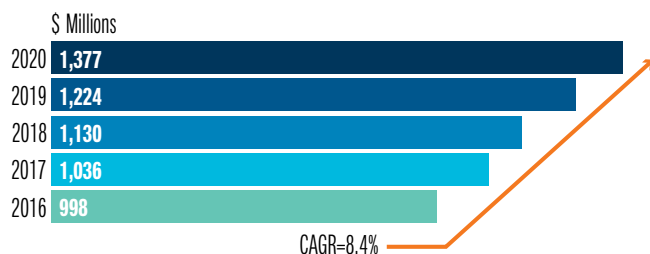
Revenues



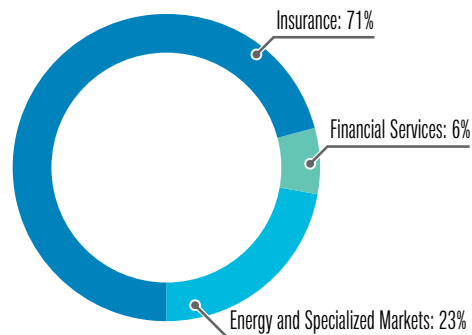
2020 Revenue Types



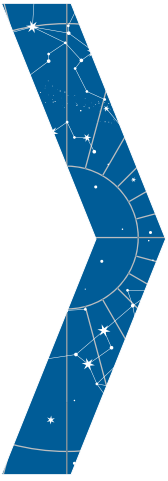
Adjusted EBITDA



2020 Revenues by Vertical Market



1. Adjusted EBITDA represents EBITDA adjusted for acquisition-related costs (earn-outs), gain/loss from dispositions (which includes businesses held for sale), nonrecurring gain/loss, and interest income on the subordinated promissory note. Adjusted EBITDA expenses represent adjusted EBITDA net of revenues.



OUR APPROACH TO SUSTAINABILITY

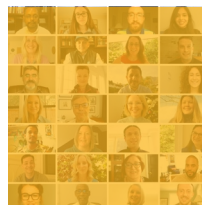
Verisk has adopted a multi-layered approach to sustainability, integrating the expectations of our key stakeholders – customers, employees, communities, and investors – within an operational framework designed to achieve long-term value creation.



Five elements of the framework intersect with our commitment to the UN Global Compact’s Principles and the Sustainable Development Goals. They are featured in the following sections of our 2020 Communication on Progress:



Policies:
the principles and policies governing our expectations and behaviors



People:
our commitment to create a work environment and work experience that promotes enthusiasm and engagement among our employees



Work:
a celebration of work that benefits people or communities, or otherwise contributes to the greater good



Environment:
a meaningful commitment to environmental stewardship



Communities:
support for organizations addressing issues of consequence for our global, national, or local communities

Next Steps

Verisk is currently conducting a sustainability materiality assessment and will incorporate relevant feedback from stakeholders to refresh our sustainability strategy during 2022.



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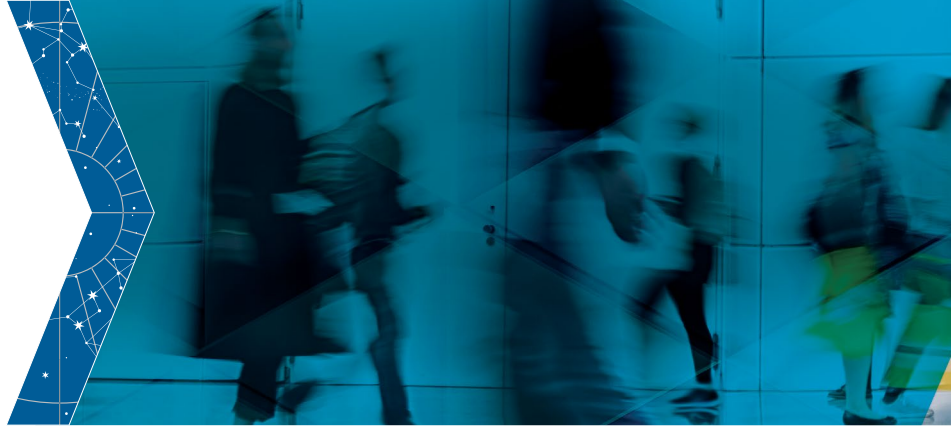
POLICIES

Verisk is a leading data analytics provider helping customers protect people, property, and financial assets worldwide. The Verisk Way—to serve, add value, and innovate—reinforces our commitment to conduct business in a responsible environmental, social, and governance framework.

UNGC
Principles

1, 2, 3, 4, 5, 6, 7, 8, 10

RESPONSIBLE GOVERNANCE



We're committed to achieving a governance framework that evolves according to stakeholder expectations and promotes a diversity of informed opinions, objective assessments of risks and opportunity, the protection of physical, financial and intellectual assets, the fair treatment of employees, appropriate standards of conduct, and clear responsibility and accountability for outcomes.

Our comprehensive scheme of governance involves the following policies, among others:

[Code of Business Conduct and Ethics](#)

commits Verisk to the highest level of ethical conduct in all of its business activities. Specific provisions include, but are not limited to, "Compliance with Laws, Rules, and Regulations" to "Equal Opportunity, Nondiscrimination, and Fair Employment."

[Anti-Bribery and Corruption Policy](#)

details Verisk's zero tolerance policy toward bribery and corruption involving those employed by or associated with the Company. Specific provisions address a range of issues including but not limited to annual risk assessments and training, reporting and restrictions involving hospitality and business gifts, government official travel expenses, facilitation payments, donations, political contributions, and payments to trade associations.

[Supplier Code of Conduct](#)

sets forth basic principles and expectations for suppliers doing business with Verisk. The Code acknowledges that Verisk supports the protection of internationally proclaimed human rights and expects suppliers "to conduct their activities in a manner that respects human rights as set out in the United Nations Declaration of Human Rights." The Code further addresses Verisk's expectation that suppliers will uphold labor practices including freedom of association, zero tolerance for harassment, prohibitions on underage labor, and more.

Verisk's annual [Statement on Modern Slavery](#) describes our efforts to address the risk of modern slavery, forced labor, and human trafficking through a third-party credentialing process, and mandatory annual training for our workforce.

Verisk Employee Covenants define expectations for individual and workplace behavior. At the time of hire and every year thereafter, we require every employee, including our senior management, to acknowledge the Verisk Employee Covenants. The covenants include policies for equal employment opportunity, zero tolerance for harassment, obligation of confidentiality, intellectual property rights, antitrust compliance, computer and information security, personal information privacy, a smoke-free workplace, and more.

The Verisk whistleblower hotline—maintained and operated by a leading company independent of Verisk—allows employees and third parties to anonymously report alleged misconduct relating to Verisk. If an individual is aware of unlawful conduct (such as human trafficking or modern slavery) or potential improprieties (such as manipulation of financial books and records, benefits fraud, or theft of company assets), the [hotline](#) (PDF) provides an anonymous and safe way to report them. A report can also be submitted through our [online reporting site](#). Read the [Whistleblower Policy](#).

Our commitment to these principles and policies is reinforced by an annual training program, which is mandatory for all employees. Training modules cover various topics as illustrated by the chart below. In some cases, training assignments are tailored by job category, level, and geography.

Commitments Day courses included:

- Active Shooter Preparedness
- Anti-Bribery and Corruption
- California Consumer Privacy Act (CCPA)
- Confidential Information (Intellectual Property)
- General Data Protection Regulation (GDPR): An Introduction
- Global Workforce Information Handling
- HIPAA for Business Associates
- Information Security and Privacy Incident Reporting
- International SOS (travel safety and security)
- Modern Slavery
- Privacy Shield Compliance
- Security Awareness
- Workplace Harassment for Employees and Managers

Next Steps

Verisk reviews its policies and training programs on a regular basis, refreshing them as necessary to comply with applicable law or regulation and meet stakeholder expectations.



PEOPLE

Our global workforce is united by our mission to serve, add value, and innovate for our customers.

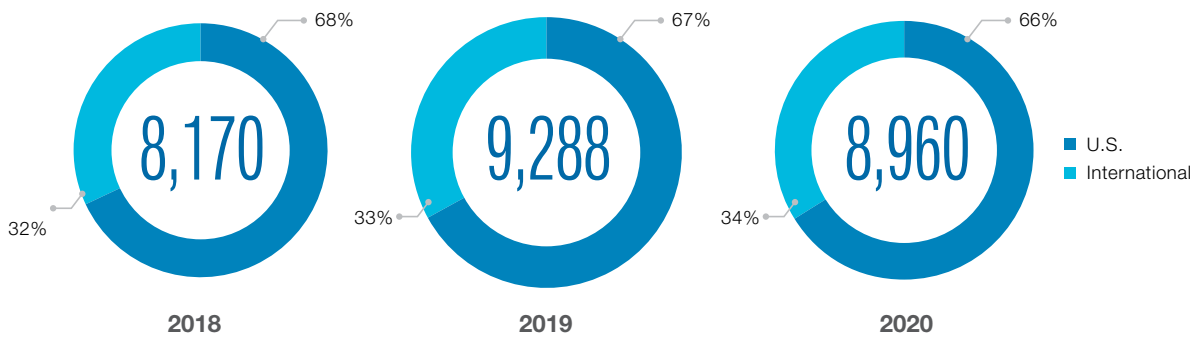
UNGC
Principles

1, 2, 3, 4, 5, 6

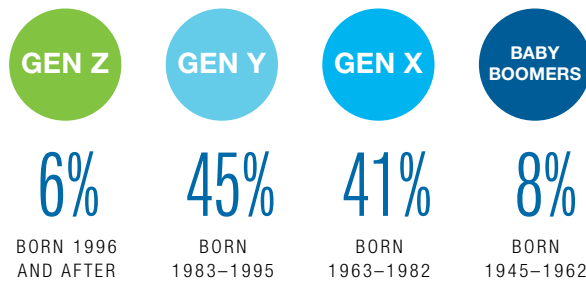


THE VERISK TEAM

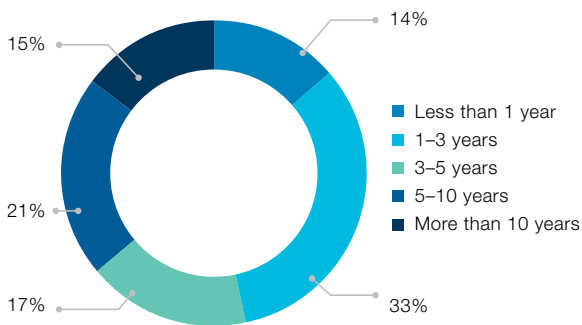
Headcount



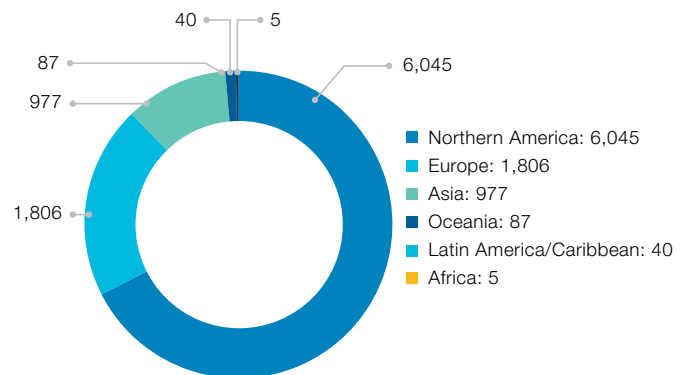
Generation



Tenure¹



Employees by Region



1. For employees who join Verisk through an acquisition, their tenure calculation starts from the date of acquisition.

A GLOBAL WORKFORCE



As a knowledge-based business, we carefully integrate the skills and talents of 8,960 employees worldwide as of December 31, 2020. Our highly credentialed team holds advanced degrees and professional certifications specializing in actuarial science, chemistry and physics, commercial banking and finance, commodity analytics, data science and artificial intelligence, economics, engineering, GIS mapping, meteorology, natural resources, predictive analytics, supply chain, and other fields.

Approximately 66% of our employees are based in the United States, 14% in the United Kingdom, 7% in India, with the remainder serving in 37 countries across the globe.





We respect and comply with laws and regulations governing labor relations wherever we do business. None of our employees are represented by unions or subject to collective bargaining agreements, other than a small number of employees in Germany who are represented by a works council. We consider our relationship with our employees

to be good and have not experienced interruptions of operations due to labor disagreements.

We support and inspire our people with a warm and professional atmosphere, personal and career development opportunities at all levels, competitive compensation and benefits, an ongoing focus on well-being, and responsive leadership.

We have a culture of continuous learning and improvement. All employees have access to our world-class online learning platform, which features thousands of courses taught by industry experts, ranging from public speaking, to balancing work and personal life, to data science fundamentals.

Our Leadership Institute also conducts four leadership development programs tailored to leaders from first-time managers to senior executives. More than 1,000 participants have graduated to date, gaining practical tools to lead themselves, others, and the business.

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|  <h2 style="margin: 0;">ALP</h2> <p style="margin: 0;">Aspiring Leader Program</p> <p style="margin: 10px 0 0 20px;">Begin to learn and model the core capabilities of great leaders at Verisk.</p> <ul style="list-style-type: none"> • 16 weeks • Requires 1–3 hours of self-study per week <p style="margin: 10px 0 0 20px;">PARTICIPANTS 2020: 51 Since 2019: 101</p> |  <h2 style="margin: 0;">FLE</h2> <p style="margin: 0;">Foundations of Leadership Excellence</p> <p style="margin: 10px 0 0 20px;">In partnership with Harvard Corporate Learning, this program helps newer managers make a successful transition from manager to leader.</p> <ul style="list-style-type: none"> • 15 weeks, self-paced • Requires 2–4 hours of self-study per week <p style="margin: 10px 0 0 20px;">PARTICIPANTS 2020: 229 Since 2017: 586</p> |  <h2 style="margin: 0;">ELP</h2> <p style="margin: 0;">Experienced Leader Program</p> <p style="margin: 10px 0 0 20px;">In partnership with Harvard Corporate Learning, this journey is specifically designed for time-stretched leaders who work at the juncture of strategy and execution.</p> <ul style="list-style-type: none"> • 16 weeks, self-paced • Requires 2–4 hours of self-study per week <p style="margin: 10px 0 0 20px;">PARTICIPANTS 2020: 152 Since 2018: 620</p> |  <h2 style="margin: 0;">LEP</h2> <p style="margin: 0;">Leadership Excellence Program</p> <p style="margin: 10px 0 0 20px;">In partnership with Harvard Corporate Learning and the University of Virginia School of Business, senior executives are enabled to collaborate, network, and develop skills aligned to Verisk's business strategy.</p> <ul style="list-style-type: none"> • 35 weeks • Requires 3–5 hours of self-study per week <p style="margin: 10px 0 0 20px;">PARTICIPANTS 2020: 37 Since 2014: 205</p> |
|--|--|--|--|

We offer competitive salaries, annual merit salary reviews, and the opportunity for advancement. In addition, our program includes an incentive compensation component for eligible job categories, paid time off (“PTO”), flextime and telecommuting options, and a 401(k) program with a 100% company cash match (up to 6%). We also offer health insurance plans, no-cost life insurance equivalent to annual salary (with the option to purchase more), a discounted stock purchase program, a variety of physical, mental, and financial well-being offerings and resources, and more. Details vary by business unit and country.

Employees can also take advantage of our [employee networks](#), grassroots groups that help support diversity-related programs and events and promote an inclusive community. As of 2020, there are eight networks: the **Verisk Women’s Network**, the **Verisk Pride Network**, the **Verisk Veterans and Military Service Members Network**, the **Verisk REACH Network** (dedicated to empowering Black employees), the **Verisk Parents Network**, the **Verisk Unidos Network** (promoting awareness of Hispanic and Latinx culture), the **Verisk Asian Network**, and the **Verisk Accessibility Network**.

To support our goal to have a workforce that reflects the diversity of the communities we operate in, our Board of Directors adopted our [Statement on Racial Equity and Diversity](#) in 2020. Its purpose is to

confront and overcome barriers to individual achievement based on race, ethnicity, gender, sexual orientation, identity, and beliefs.

Verisk disclosed its diversity metrics in conjunction with the Company’s first-ever report following standards promulgated by the Sustainability Accounting Standards Board (SASB) for professional and commercial services companies. You can [read the report here](#).

We continually strive to encourage collaboration throughout the organization, involve and empower all of our employees, and develop a diverse workforce. Surveys conducted by outside organizations and our annual employee engagement survey measure our progress against these critical metrics.

In 2020, our employee engagement score rose from 70% to 78%, and for the fifth consecutive year, we received U.S. certification from Great Place to Work® for our outstanding workplace culture. We also received first-time certification in the United Kingdom, India, and Spain. The Great Place to Work Institute is a global authority on high-trust, high-performance workplaces.



Next Steps Verisk will continue to pursue the commitments identified in our [Statement on Racial Equity and Diversity](#), and work with our Employee Networks to advance engagement.



WORK

We derive tremendous satisfaction putting the principles of The Verisk Way™ into practice. Those principles—representing core values such as integrity and passion, or exemplifying behaviors such as acting with a data analytics mindset—benefit not only Verisk’s customers but all of our stakeholders. We’re especially proud of those instances where our work has had beneficial consequences for people or communities, aligned with the UN’s Sustainable Development Goals (SDGs), or otherwise contributed to the greater good.

UNGC Principles

1, 2, 4, 5, 7, 8, 9, 10

WORKING WITH PURPOSE



Customers know Verisk through the following major businesses:

Atmospheric and Environmental Research (AER) serves government and commercial customers by improving the way we see and understand the Earth and measure the atmosphere and oceans. As part of a major scientific ecosystem, AER helps transition leading-edge research to operational uses that benefit society.

AIR Worldwide (AIR) conducts scientific research, analyzes data, and provides tools that promote greater understanding of the likelihood and consequences of a catastrophic event, including earthquake, hurricane, storm surge, and pandemic. AIR's work helps the public and private sectors plan for events, trigger and fund response, and promote resilience.

Verisk Financial offers benchmarking, scoring, analytics, and customized services for financial institutions and regulators.

ISO provides data, analytics, and decision-support services for the property/casualty insurance industry. Since 1971, ISO has been aggregating data as the basis for predictive analytics and promoting programs that incentivize loss-mitigation improvements.

PowerAdvocate provides market and cost intelligence for energy providers to optimize their business performance and financial results.

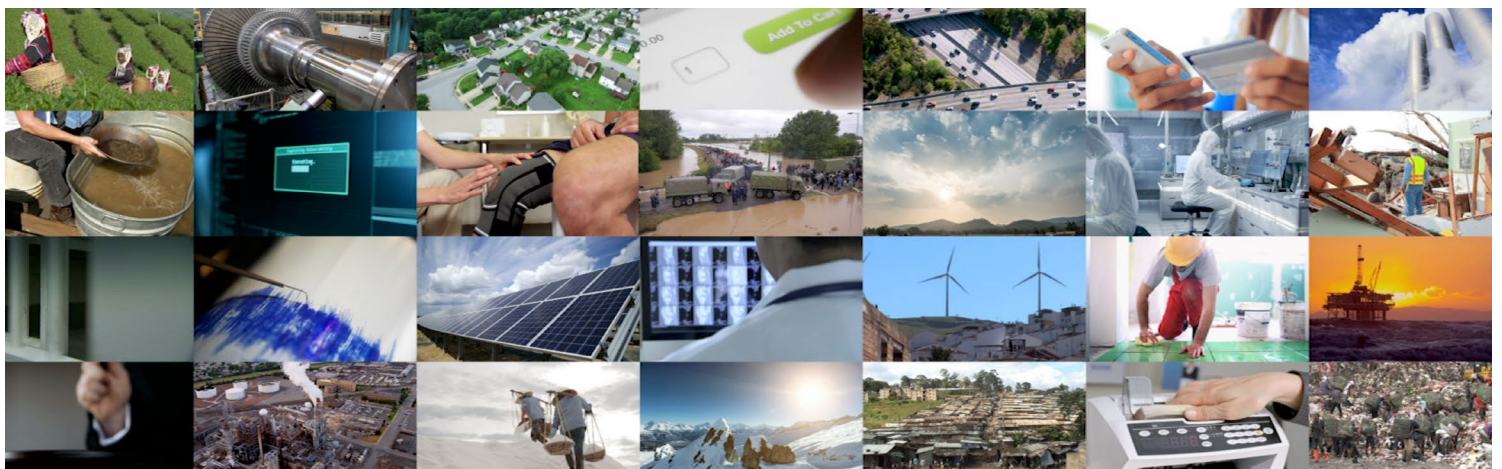
Sequel delivers a modern, powerful and integrated suite of software that provides full end-to-end management of all insurance and reinsurance business.

Verisk Maplecroft integrates global risk analytics, expert insight, and user-centric platforms to help private and public organizations assess and mitigate risk associated with such issues as corruption, child labor, climate change and human trafficking.

Verisk 3D Visual Intelligence uses the latest remote sensing technologies to deliver geographic and spatially referenced information about residential and commercial structures. As natural catastrophes are unfolding, Verisk 3D Visual Intelligence's pre-disaster monitoring helps facilitate rapid response; its post-disaster imagery helps facilitate recovery.

Wood Mackenzie is a global leader providing commercial intelligence for the energy, chemicals, metals and mining, and renewables industries. Wood Mackenzie's independent, objective analyses of assets, companies, markets, economics, prices and trends help energy companies, financial institutions, governments, and other stakeholders make more informed strategic decisions.

Xactware provides software for estimating the cost of building or replacing property. Customers use that information to determine how much insurance to purchase for homes and commercial buildings.



Here are examples of Verisk teams “working with purpose” during 2020:



Expanded Crop Insurance Models Help Agricultural Markets in China and India

AIR’s multi-peril crop insurance model for China has been expanded to support a more comprehensive view of agricultural risk. Crop insurance helps agricultural producers protect against loss of or damage to crops, forests, and livestock, or against natural disasters and other uncertainties that may adversely affect the prices of such commodities in the future.

Building on a model for mainland China first introduced a decade ago, the expanded version now assesses all of the country’s major crops against a wide range of weather-related causes, damage to forests from pests and disease, and potential losses caused by extreme weather and disease affecting livestock.

The expanded model reflects China’s position as a leading global producer of wood and paper products. It also recognizes the potential for extreme livestock losses. For example, an outbreak of African swine fever—a highly infectious and deadly disease—started impacting pigs in China in 2018, resulting in a loss of half of China’s 400 million pigs, or 40% of the world’s total agricultural pig population as of the first half of 2020.

The modeling work for China follows the late-2019 introduction of the multi-peril crop insurance model for India. The model for India helps support probabilistic assessments of insurance claims caused by yield shortfalls for 11 major crops across India’s two main crop-growing seasons. Inherent in the model are numerous variables ranging from the vulnerability to stressful environmental factors at each crop’s developmental stage to the existence of irrigation, which can lessen or eliminate the negative effects of precipitation shortfall on crop yields.



Increasing the Financial Resilience of Vulnerable Countries Threatened by Drought

With the frequency and severity of extreme climate-related events expected to worsen during coming decades and a recent report by the United Nations indicating that the threat of world hunger is again on the rise, a consortium of leading organizations is working to help low-income countries increase their financial resilience to the devastating consequences of drought.

Under an initiative coordinated by the World Bank, experts representing Columbia University’s International Research Institute for Climate and Society, the International Water Management Institute, and AIR are focused on developing a robust drought index and set of indicators that can monitor risk and trigger effective financial instruments to help support farmers and sustain farm-based economies. As part of its contribution to an initial case study involving Senegal, a country in West Africa, AIR developed stochastic catalogs for precipitation, vegetation, and soil moisture, addressing the challenge of limited data with the advantages of its probabilistic method.

Ultimately, the consortium hopes to expand the geographic reach of its work by establishing a replicable and scalable approach for quantifying drought risk that meets the needs of key stakeholders and enables policymakers to evaluate appropriate financial responses.





Assessing Climate Reduction Targets for the Gold Industry

In collaboration with energy and mining specialists at Wood Mackenzie, the World Gold Council published a report examining opportunities for the gold mining sector to decarbonize its power sources and evaluate the scale and speed of emissions reductions necessary to meet the 1.5 degrees Celsius target contemplated by the Paris Climate Agreement.

Based on the current status and anticipated plans of the gold mining industry, Wood Mackenzie concluded that the emissions intensity of power used in gold production could fall an estimated 35% by 2030. The reduction depends on several factors, including a transition within the sector from direct site-generated electricity using fossil fuels to electrical grids already growing their reliance on renewable sources, as well as substantially reduced production from high emissions mines. Wood Mackenzie further estimated that if plans to transition to lower carbon power sources become commonplace across the sector over the next decade, an additional 9% reduction could be realized by 2030, putting the Paris target within reach.

To learn more, visit:

<https://www.gold.org/goldhub/research/gold-and-climate-change-the-energy-transition>



Employees Spur Innovative Approach Benefitting Diverse Suppliers

Following the deaths of George Floyd and Breonna Taylor, employee support for a broader commitment to racial equity and diversity inspired PowerAdvocate to use its knowledge of the energy supply chain to help create more opportunities for diverse suppliers.

While many of PowerAdvocate's customers already have economic development initiatives in place, they are often stymied by the ability to identify qualified suppliers meeting the specialized requirements associated with serving utilities and managing, maintaining, and expanding America's power grid. With PowerAdvocate's industry expertise and database of diverse energy suppliers—including minority-, women-, and veteran-owned businesses, among others—customers now have a reliable source to channel their investments in ways that benefit their companies and their suppliers by expanding bidding pools and earning credit for their diversity spend.





New U.S. Resilience Program Weighs ISO's BCEGS® Classification to Help Channel Grants

A community's classification under ISO's Building Code Effectiveness Grading Schedule (BCEGS®) will be one of the key technical criteria used by the Federal Emergency Management Agency (FEMA) to award grants under a new program to help build resilient communities across the United States.

The program, Building Resilient Infrastructure and Communities (BRIC), is designed to shift the focus away from reactive disaster spending by the federal government towards a more research-driven, proactive approach to investing in communities that demonstrate a commitment and strategy to strengthen their resilience. Community applicants can leverage their efforts at adopting and enforcing strong building codes, as measured by BCEGS, to better their chances of receiving BRIC grants.

Underlying ISO's BCEGS program is the acknowledgment that communities with well-enforced, modern building codes help ensure the health, safety, and welfare of building occupants every day. Comparatively speaking, data reinforces the proposition that those communities fare better during catastrophic events such as hurricanes, realizing a return on their investment measured by saved lives and reduced property losses.

In addition to administering the BCEGS program, ISO Community Mitigation staff across the United States evaluate municipal fire suppression capabilities under ISO's Public Protection Classification (PPC®) Program, a program used by many communities to plan, budget for, or justify improvements or changes to local fire protection. ISO specialists also provide technical support to the National Flood Insurance Program's Community Rating System, helping communities improve their flood mitigation efforts.



Source: Fema.gov



Verisk Helps the London Fire Brigade Address Communication Challenges in Fighting High-Rise Fires

Protecting a large urban area dominated by high-rise structures requires seamless communications to initiate the proper firefighting strategy while ensuring the safety of the building occupants and the first responders. The challenge becomes even more complex when the incident occurs in a residential tower and multiple occupants have called emergency telephone services seeking immediate advice or assistance.

New technology developed by Sequel in consultation with the London Fire Brigade is designed to improve the flow of information between the physical location of a fire and the mobilizing control center. The system allows commanders at the scene to view emergency calls on a tablet device, enabling them to prioritize the deployment of rescue crews to individual flats based on conditions and occupancy. The deployment status is then relayed to the control center, where it's used to provide various dashboard views. It's also shared with senior officers and associated operational staff to facilitate situational awareness.

With this enhanced level of information and control, the London Fire Brigade and fire services throughout the UK will be better prepared to respond to fires in high-rise buildings, dispense more accurate advice to the occupants, and ultimately minimize the number of casualties that may arise.

The new technology represents the latest step in Verisk's long-running commitment to help municipal fire departments, such as the London Fire Brigade, improve safety and operational effectiveness. The London Fire Brigade, which is one of the largest fire services in the world, manages more than 5,500 personnel and serves a population of more than nine million people.





Verisk 3E Helps DuPont Advance Commitment to Sustainability with Chemical Awareness Toolkit

Data from Verisk 3E is helping DuPont power its Chemical Awareness toolkit (CAI), a free web application designed for product stewards, chemists, researchers, and others to understand and manage chemical hazards. CAI provides insight into chemical data for informed decision making, enabling users to improve health and safety in the workplace and the environment.

CAI is a useful resource for applications, including alternatives assessments to evaluate green, sustainable replacements for existing chemicals, pollution prevention and control, and identification of potential issues with chemicals in the supply chain.

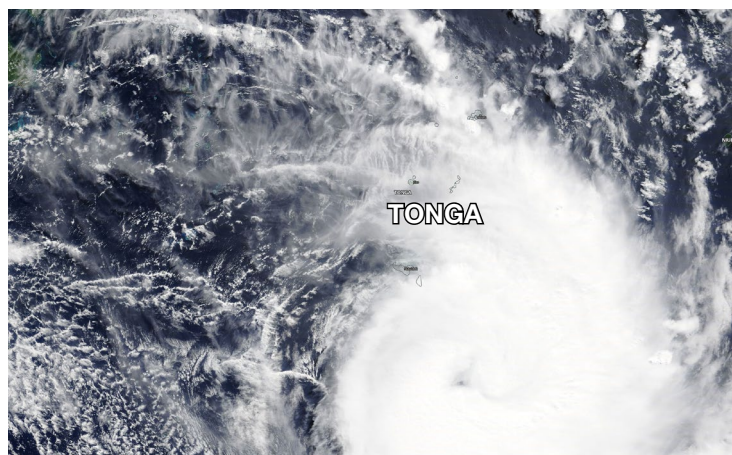


Helping Tonga Address the Aftermath of Cyclone Harold

AIR's role in a catastrophe risk financing arrangement driven by the World Bank helped the government of Tonga access a \$4.5 million insurance payout designed to support response and recovery efforts in the immediate aftermath of Tropical Cyclone Harold. The cyclone, a Category 5 event that hit the South Pacific in April, passed within 100 kilometers of Tongatapu, Tonga's main island, causing widespread damage to coastal communities.

AIR served as calculation agent for the payout, which was issued by the Pacific Catastrophe Risk Insurance Company, an entity established under the World Bank's Pacific Catastrophe Risk Assessment and Financing Initiative.

For more than a decade, AIR has been supporting catastrophe risk financing initiatives under a series of projects sponsored by the World Bank, the Asian Development Bank, and other partners. The projects help governments respond to the economic shocks of natural disasters. They are particularly important in areas such as the



South Pacific, which is home to more than 12 million people living in remote island nations and significantly exposed to natural hazards, including earthquakes, floods, and tropical cyclones.



Developing a Technology Roadmap for a Net Zero North Sea

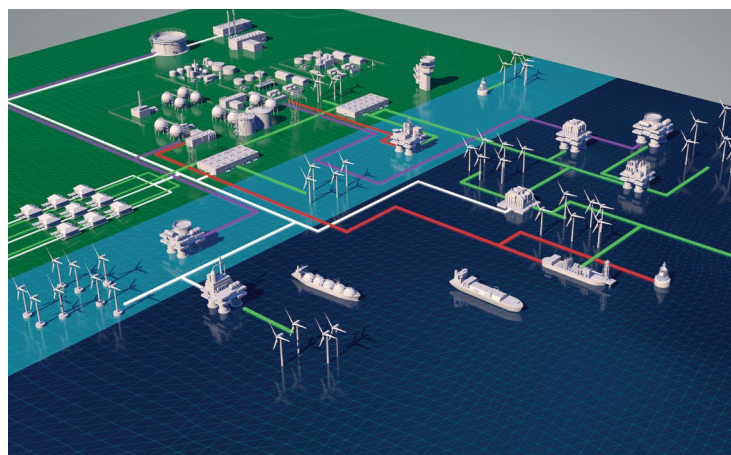
In a project completed for the UK's Oil and Gas Technology Centre (OGTC), Wood Mackenzie developed a technology roadmap to support the UK energy industry and UK and Scottish governments and identify the technologies critical to delivering on the UK's 2050 net zero commitments. The UK's legacy offshore oil and gas industry, in addition to the rapidly expanding offshore wind sector (largest installed offshore wind capacity globally), make the UK continental shelf critical to achieving the national net zero target.

The project analyzed the component sectors of the integrated energy system of the future—oil and gas; offshore renewables; hydrogen; and carbon capture, utilization, and storage—identifying key technologies and technical challenges that must be addressed to meet the targets. The resulting roadmap was supported by sector economic analyses addressing the level of required investment, total economic impact, and resulting employment.

In its report for the OGTC, entitled *Closing the Gap: Technology for a Net Zero North Sea*, Wood Mackenzie also noted that timely investments made in furtherance of the plan will help increase opportunities for the UK to export the resulting low carbon technologies, products, and expertise.

To learn more, visit:

http://go.woodmac.com/technology_for_a_net_zero_north_sea





Powering 50% of the U.S. Grid from Renewable Sources by 2030

Using research conducted by Wood Mackenzie, the American Clean Power Association (ACPA) announced that a strategy of targeted Executive-branch actions and changes to federal legislative policies could help the United States power 50% of its electric grid from renewable sources by 2030.

Wood Mackenzie found that achieving such a milestone relies on a combination of factors—including an improvement and expansion of the transmission infrastructure, greater flexibility regarding access to federal lands and waters, smooth integration of offshore wind into the nation’s energy portfolio, various technology advancements, and legislative policies that incentivize the use of clean energy.

In addition to potentially reducing U.S. carbon emissions by more than 60%, Wood Mackenzie estimated that the plan could drive \$1 trillion in capital investment into the American economy over the next decade and support nearly one million new well-paying jobs throughout the energy sector and its supply chain, while helping stabilize wholesale energy prices.

The ACPA announced the strategy during December as the newly elected Biden Administration was signaling plans to recommit the United States to efforts addressing climate change.



Advances in Hail Modeling Helping Weather Forecasters in Multiple Countries

A multi-year research effort involving scientists from Verisk business AER and the National Severe Storms Laboratory in Norman, Oklahoma, helped develop a hail prediction model now being used by weather forecasters in the United States, many European countries, and Israel.

The model, known as CAM-HAILCAST, produces forecasts of hail size, density, and its velocity as it falls to earth—factors that determine its destructive impact on vegetation and structures, as well as its threat to aircraft, cars, livestock, and people.

With the help of key stakeholders, including the Earth Systems Research Laboratory, the Storm Prediction Center, and the National Center for Atmospheric Research, the CAM-HAILCAST model has been integrated into the U.S. High Resolution Rapid Refresh model—a real-time atmospheric model operated under the jurisdiction of the U.S. National Oceanic & Atmospheric Administration. As a result, a national, publicly available hourly hail size forecast is now produced for the benefit of forecasters and the general public across the United States.

AER has also worked with the Swiss national meteorological service, MeteoSwiss, to incorporate CAM-HAILCAST into the European Consortium for Small-scale Modeling (COSMO) model. The resulting hail size forecasts from COSMO are now available for national meteorological services operating in Germany, Greece, Israel, Italy, Poland, Romania, Russia, and Switzerland.





Addressing Wildfire Exposure

Verisk continues to be at the forefront of educating stakeholders about the issues associated with wildfire. A 2020 report entitled *Wildfire Risk Insight*, analyzing property exposure and wildfire damage that occurred during 2019, highlighted how climate change and human encroachment in wildland-urban interface (WUI) areas are impacting wildfire frequency in the United States and elsewhere. The report presented data illustrating the global scope of the exposure, recapped the effects of seven major California wildfires that occurred during 2019, and stressed the continuing importance of collaborative efforts to develop and promote informed mitigation strategies. Those efforts include Verisk's current partnerships with leading organizations such as the International Association of Fire Chiefs, the Western Fire Chiefs Association, and others.

In California, where recent wildfire seasons have been the deadliest and most destructive on record, Verisk experts have consistently emphasized the science of wildfire risk and the importance of data-driven approaches, as well as the role of insurance and capital markets in managing and transferring risk. The AIR U.S. Wildfire Model served as an input into the design of the California Wildfire Fund, which was enacted during 2019 to support utilities held liable for wildfire damage. Estimates from the model were used along with the historical data in determining the size of the fund.

Recognizing the growing exposure, Verisk is also committed to contributing to advances in wildfire detection and characterization. AER is working with scientists at the U.S. Forest Service and the Space and Missile Systems Center of the U.S. Space Force to develop tools and techniques that enhance wildfire detection and better assess the spatial extent and intensity that determines its characterization. While the capability of using satellites to detect wildfires has existed for decades, the new approach fuses data from military and civilian satellites to produce a product that exceeds the capabilities of using civilian data sets alone.



Timely AER Research Helps Broaden Scientific Perspectives on Key Issues

Understanding the Effects of Wind Turbines on Local Surface Temperatures

With wind power representing a scalable approach to reducing carbon emissions, the number of wind farms and the amount of land surface used to support them could increase substantially. That's the backdrop for a recent study by AER examining the effect of wind turbines on local surface temperatures—the first step in understanding how to manage any potential impacts.

Using satellite data to examine the surface warming effects on the lee side of wind turbines, the study found that operational wind turbines redistribute atmospheric heat down to the surface. The results range from a 2 to 5 degree Celsius surface warming effect for several kilometers downwind. Although the turbines are not adding heat, and the warmer surface temperatures are not related to climate change, the impact of the process over increasingly larger swaths of land dedicated to wind farms bears monitoring.

Learning from the Flash Drought of 1936

During 1936, the concurrent effects of a flash drought and severe heat wave led to an agricultural disaster in the north central United States, laying waste to farmland, decimating livestock, and killing people.

A flash drought is the opposite of a flash flood. Combined with a heat wave, a flash drought can cause disproportionate amounts of damage to ecosystems and infrastructure and increase levels of mortality. That's a concern to scientists, led by AER, now examining the 1936 flash drought to better understand how it evolved, whether it might be repeated, and its potential impact on communities and people.





Collaboration with National Geographic Helps Map Future Climates for the World's Populated Areas

Data analytics and expertise from Verisk Maplecroft has helped National Geographic create Your Climate, Changed, an interactive site that educates users about the impact of climate change by allowing them to explore the climate profiles of 2,500 cities, 50 years into the future. National Geographic is one of the world's leading geography, nature, and scientific publishers.

The project draws on Verisk Maplecroft's Climate Change Vulnerability Index, alongside projected data for precipitation, heat events, and temperatures. Using these and other indicators, the site shows how cities look now, and what they could look like in the future if carbon emissions continue to rise under worst-case scenarios. For example, users learn that, in the year 2070, London's climate will be more like that of Sovicille, Italy—approximately 1,000 miles southeast of London—with resulting summer temperatures about 4°C higher and another 52 millimeters of precipitation during the winter. Summers in Boston will feel more like Bardwell, Kentucky—approximately 1,200 miles to its southwest—with maximum temperatures 5°C hotter on average and an additional 49 millimeters of rain. For Hanoi and 90 other cities, users learn that future climate profiles will be unlike any that exist on earth today.



First-Ever Dataset Identifies Human Rights Exposure at the Subnational Level

Verisk Maplecroft has released the world's first and only Subnational Human Rights Dataset, a tool that enables multinational organizations and financial institutions to undertake risk assessments of their global operations, supply chains, and investments in more granular detail than has been possible to date.

The Dataset, which encompasses risk scores for 3,600 states and administrative regions in 198 countries, can be used by companies and asset managers to accurately map their exposure to 10 key human rights issues, such as arbitrary arrest and detention, child or forced labor, freedom of assembly, kidnappings, migrant workers, and occupational health and safety.

The Dataset combines data science with expert derived judgments and existing methodologies from Verisk Maplecroft's internationally recognized country-level human rights indices. In addition to fine-tuning the approach to risk management, the Dataset can also simplify compliance with emerging supply chain legislation and provide greater assurance to responsible investors and ethically conscious consumers that companies are taking the extra steps necessary to minimize their human rights impact.



Verisk will continue to engage with customers and other stakeholders to develop solutions meeting their needs, with a particular emphasis on identifying opportunities related to the climate transition.



ENVIRONMENT

Verisk continues to make progress aligning our climate governance practices and reporting processes with the guidelines recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

[Read our 2020 Climate Disclosure Report.](#)

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GREENHOUSE GAS EMISSIONS INVENTORY



For the third consecutive year, investments in renewable energy certificates and carbon offsets helped balance 100 percent of Verisk's CDP-reported emissions.

Verisk conducts its annual emissions inventory in accordance with the Greenhouse Gas Protocol, a globally recognized standard developed in conjunction with the World Resources Institute and the World Business Council for Sustainable Development. For 2019, Verisk once again balanced 100 percent of its global scope 1, 2, and 3 (business air travel) emissions through a combination of purposeful energy reduction initiatives and investments in renewable energy certificates (RECs) and carbon offsets.

External assurance of our emissions was provided by an independent third party, and the emissions were reported as part of Verisk's response to CDP's annual climate change questionnaire. Learn more about our results and [view our emissions history](#).

Renewable energy certificates (also known as energy attribute certificates) are tradable, non-tangible energy commodities that represent the environmental benefits of generating 1-megawatt hour (MWh) of renewable energy. Verisk purchased RECs representing nearly 35,000 MWh of electricity during 2019, supporting renewable energy projects—wind, hydro, and solar—in almost every country or region where we have offices.

The largest projects included the Persimmon Creek Wind Farm in the United States, the Twin Rivers Wind Farm in England, the Chuzachen Hydroelectric power project in India, and the St. Leon Wind Farm in Canada.

Carbon offsets support emissions reductions that take place outside the company's operations, each one representing a metric ton of carbon and carbon equivalents avoided or reduced. For 2019, Verisk used them to offset nearly 19,000 metric tons of emissions. The offsets were generated by efforts to reduce emissions at landfills in Illinois, Montana, and West Virginia.

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

While we've implemented many important energy-saving initiatives during the recent past, investing in RECs is a practical option for a company of Verisk's size and circumstances: an energy load decentralized among locations in about 20 countries, with office space leased, not owned, and almost always in multi-tenant buildings. Taken together with carbon offsets, the investments represent an

immediate step forward—balancing Verisk's greenhouse gas emissions for the near term to a degree that the company could never achieve otherwise.

In the context of the company's growth and CDP's scope 1 and 2 revenue-based intensity calculation, our 2019 emissions (reported on a location basis) are more than 15 percent lower now than when we first measured emissions five years ago.

Many initiatives have helped reduce our greenhouse gas emissions during the recent past:

- completing major office renovations in our Jersey City headquarters, leading to a LEED (Gold) designation for Commercial Interiors
- migrating data processing activities to Verisk's eastern and western data centers, both LEED (Gold) certified, and taking advantage of processing efficiencies offered by cloud services
- consolidating operations where possible, including various offices in Beijing, London, New York, San Francisco, and Singapore
- improving fuel efficiency in our automobile fleet over a series of years

Next Steps

Verisk intends to supplement its environmental stewardship efforts with greenhouse gas emissions reduction targets applicable to Scopes 1 and 2.



COMMUNITIES

We support organizations that address issues of global and local significance or serve the communities where our employees live and work.

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CHARITABLE GIVING

Verisk reinforces its commitment to social responsibility through philanthropy. On a global and national level, we provide direct financial and in-kind support to advance important initiatives sponsored by leading organizations with missions and activities that complement our professional expertise and brand.

We also support the communities where our offices are located and address challenges of interest to our employees. These range from museums to youth organizations, hospitals to homeless shelters, and organizations serving domestic violence victims, disabled veterans, first responders, and more.

Verisk matches qualified donations made by individual employees and their spouse or domestic partner to nonprofit organizations in the United States and the United Kingdom. Eligible gifts are matched 100 percent, subject to an aggregate gift limit per employee of USD 5,000 or GBP 3,500, up to the program maximum.

Verisk sponsors an annual company-wide Verisk Volunteer Week where teams of employees perform service in local communities during the workday. In addition, Verisk invites employees who regularly volunteer personal time to nominate the organization they serve for a cash grant ranging up to \$1,000.

Here are the highlights of our corporate partnerships during 2020:



Verisk Commits to Helping The Bowery Mission Become More Data Driven

A two-year commitment from Verisk will help The Bowery Mission finance and implement a new case management system, enhancing the organization's ability to identify predictive links between the services it provides and the most successful outcomes for its clients.

Founded in the 1870s, The Bowery Mission is one of the leading agencies serving those experiencing homelessness and hunger in the New York metropolitan area. Its programs help clients make progress regaining sobriety and health, reconnect with loved ones, and prepare for work and independent living. With six locations operating in New York City, The Bowery Mission provided more than 427,500 meals and 104,000 nights of shelter last year.

The gift follows a series of high-level discussions involving Bowery Mission senior management and Verisk staff—representing Information Technology, ISO, Verisk Financial, and Corporate Sustainability—that explored the mission's services, data collection processes, and integration challenges. Also, with the assistance of Verisk's Lean Six Sigma Center of Excellence, two members of

The Bowery Mission's management team completed Greenbelt training at Verisk headquarters in February, and more are expected to undertake the training in the future.

Once the new case management system is operational, Verisk will provide data analytics support to help The Bowery Mission's leadership better understand the value of its programs.



Source: Jeffrey Lau



Supporting Education in the Jersey City Community

A continued commitment from Verisk supports various education and academic enrichment programs in our headquarters community. A six-year partnership with Liberty Science Center has helped teachers working in underserved New Jersey school districts strengthen their classroom skills in STEM-related subjects. Support for New City Kids, also for the sixth consecutive year, helps fund an after-school reading program for grades 1–8. And, for the fourth consecutive year, a gift from Verisk has helped Team Walker staff its after-school academic program with licensed teachers.



Wood Mackenzie-Sponsored Scholarship Supports Women Pursuing STEM Studies

For the ninth consecutive year, Wood Mackenzie has sponsored a scholarship through the British American Foundation of Texas, a not-for-profit organization that helps talented students from disadvantaged circumstances pursue their academic ambitions. This year, the “Wood Mackenzie Women in STEM Scholarship” was open to a qualifying college senior enrolled in a STEM-related course of study.



Source: New City Kids



Partnership with Wentworth Leads to Co-op Opportunities for RAMP Students

Building on an existing partnership with the Wentworth Institute of Technology, Verisk welcomed four students from the school's summer bridge program, RAMP, to participate in a co-op program hosted by the company's Boston-area business units.

Wentworth sponsors RAMP to help inner city students make the transition to its challenging STEM-focused curriculum by acclimating the students to college life during a pre-matriculation summer program designed to build the skills and confidence necessary for success. For Wentworth, it represents the first step of a broader effort to increase graduation rates.

Gaining real work experience supplements classroom education, helps students navigate career opportunities, and reinforces the desire for achievement. By leveraging existing programs to create these opportunities, Verisk benefits by expanding its efforts to attract and develop talent, especially in diverse communities.



Support from Verisk Helps Girl Stats Highlight Gender Inequality

Verisk continued its support for Girl Stats, an organization that publishes global interactive data and analytics to help companies understand how their operations affect adolescent girls and young women, and where their engagement and investments will have the most impact. Information from the Girl Stats platform, including case studies and country narratives, also highlights opportunities to identify and implement sustainable solutions that facilitate more inclusive economic growth, reduce gender inequality, and improve the lives of girls in global operations, supply chains, and local communities.



Source: Wentworth Institute of Technology



YearUp Interns Continue to Find Career Opportunities at Verisk

An ongoing partnership with YearUp, which began during 2015, has now helped 22 young adults gain valuable business experience, with more than half the completed internships leading to full-time employment opportunities at Verisk.

YearUp is a national organization committed to closing the opportunity divide by helping young adults gain the necessary skills and experience to reach their potential. The program combines college classroom experience, job skills training, and six-month internships with leading companies. Those completing internships at Verisk have done so in information technology, financial operations, business operations, and enterprise risk and compliance.

As part of their Verisk “experience,” interns meet regularly with YearUp alumni who are now Verisk employees, talent development professionals overseeing the program, and senior Verisk business leaders. The longest-serving YearUp alumnus, Juan M. Rodriguez, completed his Verisk internship during the 2015–2016 cycle and is now finance and human resources IT supervisor for ISO.

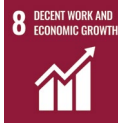


Sequel Begins Mentoring Women at Coding Bootcamp

Committed to strengthening diversity in the IT sector, Sequel has begun volunteering with Adalab, a Madrid-based organization that helps women develop the technical and professional skills necessary for a career in programming. Sequel is mentoring women who participate in Adalab’s coding bootcamp, the first step towards becoming employable at Sequel or other IT companies.



Source: Adalab Coding Bootcamp



Returnship Program Helps Professionals Transition from Home to Workplace

Since 2017, Verisk has provided 22 return-to-work experiences to professionals who’ve been out of the workplace acting as full-time caregivers to children or parents. Nearly half of the returnees were offered employment at Verisk, including three during 2020 when the program was expanded from the United States to the UK.



Verisk Partnership with GeoHazards International, Launched in 2015, Continues to Help Bhutan

Verisk’s long-time partnership with GeoHazards International (GHI) is continuing to help the Royal Government of Bhutan improve earthquake resilience for structures in the nation’s capital, building on earlier work to protect children in the country’s most vulnerable schools.

Bhutan is situated in the eastern Himalayas between China and India. A major fault line underlying the country hasn’t produced a major earthquake for more than 300 years but can do so at any time. Even moderate earthquakes in 2009 and 2011 damaged hundreds of rural homes, school buildings, health facilities, and government buildings—older buildings not designed to withstand such events.

The latest phase of the partnership is focused on quantifying earthquake risk in Thimphu, the nation’s capital, where a team representing the government, GHI, and AIR are modeling building damage and human losses for different earthquake scenarios, including past events. As part of the exercise, Government engineers and scientists are engaged with guiding the data and assumptions in the model to accurately reflect ground-level conditions in Thimphu.

Output from the modeling exercise will help decision makers evaluate how various mitigation measures, if taken in advance, could reduce Thimphu’s earthquake losses. Armed with that knowledge, they can direct funds towards strengthening specific building types and areas of the city that are most vulnerable to damage. They can also plan



for efficient emergency response and disaster relief.

In addition to the technical modeling and engineering expertise provided by AIR, Verisk is funding the exercise.

GHI is a not-for-profit organization that works around the world to reduce preventable death and human suffering from natural disasters. Verisk and AIR first engaged with GHI during 2015 when representatives from each organization, as well as designers Ido Bruno and Arthur Brutter of the Bezalel Academy of Arts and Design, the A.D. Meraz Company, the Ministry of Education of the Royal Government of Bhutan, and Bhutanese furniture producers collaborated on the design and local manufacture of earthquake-protective desks for Bhutan's most at-risk schools. The earthquake desks, each sheltering two children and light enough to move easily, have proven to withstand a vertical drop of debris weighing nearly 1,000 pounds, while standard desks were flattened under a lesser load.



Continuing Support for Team Rubicon Translates to Help for Disaster-Stricken Communities

Another year of support from Verisk—financially, as well as access to Xactware's business consultants and suite of claims estimating and replacement tools—is helping Team Rubicon carry out its mission.

Team Rubicon unites the skills and experiences of U.S. military veterans with first responders and trained civilians to rapidly provide relief to communities affected by disaster, including many vulnerable rural and urban populations lacking proper insurance or access to critical resources. Over the course of 2020, nearly 3,500 Greyshirts—Team Rubicon volunteers—served on more than 20,000 deployments and assisted nearly 10 million people. In addition to their traditional operations, they launched COVID-19 testing sites, served in hospitals and on ambulances for the Navajo Nation, and tarped hundreds



Source: Team Rubicon

of roofs for hurricane survivors in the Gulf Coast. Building Xactimate® into workflows helps Team Rubicon quickly assess the value of services such as a “muck out”—its term for addressing flood damage by stripping out and disposing water-damaged floors, walls, and furnishings—and calculate preliminary estimates of the cost to repair damage.



Verisk Helps the IRC Prepare its 2021 Emergency Watchlist

Continuing a partnership that began in 2017, Verisk will help the International Rescue Committee (IRC) prepare its 2021 Emergency Watchlist by extending a complimentary license to access Verisk Maplecroft's Global Risk Analytics and Country Monitoring Service and consult directly with Verisk Maplecroft country experts.

The Emergency Watchlist highlights those countries that the IRC believes to be at greatest risk of a major deterioration in the humanitarian situation during the coming year. It also helps inform the organization's strategic decision making and resource deployment. Twenty countries comprised the 2020 Emergency Watchlist, led by Yemen, the Democratic Republic of the Congo, Syria, Nigeria, and Venezuela. In constructing the list, the IRC relied in part on a Verisk Maplecroft dataset covering more than 45 risk considerations ranging from arbitrary arrest and detention to pandemic susceptibility and banking sector fragility.

Founded in 1933, the IRC is recognized as a “global first responder.” In any given year, the IRC and its partners help tens of millions of people survive war, conflict, and natural disasters, and recover and rebuild their lives. Verisk Maplecroft helps multinational organizations understand where, how, and why their global operations, investments, and supply chains are at risk, and provides the solutions and advice they need to build resilience and sustainability.



Source: International Rescue Committee

Next Steps

Verisk will seek to expand its giving consistent with UNGC Principles and the Sustainable Development Goals.



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