

VERINT®

**ENVIRONMENTAL,
SOCIAL &
GOVERNANCE
REPORT 2021**



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Introduction

We are pleased to present Verint's latest Environmental, Social & Governance (ESG) report.

In this report, you'll learn about our commitment to conducting business in an ethical manner, to promoting diversity and inclusion, and to working towards a sustainable future. We believe that our efforts to fulfill this commitment contribute to our objectives of creating value for our stakeholders and helping make the world a better place, and we look forward to our next steps on this journey.



About Us

Verint® helps brands provide Boundless Customer Engagement™. For more than two decades, the world's most iconic brands—including more than 85 of the Fortune 100 companies—have trusted Verint to provide the technology and domain expertise they require to effectively build enduring customer relationships.

Verint is uniquely positioned to help organizations close the Engagement Capacity Gap™ with our differentiated Verint Customer Engagement Cloud Platform. Brands today are challenged by new workforce dynamics, ever-expanding customer engagement channels and exponentially more consumer interactions—often while facing limited budgets and resources. As a result, brands are finding it more challenging to deliver the desired customer experience. This creates a capacity gap, which is widening as the digital transformation continues.

Organizations are increasingly seeking technology to close this gap. Through the Verint Customer Engagement Cloud Platform, we offer our customers and partners solutions that are based on artificial intelligence (AI) and are developed specifically for customer engagement. These solutions automate workflows across enterprise silos to optimize workforce expense and at the same time drive an elevated consumer experience. Our solutions are used by approximately 10,000 organizations in over 175 countries across a diverse set of verticals, including financial services, healthcare, utilities, technology, and government. Our customers include large enterprises with thousands of employees, as well as small to medium-sized business (SMB) organizations.

Verint is headquartered in Melville, New York, and has approximately 30 offices worldwide.



Our Commitment & Our Core Values

We are committed to conducting business in an ethical manner and to working towards a sustainable future. We believe that doing so contributes to our objectives of creating value for our stakeholders, including customers and partners, employees and stockholders, the communities in which we work and the global community at large, and helping make the world a better place.

We have **five core values** that inform how we operate and the way we conduct our business:

- 1** The **integrity** to do what's right
- 2** The **innovation** to create leading solutions for real-world challenges
- 3** The **transparency** that fuels mutual trust and productive, collaborative working relationships
- 4** The **humility** to view our successes as milestones in our journey, and our mistakes as opportunities for improvement
- 5** A **passion** for making our customers and partners successful

These values are at the heart of our business activities, engagements, and relationships with stakeholders—as well as our ESG program.

About This Report

The purpose of this report is to share information about our efforts and progress with respect to our ESG priorities based on the nature of our business and operations, management's assessment of our key associated risks, and the expectations of our stakeholders.

The report is written by reference to the Sustainability Accounting Standards Board (SASB) standard for our industry (Software & IT Services), with supplemental information provided based on the foregoing ESG priorities and the Global Reporting Initiative (GRI) Standards.

Unless otherwise indicated, this report covers information for our global operations for our fiscal year ended January 31, 2022 and/or calendar year 2021.



Our ESG Priorities

Our management engages in periodic enterprise risk assessments to identify, understand, and seek to mitigate the key risks associated with our business and operations. We also use these periodic risk assessments to identify our key ESG risks and priorities.

We also engage in periodic industry benchmarking analyses to understand and assess the ESG risks and priorities identified by our peers in the software and technology industry.

Finally, we review many of the major ESG reporting frameworks to understand their areas of focus for companies in our industry.

Based on the foregoing, we have identified the following as our key ESG priorities:

Materiality Table

ENVIRONMENTAL



Energy use, management & greenhouse gas emissions

SOCIAL



Diversity, equity & inclusion



Employee wellbeing, benefits & development



Community involvement & giving

GOVERNANCE



Ethical conduct



Legal & regulatory compliance, including anti-corruption



Data privacy



Information / cyber security



Risk management



Environmental

Sustainability Strategy

As a technology company, Verint relies on energy resources, primarily electricity, for powering the operation of our global offices and in the deployment of our solutions. We are committed to reducing our environmental impact and to providing our customers with environmentally friendly solutions and services to help them reduce their environmental impact. Our company-wide commitment to reducing energy consumption and increasing efficiency is outlined in our [Environmental Health and Safety \(EHS\) Policy](#). Reducing cloud resource consumption is also a core tenant of our product development strategy.

As part of our sustainability strategy:

- Most of our product offerings are available in the cloud, which can cut energy usage compared to traditional on-premises deployments. Our multi-tenant cloud offerings result in sharing computing resources among many customers, where we can achieve economies of scale, especially when it comes to energy consumption and carbon emissions.
- We seek to mitigate our carbon footprint by partnering with cloud service providers or colocation facilities that have a carbon neutral or carbon negative commitment.
- We work to optimize our cloud platform and product offerings by improving central processing unit (CPU) usage and reducing resource consumption thereby reducing energy consumption
- For our deployments that are on-premises or hybrid, we typically fulfill the software electronically via download.
- We have implemented a hybrid work model and have begun to reduce our office footprint around the world.
- Where appropriate, we encourage virtual rather than in-person meetings to reduce greenhouse gasses associated with travel.
- Verint is certified for the ISO 14001 Environmental Management Standard in applicable locations.
- We encourage our suppliers to pursue “green” policies and comply with sustainability directives, in addition to requirements that we impose regarding the health and safety of their employees.
- We educate our employees on environmentally sound practices relative to their job functions and provide them with opportunities to recycle in our offices.
- We monitor our progress to help us set future goals.

Migration to the Cloud

During the year ended January 31, 2022, we began to fully transition to third-party cloud service providers or colocation facilities for both our internal data centers and external cloud operations, enabling us to leverage technology partners to provide best in class data center and cloud services at scale. As of the date of this report, this transition has been substantially completed. As noted above, we seek to partner with cloud service providers or colocation facilities that have a carbon neutral or carbon negative commitment.

Customer Cloud Platform

Our solutions are used by approximately 10,000 organizations in over 175 countries. We believe we crossed the mid-point of our cloud transition in the year ended January 31, 2022 and we have seen a continued and accelerating trend of customers migrating to our cloud-based solutions.

Our estimated emissions for our customer cloud operations were 1,225 MTCO₂e¹ for the 12-month period from mid-2021 to mid-2022. We estimate that we have enabled customers who have migrated from self-hosted data centers to our cloud platform to save 880 MTCO₂e for this period.

Internal Cloud Operations

Virtually all of our overhead IT has been migrated to third-party cloud providers or colocation providers as of the date of this report. Our estimated emissions for our primary outsourced overhead functions were 22 MTCO₂e for 2021.

¹ Metric tons of carbon dioxide equivalent

Water Utilization

We do not directly make use of water other than for the restrooms and kitchenettes at our office facilities.

We seek to partner with cloud hosting providers who are committed to the reduction of water usage in cooling their data centers.

Reducing Our Office Footprint

We have implemented a hybrid work model and have begun to reduce our office footprint around the world. We continue to evaluate our real estate footprint to determine where we can exit, consolidate, or modify our office space to improve efficiency. For our remaining facilities, we strive to reduce energy consumption, including through the use of motion sensor light switches, smart thermostats, and the configuration of computers and monitors to enter sleep mode when not in use.

These actions are expected to have a number of benefits to us and to the environment, including, among others, reducing our carbon footprint and the greenhouse gasses associated with employee commuting.

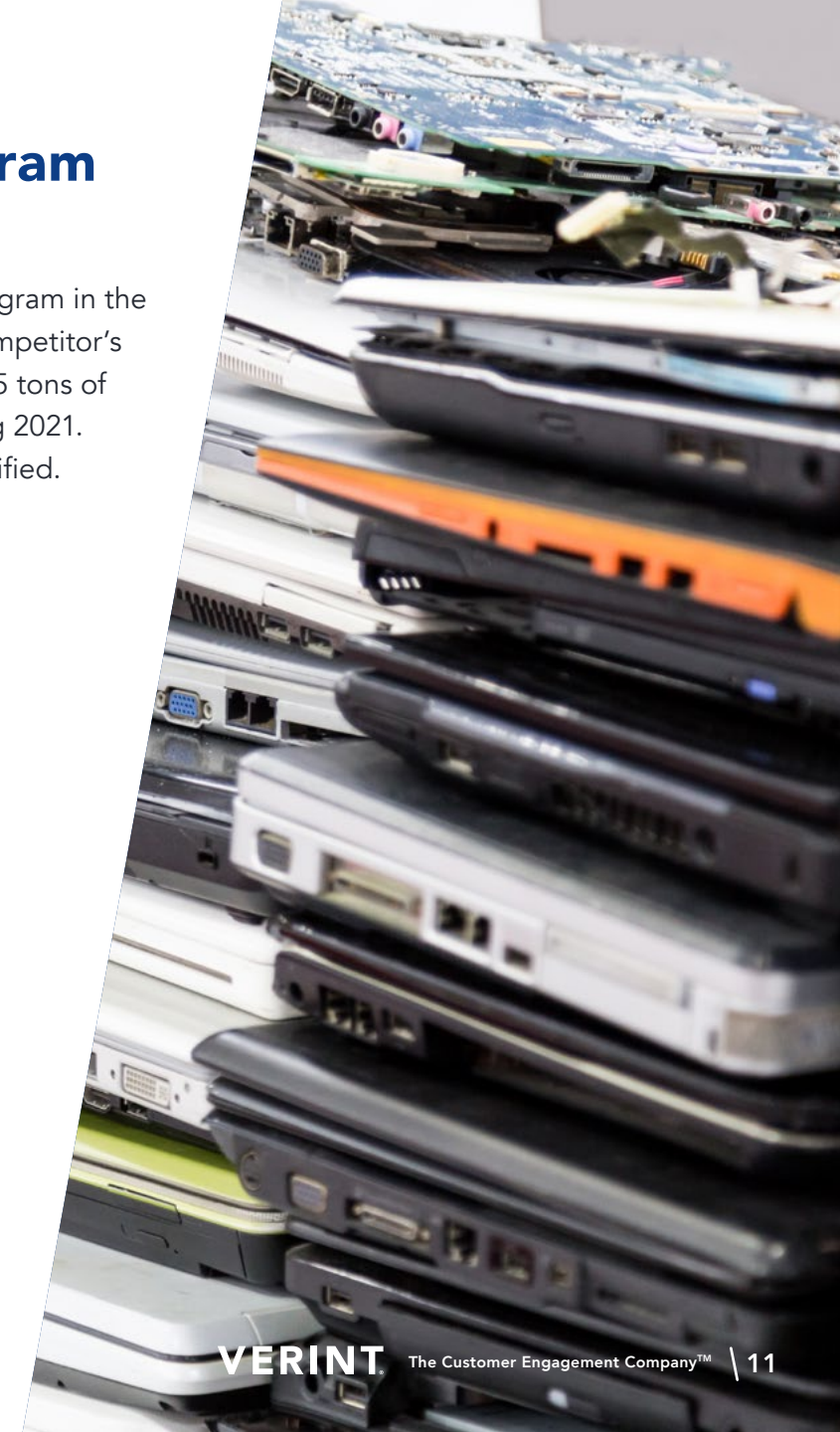
E-Waste Diversion Program

Verint has implemented an e-waste diversion program in the U.S. which includes unrepairable product and competitor's product we have replaced. This has prevented 2.5 tons of e-waste from being disposed of in landfills during 2021. Our e-waste diversion program is ISO 14001 certified.

WEEE Compliance

Under the Waste Electrical and Electronic Equipment (WEEE) Directive and implementing regulations, when customers within our EMEA region buy new electrical and electronic equipment from us they are entitled to:

- Send old equipment for recycling on a one-for-one, like-for-like basis (varies depending on country)
- Send the old equipment back for recycling when it becomes waste at end of life.





Social

Our Global Workforce

We are a worldwide team of approximately 4,200 innovative customer engagement employees, plus a few hundred contractors. Our employees are located in more than 35 countries across three regions, representing approximately 75 nationalities and 60 native languages.

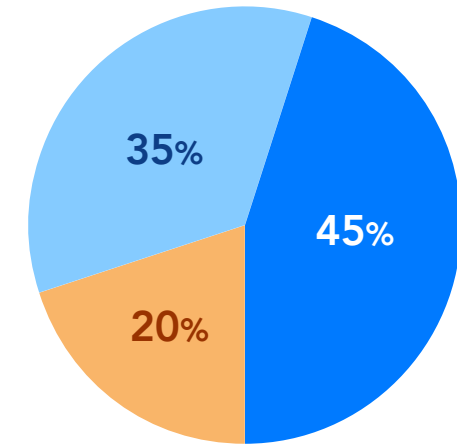
We are not dependent on foreign nationals in any of the countries where we have operations. Overall, across the more than 35 countries where we have employees, about 6% of our employees are foreign nationals of the country in which they are employed.

Our overall employee attrition rate has been below average for our industry for the past several years.

We encourage local employment and the hiring of local managers, where possible. Working hand in hand with local communities to foster job creation, our goal is to support local economies and create ecosystems of employees rich in technical and professional knowledge from which we can recruit.

Our globally distributed workforce and hybrid work model has enabled us to be resilient, agile, and flexible in operating our business, supporting our customers, and recruiting new talent, including during the COVID-19 pandemic.

PERCENTAGE OF TOTAL EMPLOYEES BY LOCATION



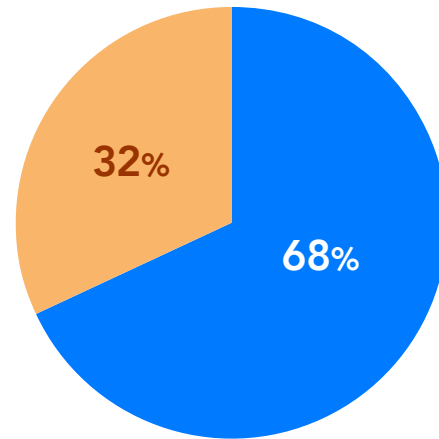
- Americas
- EMEA (including Israel)
- APAC

Diversity, Equity, and Inclusion

Our mission is to have our company reflect the global communities in which we work and the customers we serve. We are dedicated to fostering an inclusive and diverse global workforce and believe that our business is further strengthened by that diversity.

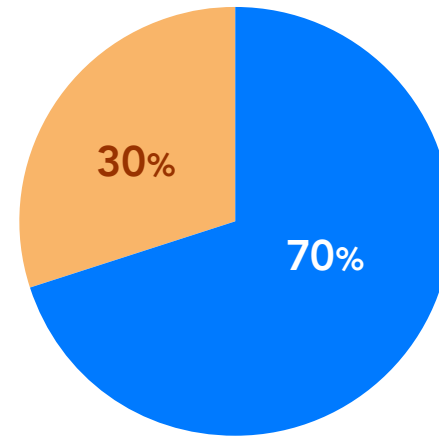
In 2021, on a global basis, women represented 32% of our employees and 30% of our leadership roles.

2021 GLOBAL GENDER OF EMPLOYEES



Female Male

2021 LEADERSHIP GENDER

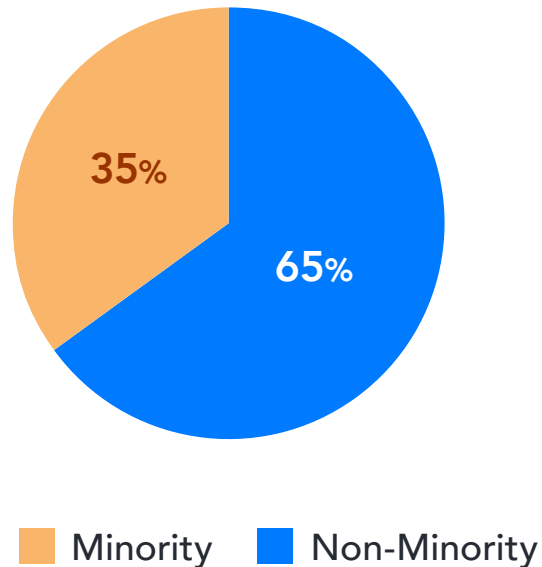


Female Male



US MINORITY & NON-MINORITY

In 2021, approximately 35% of our U.S. workforce was comprised of minorities, continuing a trend of improving minority diversity in the U.S. for the last several years.



Our efforts to recruit, develop, and retain a more diverse workforce continues to be a priority, with a focus both on gender and on those groups historically underrepresented in the technology field.

- We are currently building relationships in the U.S. with historically black and women colleges, including establishing connections with career centers, attending career fairs they organize, and establishing recruiting programs for interns and new graduates from such schools.
- Our U.S. talent recruitment efforts focus on strategic outreach to build diverse pools of qualified candidates that include posting open jobs with over 70+ minority-based organizations and job alliances, including those focused on opportunities for veterans, disabled persons, and promoting ethnic and gender diversity.

Our Diversity & Inclusion Council focuses on promoting an environment that attracts and retains the best talent, values diversity, educates our employees, and encourages innovation.

The council has two main objectives:

- 1 Continue to increase diversity across the organization when attracting new talent; and
- 2 Increase cultural and diversity awareness within the organization through training, education, community partnership, and employee events.

The council currently has several initiatives underway and is actively promoting gender inclusion, through our “Women In Tech” employee resource group.

Our Board of Directors is currently comprised of 10 directors, 2 of whom are female, and we are continuing our efforts to enhance the diversity of our board.

The Board has adopted a policy (reflected in the corporate governance guidelines contained in the charter of the corporate governance & nominating committee) that the initial list of candidates from which new director nominees are selected as part of any independent search process initiated by the Board include candidates with a diversity of gender, race, or ethnicity. The composition of the current Board reflects diversity in business and professional experience, skills, gender, and age among our directors.

Employee Wellness, Development & Engagement

We have adopted a hybrid work model, offering our employees the flexibility to work from home or remotely. We provide each employee with a full technology stack comprised of a laptop, monitors, and other accessories to support a remote work setup.

Our company paid or subsidized benefits, competitive paid time off programs, flexible work schedules, and family-friendly environment are key in recruiting and maintaining high-caliber talent globally.

We are focused on employee wellness, including by providing programs that focus on mental health, financial and physical wellness, and advice to improve work life balance. We also provide a company paid employee assistance program that provides for over 200 learning opportunities for our employees' personal and professional growth and other initiatives focused on providing employees with a toolkit of professional development options.

We recognize differences in family composition and our U.S. benefit plans provide options for employees in diverse family circumstances, including domestic partner benefits, adoption assistance, and fertility assistance.

The results of our last employee survey, which was conducted by a third-party in 2021, showed a cultural health score of 86, significantly above the industry benchmark of 73. The survey also showed a positivity score of a 100, signaling that the top 10 traits used to describe Verint's culture were all positive. The survey results indicated that our employees desire even more development and career opportunities, areas that we continue to work to enhance.

Our fast-paced, challenging, and collaborative work environment nurtures professional growth and offers a wide array of career advancement opportunities. Our workforce planning tools provide managers with a framework for thinking strategically about the talent our company requires to achieve our business goals. Continuous learning and the professional development of our employees are key factors in our success. All our employees are afforded the opportunity to take part in our training programs, with the ability to focus their learning on the skills and knowledge that are most relevant for their professional development. We offer thousands of training courses in our online Learning Center in addition to classroom training. We conduct annual performance reviews for all of our employees which include an opportunity for employees to discuss career development with their managers.

Community Involvement and Giving

We are committed to giving back to the communities in which we live and work. In 2005, we launched the Verint Next-Generation Program, which engages our employees around the globe in projects that benefit children in need.

As part of the program, our employees have engaged in various community activities, from supplying food pantries, to participating in blood drives, to collecting clothing and school supplies, building playgrounds, cleaning parks and planting gardens. We are also proud to support our employees' community service activities with programs for donating employee time to qualified children's organizations and matching grants. In 2021, our employees donated over \$525,000 to children's charities through the program, with over 1,600 of our employees supporting more than 125 local non-profit organizations in our local communities. In 2021, we also focused on supporting events to help families struggling due to the COVID-19 pandemic by providing food and clothing to those in need.

Labor Practices

We comply with the UK Modern Slavery Act through which we ensure that all of our practices are in line with relevant human rights and labor standards.

We are committed to ensuring that neither our own business practices nor those of our suppliers involve any form of slavery, forced labor, or human trafficking, or child labor. See "Supply Chain / Third-Party Responsibility" below for more information on our expectations for our suppliers.





Governance

Ethical Conduct

We view sound corporate governance and ethical conduct as essential to the success of our business and our ability to create value for our stakeholders. We believe that enduring economic success is inextricably linked to ethical business conduct and responsible corporate citizenship.

We understand that a company is only as ethical as its employees. We believe that the most important and effective way to communicate the importance of ethics and compliance to our employees is to set an effective “tone at the top”, starting with our Board and senior management. We seek to accomplish this by:

- Modeling ethical behavior at the Board and management team level, as well as adopting an open and responsive approach to concerns that are raised by others
- Communicating about ethics and compliance issues frequently, seriously, and openly at all levels of the organization
- Building and maintaining a strong governance and compliance infrastructure for the company



We keep our Board and its committees informed of our compliance objectives several times a year as part of scheduled updates, and more frequently where necessary. The Board and its committees are actively involved in setting compliance priorities, evaluating the company's assessment of its risk and control environment, and overseeing progress on risk mitigation activities.

- Our corporate governance & nominating committee has general responsibility for overseeing our ESG program. This committee is also responsible for establishing our corporate governance guidelines, overseeing the Board's operations and effectiveness, and identifying, screening, and recommending qualified candidates to serve on the Board.
- Our audit committee assists the Board in its oversight of our compliance with all applicable laws and regulations, including the quality and integrity of our financial reporting, internal controls and audit functions, as well as general risk oversight.
- Our compensation committee is responsible for setting our compensation philosophy, oversight of compensation risks, approving compensation arrangements for our executive officers, and administering our stock incentive compensation plans for all our employees.

Compliance Program

We have adopted a broad corporate governance and compliance program, which includes policies and procedures, training, systems, and tools.

We are firmly committed to maintaining strong corporate governance and compliance programs informed by best practices and we periodically review our policies and procedures to ensure they are up to date with regulatory requirements.

We are also committed to maintaining a strong control environment and to making effective controls an integral part of our routine business practices, with checks and balances in place to help us address issues before they become larger problems.

We require our employees to act responsibly in full compliance with all applicable laws and regulations and to maintain the highest level of ethical conduct in their dealings with customers, suppliers, and other stakeholders.

We conduct periodic audits or assessments of our programs.

Code of Conduct

All of our employees, officers, and Board members are required to comply with our Code of Conduct. Our Code of Conduct clearly articulates our core values, describes our policies and procedures, and provides our people with guidance on important ethics and compliance issues, including a framework for making good decisions and instructions for communicating areas of concern.

Our Code of Conduct covers the following areas:

- Ethical and legally compliant business conduct, including in dealing with customers, suppliers and competitors
- An inclusive, fair, and diverse work environment, including equal opportunity in hiring and promotion practices
- A safe and healthy work environment
- A zero-tolerance policy for unlawful discrimination or harassment or for workplace violence
- Prioritization of company business and activities during working hours and proper conduct during off hours
- Protection and safeguarding of company assets and resources, both tangible and intangible (including intellectual property), customer information, personally identifiable information, and responsible use only for proper purposes
- Securing the company's physical and electronic assets and systems, and its product offerings
- Proper handling of actual or potential conflicts of interest
- Compliance with applicable laws, including prohibition on bribes or other improper payments, adherence to applicable import / export requirements, and prohibition on insider trading
- Rules and guidance on gifts and entertainment from / to third-parties
- Accurate record keeping and public disclosure
- Authorized and coordinated public statements or disclosure
- Reporting concerns



Anti-Bribery / Anti-Corruption (ABC)

As a global organization, Verint is committed to complying with all applicable laws in the countries in which we operate including, importantly, laws concerning public or private bribery and corruption. We prohibit the giving, offering, or receiving, of anything of value, if intended for improper purposes. This includes a prohibition on corrupt payments of all kinds, including facilitating payments.

We also expect our third-party partners to share our commitment to uphold the highest ethical standards in this regard. See “Supply Chain / Third-Party Responsibility” below for more information on our expectations for our suppliers.

Our ABC program includes:

- Risk-based third-party due diligence procedures and screening
- Employee ABC training
- ABC awareness training for third-party partners based on results of our due diligence review
- ABC contractual requirements and representations from all third-parties we do business with

Trade Compliance

We obligate ourselves and our counterparties to comply with all applicable export and import laws, rules, and regulations.

Our trade compliance program includes:

- Screening of transaction counterparties
- A process for product classification (for import / export)
- Periodic employee trade compliance training
- Contractual requirements and representations from third-parties we do business with
- Sanctions compliance

Data Privacy

The use of our solutions and the operation of our business involves the collection, storage, and transmission of data, including data belonging to our employees, customers, and partners, some of which constitutes personal data.

Verint understands the importance of handling information assets, respecting the rights of individuals, and compliance with data privacy laws. When we obtain personal data for our own business purposes, our [Privacy Policy](#) explains how we collect personal data, the purposes for which data is used, and our compliance procedures. For example:

- Where we collect personal data about our customer prospects, we are clear this is with consent and we set out the purposes for which personal data will be used
- We do not process data about children
- We do not sell our customers' personal data to third-parties

The policy also explains how to contact us in the event of concerns or questions regarding privacy rights.

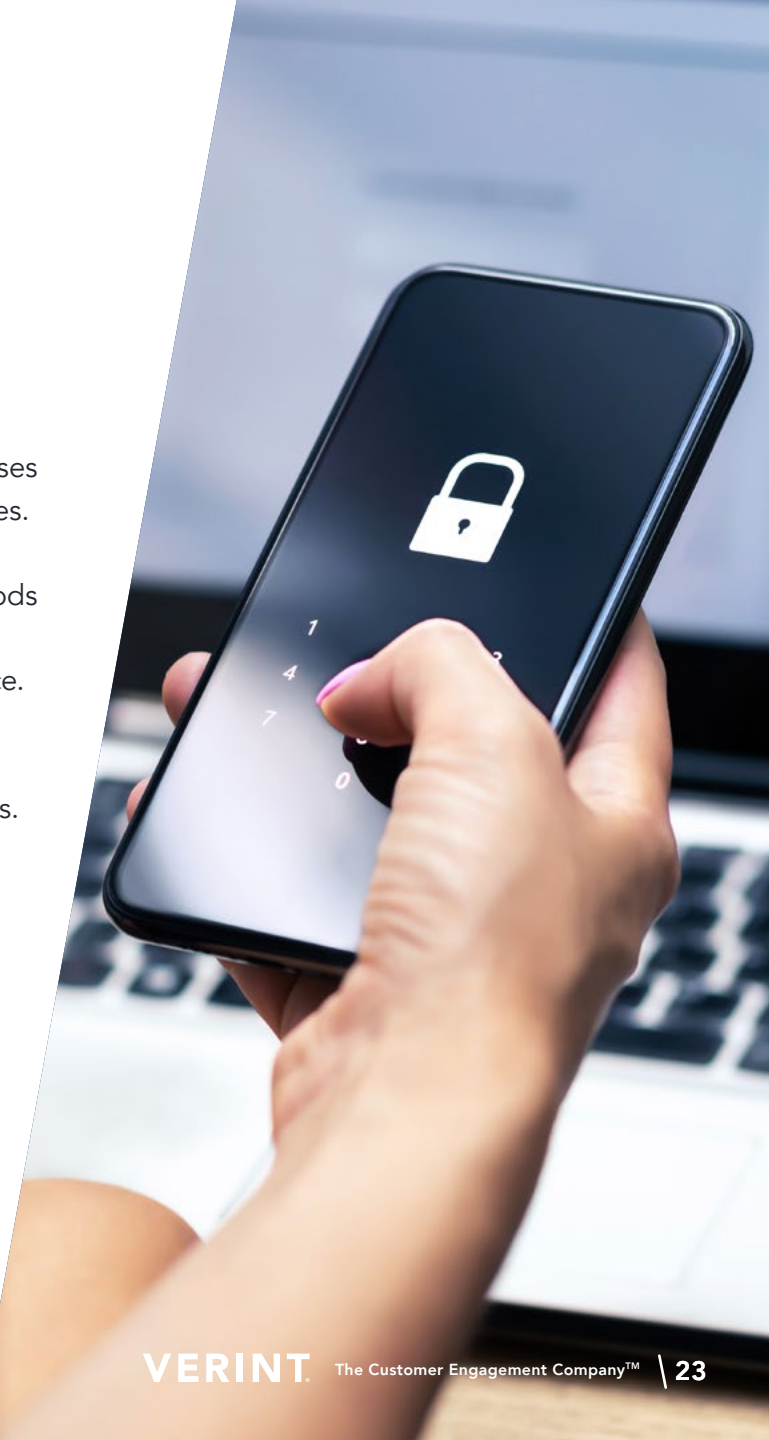
Under our customer and partner agreements, we act in a limited capacity as an appointed service provider and may process personal data on a customer's or partner's behalf. When appointed as a service provider, we will enter into an appropriate agreement. These agreements detail the purposes for which we collect and process data from our counterparties.

Where we contract with third-parties for the provision of goods or services to us, we undertake privacy due diligence and ensure that appropriate contractual measures are put in place.

Where our solutions make use of artificial intelligence, we design them mindful of applicable laws and ethical standards.

In addition to our Privacy Policy, we maintain other policies and procedures relating to data privacy, including:

- General Data Protection Regulation (GDPR) policies for customer and employee data
- Global Information Security
- Incident Management



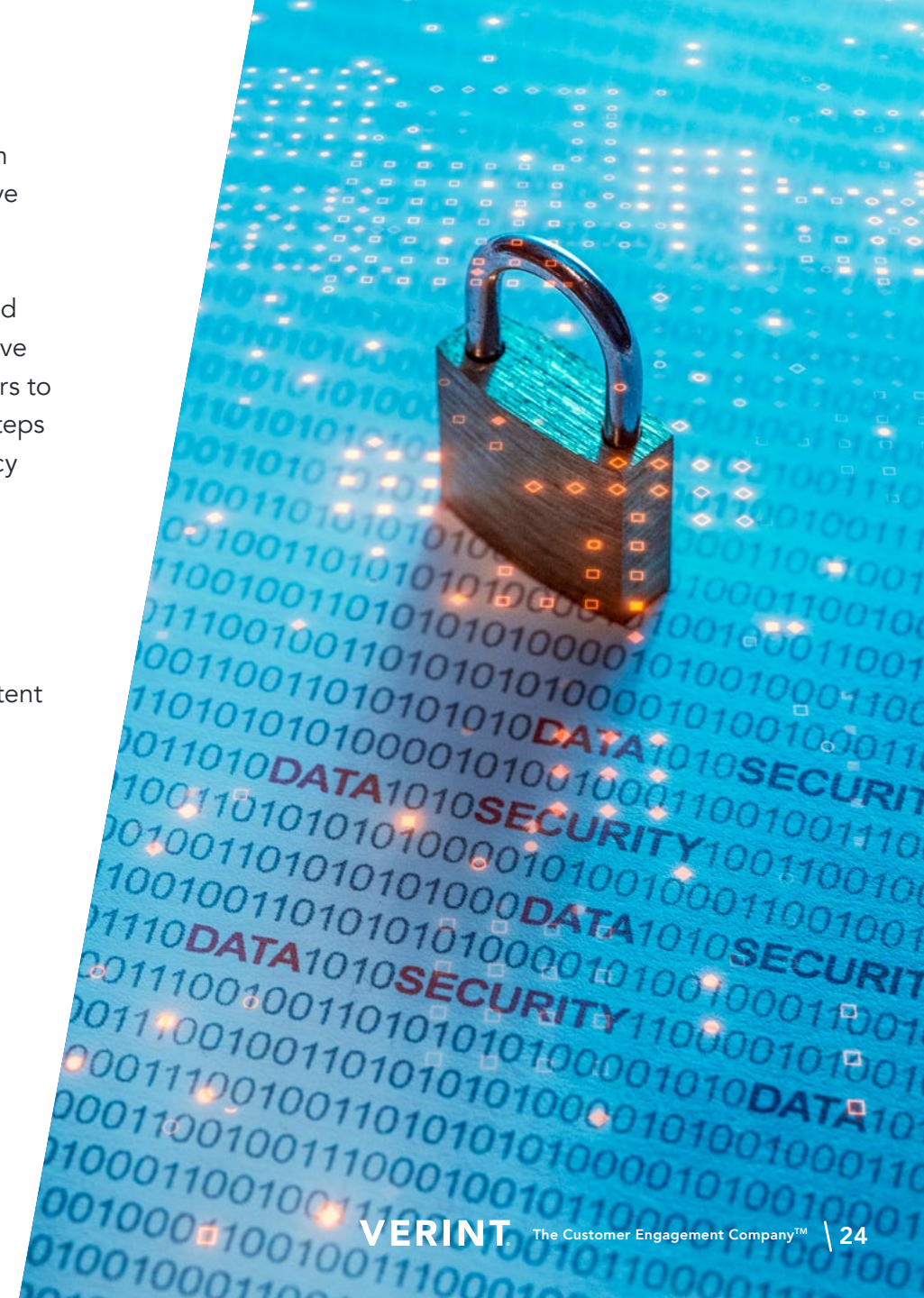
Our data privacy compliance program includes the following measures:

- Monitoring of privacy regulations (such as EU GDPR, Brazilian LGPD, US CCPA) and how we comply with differing laws and standards across our global operating footprint
- Regular consultations with leading international privacy advisers to determine how evolving information regulations impact our business functions and customer operations
- Establishment and administration of privacy and information security policies and procedures for the collection, storage, processing, and maintenance of personal data
- Use of specialized technology tools to strengthen our compliance activities and assist us in mapping, monitoring, and benchmarking our data processing activities
- Employee data privacy training

Our Global Privacy Office function resides within our Legal department, which reports to executive management and ultimately to our Board. The Global Privacy Office seeks to ensure the appropriate oversight and expertise are provided on global privacy laws and requirements. We have also established regional Data Protection Officers to ensure we understand and take the necessary steps to comply with the range of evolving data privacy and protection laws applicable to the numerous jurisdictions in which we operate.

We are not currently aware of any jurisdictions in which our products or services are subject to government-required monitoring, blocking, content filtering, or censoring.

Our solutions are also designed to help our customers comply with their own privacy compliance requirements. For example, our solutions enable selective access rights, rectification, erasure, and data portability.



Information / Cyber Security

Verint is committed to the protection of our data and third-party data through the implementation of technological and organizational measures designed to reduce risk of data theft or destruction. These measures include:

- The adoption of best practices frameworks for our cyber security program, including SOC 2, PCI-DSS, ISO 27001, and NIST CSF
- Certifications or conformance for applicable products and services, including SOC 2, PCI-DSS, ISO 27001, and HIPAA
- The adoption of best practices frameworks by applicable partners, including SOC 2 and FedRAMP
- Experienced personnel with certifications that include Certified Information Systems Security Professional (CISSP), Certified Information Systems Management (CISM), and Certified Information Systems Auditor (CISA)
- Independent third-party verification of risk management standards for portions of our products and services, with planned expansion in the future

As part of our adherence to the foregoing security frameworks:

- We maintain a dedicated security operations team to monitor our back office and customer facing cloud operations 24x7x365
- We make use of industry-leading cyber security tools for real-time security monitoring, vulnerability management, and threat intelligence
- We encrypt data at rest and in transit
- We use least privilege access methodology
- We maintain internal controls, including for identity and access management and logging
- We maintain policies and procedures relating to information security, including for incident management and business continuity
- We conduct regular vulnerability assessments on our infrastructure and solutions
- We maintain emergency response procedures which are tested at least annually
- We maintain backups and disaster recovery plans which are tested at least annually
- We conduct employee information security training

Any data breaches or law enforcement issues associated with cyber security are disclosed in our U.S. Securities and Exchange Commission (SEC) filings where required.

Business Continuity

Verint recognizes the critical role of Business Continuity Management (BCM), and has established processes, resources, and guidelines designed to ensure the availability of Verint business functions and services to customers and partners in the event of emergency or other operational disruption.

The BCM program, which is based on the principles of the ISO 22301 standard, is focused on maintaining continuity in the delivery and support of our products, as well as traditional back-office support functions. The BCM program also provides for data and knowledge redundancy and includes robust backup and recovery processes. Verint has put in place the infrastructure, policies, and procedures to allow employees to seamlessly

work remotely, as required. We also require our key suppliers and subcontractors to define and maintain their own business continuity management plans and to make them available to Verint for review upon request.

We have not historically experienced material performance issues, material service disruptions, or material customer downtime in our cloud-based product offerings.

We plan to regularly review, test, and update all facets of our business continuity management program to ensure effectiveness, with risk assessments and ongoing business impact analyses to reduce disruptions to our customers and loss to our company, partners, and other stakeholders.



Supply Chain / Third-Party Responsibility

Compliance Matters

In addition to our Code of Conduct, we have an established Third-Party Code of Conduct which outlines our expectations of suppliers and third-party partners regarding, among other things:

- Compliance with relevant laws and regulations, including anti-bribery & anti-corruption
- Employment, diversity, and provision of equal opportunities
- Workplace conditions and employee health and safety
- Management of conflicts of interest
- Information security and protection of data
- Use of Verint's technology and electronic assets
- Record keeping

In addition, we have adopted a Conflict Minerals Policy in compliance with applicable SEC rules regarding the responsible sourcing of certain minerals, which we expect our suppliers to follow. We conduct annual supply chain due diligence in furtherance of this policy and to support our annual conflict minerals report filed with the SEC.





Supplier Management

We have implemented a supplier management program designed to maximize the value of our key supplier relationships while mitigating risks. Key elements of the program include:

- Supplier prioritization—assessing each supplier’s business impact versus the difficulty of moving to an alternative provider
- Supplier qualification—a vetting process based on sound and responsible business practices and in compliance with regulatory and customer commitments
- Supplier performance management—a measurement system which tracks performance against contractual obligations, stakeholder expectations, and strategic goals
- Supplier relationship management—a series of value creating strategies to foster mutually beneficial partnerships

Diversity and Socially Responsible Procurement Practices

We encourage socially responsible procurement practices by actively pursuing business relationships with small businesses and suppliers owned by minorities or by women.

To facilitate this objective, we utilize a third-party tool which aggregates data about the diversity qualifications of more than a million potential suppliers and then allows us to measure our spend with these suppliers.

In 2021, we spent nearly \$17 million across more than 100 diverse suppliers in the U.S., including more than \$2 million to suppliers owned by women or minorities.

Training

Verint has a broad corporate compliance training program that consists of five core course topics: Code of Conduct, Information Security and Data Privacy, Anti-Bribery / Anti-Corruption, Insider Trading, and Trade Compliance. We typically administer all five courses each year for all employees. New employees are required to complete Code of Conduct and other training following commencement of their employment or engagement with us. We also require training for certain contractors we engage and third-parties who wish to partner with us based on their role and the sophistication of their own compliance programs. We delivered thousands of training courses across our employees, contractors, and third-parties over the course of 2021.

Reporting Concerns

Verint has an open-door policy in which we encourage open communication, feedback and discussion about any questions, problems, suggestions, or other matters of importance to an employee. We actively encourage our employees to report issues or concerns to their managers, human resources contacts, legal department contacts, or members of senior management. We also maintain an Ethics Help Line where employees can submit issues or concerns, including potential violations of the Code of Conduct or other policies, 24 hours a day, 365 days a year, via phone or the Internet, with a link available on our public website.

Anti-Retaliation Policy

We believe it is essential that our employees feel empowered to raise concerns with the expectation that these concerns will be promptly reviewed and appropriately addressed, and that they will not be subject to retaliation as a result. As such, Verint prohibits retaliation in any form against any employee by another employee or the company.

Risk Management

The Board and its committees take an active role in overseeing the assessment and management of our risks. The Board believes an effective risk management system will:

- Timely identify the material risks that we face
- Ensure communication of necessary information with respect to material risks to senior executives and, as appropriate, to the Board or relevant committees
- Facilitate implementation of appropriate and responsive risk management strategies consistent with our risk profile
- Integrate risk management into our decision-making



The Board and its committees regularly receive information regarding our financial position, capital structure, operations, strategy, compensation, compliance activities, information/cyber security, and risk management from senior management. During its review of such information, the Board and its committees discuss, review, and analyze risks associated with each area, as applicable.

- The audit committee oversees management of financial and compliance risks, including with respect to financial reporting and related information systems, credit and liquidity, legal compliance, potential conflicts of interest, and related party transactions.
- The compensation committee discusses, reviews, and analyzes risks associated with our compensation plans and arrangements, including risks related to recruiting, retention, and attrition. The committee also receives updates on trends and developments in compensation and related matters from its independent compensation consultant at least annually.
- The corporate governance & nominating committee oversees risks associated with our overall governance practices and the leadership structure of our Board. The committee receives updates on corporate governance and public company legal matters from internal and external counsel on a regular basis throughout the year, including with respect to ESG trends and developments, and periodic reports from management on our ESG program.

The full Board is regularly informed about the activities of its committees through committee reports and other communications, as well as participation in committee meetings by non-committee member directors from time to time. The Board also oversees risk management and compliance generally, including information security / cyber security, on which it receives reports at least quarterly. The quarterly briefing on information security / cyber security includes information about our information security systems and tools, policies and procedures, security events, testing, audits, risk areas, and mitigation plans.

Under the oversight of the Board, we have also undertaken a number of enterprise risk assessments over the years and have implemented policies, procedures, and programs designed to help manage the risks to which we are exposed in our business and to align risk-taking appropriately with our efforts to increase stockholder value. For example, we conduct a quarterly survey process encompassing hundreds of employees which seeks to ensure that material information about our operations, finances, and compliance activities are effectively conveyed to senior management on a timely basis.

Board Independence and Refreshment

Our Board is currently comprised of ten members, nine of whom are independent directors, including our lead independent director. All of our standing Board committees are comprised solely of independent directors.

We endorse the concept of Board refreshment, with six new independent directors in the last four years, including one new independent director in 2022. Three of those new directors have been added since the closing of the spin-off of our former cyber intelligence business on February 1, 2021.

Stockholder Engagement

We are committed to frequent and extensive stockholder engagement to learn what issues are important to our stockholders.

It is and has been our practice for many years to engage with our investors on a regular basis. Each year, we typically meet with well over a hundred investors as part of our investor relations program, during which we make ourselves available to discuss, subject to the limitations of applicable securities law, any subject our stockholders wish to raise with us, including matters of strategy, capital allocation,

corporate governance, and executive compensation. We believe this program of regular stockholder engagement has been productive and provides an open exchange of ideas and perspectives for both management and our stockholders.

As part of our overall stockholder engagement, each fall we proactively reach out to a large number and percentage in interest of our stockholders, with the direct participation of our compensation committee chairman.



Awards and Recognition



2021 Customer Sales and Service World Awards



Workforce Engagement Cloud
Engagement Data Management
Knowledge Management



Automation Solution of the Year



Additional Information

Verint® (Nasdaq: VRNT) helps the world's most iconic brands—including over 85 of the Fortune 100 companies—build enduring customer relationships by connecting work, data and experiences across the enterprise. The Verint Customer Engagement portfolio draws on the latest advancements in AI and analytics, an open cloud architecture, and The Science of Customer Engagement™ to help customers close The Engagement Capacity Gap™.

VERINT®

**The Customer
Engagement Company™**

Learn more at [Verint.com](https://www.verint.com).

Our Code of Conduct and many of our other corporate governance or compliance policies are available on the corporate governance page of our website.

Additional information about our Board of Directors, our stockholder engagement efforts, and our executive compensation, including CEO pay ratio, is included in our annual proxy statement.

Our ESG team can be reached at ESG@verint.com.

Forward-Looking Statements

This report may contain “forward-looking statements,” including statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect relating to Verint Systems Inc. These forward-looking statements are not guarantees of future performance and they are based on management’s expectations that involve a number of known and unknown risks, uncertainties, assumptions, and other important factors, any of which could cause our actual results to differ materially from those expressed in or implied by the forward-looking statements. The forward-looking statements contained in this report are made as of the date of this report and, except as required by law, Verint assumes no obligation to update or revise them, or to provide reasons why actual results may differ. For a more detailed discussion of how these and other risks, uncertainties, and assumptions could cause Verint’s actual results to differ materially from those indicated in its forward-looking statements, see Verint’s filings with the Securities and Exchange Commission.

This report does not cover all information about our business. The inclusion of information or references in this report, including the use of “materiality” or similar terms, should not be construed as a characterization regarding the materiality of such information to our financial results or that such information is necessarily material to investors or other stakeholders for purposes of U.S. federal securities laws.

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