Sustainability Report 2019

Environmental, Social and Corporate Governance (ESG)
Performance Highlights

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CEO Message

Ensuring a Safer, Sustainable Tomorrow

Verint is and continues to be a pioneer and leader in the field of Actionable Intelligence® and analytics. We are continually reinforcing our commitment to deliver bold and innovative solutions for our diverse customer base. At the same time, we consistently strive to make the world a better place by using our technology and innovation to bring about positive change. As our world grows more complex and interconnected, social responsibility is not only a competitive differentiator or a business imperative, it is simply the right thing to do. As a global leader in our markets, we take the responsibility of working to improve our sustainability performance seriously. We focus on a variety of areas from measuring our energy consumption to factoring in environmental design elements and end-of-life thinking into our products.

Verint also recognizes the importance of corporate social responsibility and embraces opportunities to support the communities in which our employees live and work. In 2005, we launched Verint's Next Generation program to engage Verint's local employees around the globe in meaningful social and environmental projects to impact their local communities. Our program targets children – the Next Gen – by working with qualified non-profit organizations that support the physical, educational, safety and social needs of children in our communities around the world.

Our employees can participate by volunteering their time through Verint initiatives, as well as donating the value of unused vacation hours. Verint also provides a financial gift for individual volunteer hours contributed to a qualified non-profit organization that focuses on helping children.

This is the first Sustainability Report for Verint Systems Inc. and is written in reference to the Global Reporting Initiative's (GRI) Sustainability Reporting Standards (SRS). We are proud of the social and environmental sustainability achievements that are outlined in this report and are committed as an organization to continue pursuing initiatives, activities, and policies that foster a safer, more informed, and better tomorrow for all of our stakeholders.

Dan Bodner
Chief Executive Officer and Chairman of the Board of Directors
Verint Systems Inc.

About Verint – What We Do

Our Business

Verint develops and provides Actionable Intelligence® solutions to the Customer Engagement and Cyber Intelligence markets. Actionable Intelligence® solutions work to empower organizations by providing crucial insights that allow decision makers to anticipate, respond, and take timely, effective, and highly informed actions. For over two decades, Verint has developed domain expertise and market leadership to offer our customers and partners a comprehensive portfolio of solutions that matches the needs and nature of dynamic information growth.

Today, over 10,000 organizations in more than 180 countries, including over 85 percent of the Fortune 100 companies and government agencies worldwide, use Verint Actionable Intelligence solutions to power their customer engagement and cyber intelligence operations.

The company's headquarters is located in Melville, New York.   The company has approximately 75 offices in various locations around the globe that are comprised of small and mid-sized facilities that are used to support our administrative, marketing, manufacturing, product development, sales, training, support and services needs for our two operating segments.

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Employee Location Data

As of January 31, 2020, we employed approximately 6,500 professionals, including some contractors across the globe. The geographical division of employees is as follows:

Location	Percentage of Total Employees
Americas	37 percent
Israel	24 percent
EMEA (excluding Israel)	26 percent
APAC	13 percent

Our Core Values

- Through our business activities and interactions with stakeholders, we work to realize our five core values:

    - The *integrity* to do what's right.

    - The *innovation* to create leading solutions for real-world challenges.

    - The *transparency* the fuels mutual trust and productive, collaborative working relationships.

    - The *humility* to view our successes as milestones in our journey, and our mistakes as opportunities for improvement.

    - A *passion* for making our customers and partners successful.

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

Our Commitment to a Better Tomorrow

Stakeholder Expectations and Communications

Communicating with our stakeholders is important to us and something we do through a variety of channels. The table below outlines what we have learned about the expectations of our stakeholders with respect to Environmental, Social and Corporate Governance (ESG) from these communications.

Stakeholder Group	Expectations	Methods of Communication
Management	• Safe and healthy work environment for employees • Proper environmental and sustainability performance according to industry benchmarks • Execution toward meeting business results • Fulfillment of commitments to customers • Developing and fostering a good and productive relationship with customers	• Quarterly and annual sustainability progress updates
Employees	• Management leadership and commitment to Environmental Health & Safety (EHS) principles • Taking part in doing good for local communities and the environment • Fostering a safe and healthy work environment	• Participation in health & safety committees • Career & performance feedback sessions and development opportunities • Volunteer opportunities through our *Next Generation program* • Internal Verint sites and content repositories such as Global Connect and Verint Connect, executive messaging / blogs, newsletters and e-learning
Customers	• Compliance with legal requirements for products • Organizational commitment to EHS principles as part of the company's Corporate Social Responsibility (CSR) strategy	• Information and marketing on products and their specifications • RFPs/surveys • Relevant sustainability and corporate governance information on the company's website
Stockholders	• Compliance with legal requirements	• Annual report on Form 10-K

| Stakeholder Group	Expectations	Methods of Communication
	• Sound economic performance • Ethical conduct • Disclosure on ESG performance	• Earnings calls and relevant financial performance updates • Corporate governance policies
Certification & Accreditation Bodies	• Compliance with ISO/OHSAS standards • A global strategic and annual certification audit plan • Compliance with global and local EHS requirements	• Reporting on compliance with relevant standards • Audits • Communication with the Quality and Sustainability team
Non-Governmental Organizations (NGOs)	• Reporting and tracking environmental and social performance	• Relevant sustainability and corporate governance information on the company's website
Local Communities and Society at Large	• Clear communication and opportunities for dialogue	• Relevant sustainability and corporate governance information on the company's website • Marketing and communications • Targeted support for local community non-profits
Suppliers and Subcontractors	• Fostering good relationships with suppliers • Clear definition of requirements and expectations • Reporting mechanisms	• Clear policies and written expectations from suppliers and subcontractors • On-going communication with the Procurement team
Legal Authorities	• Compliance with all regulatory laws	• Reporting on compliance with relevant standards • Annual report on Form 10-K

Verint's Material ESG Issues

We conducted a benchmark study of similar companies in the software and technology industry sectors in order to identify the ESG issues that are of highest relevance to our business as well as those that have the highest impact on our sustainability commitments. As part of the benchmark study, we reviewed material ESG issues identified by similar companies and considered their degree of correlation to Verint's business and sustainability activities. The ESG issues identified constitute issues Verint believes are important and are used in turn to shape the content of this report and to inform the nature of our corporate social and environmental responsibility strategies.

Matrix of Material Issues: Measurement of Business & Sustainability Impact

The following materiality matrix represents the issues we identified using benchmarks of similar sized technology companies according to their level of impact or importance to our business, together with their degree of impact or influence on our sustainability commitments. This report reviews our policies, activities, and relevant practices regarding the identified material issues presented in the matrix below.

Environment	Social	Economics & Governance
• Electronic Waste & Recycling • Energy Management	• Quality of Products & Services and Logistics • Employment, Career Management, and Skill Development • Customer Data Privacy & Cybersecurity • Health, Safety, and Wellbeing in the Workplace • Community Involvement & Giving	• Economic Performance • Ethical Conduct & Anti-Corruption • Innovation in Products & Services • Risk Management, Legal Frameworks, and Regulations • Local Economic Impact • Social and Environmental Investment

Verint Systems Materiality Matrix
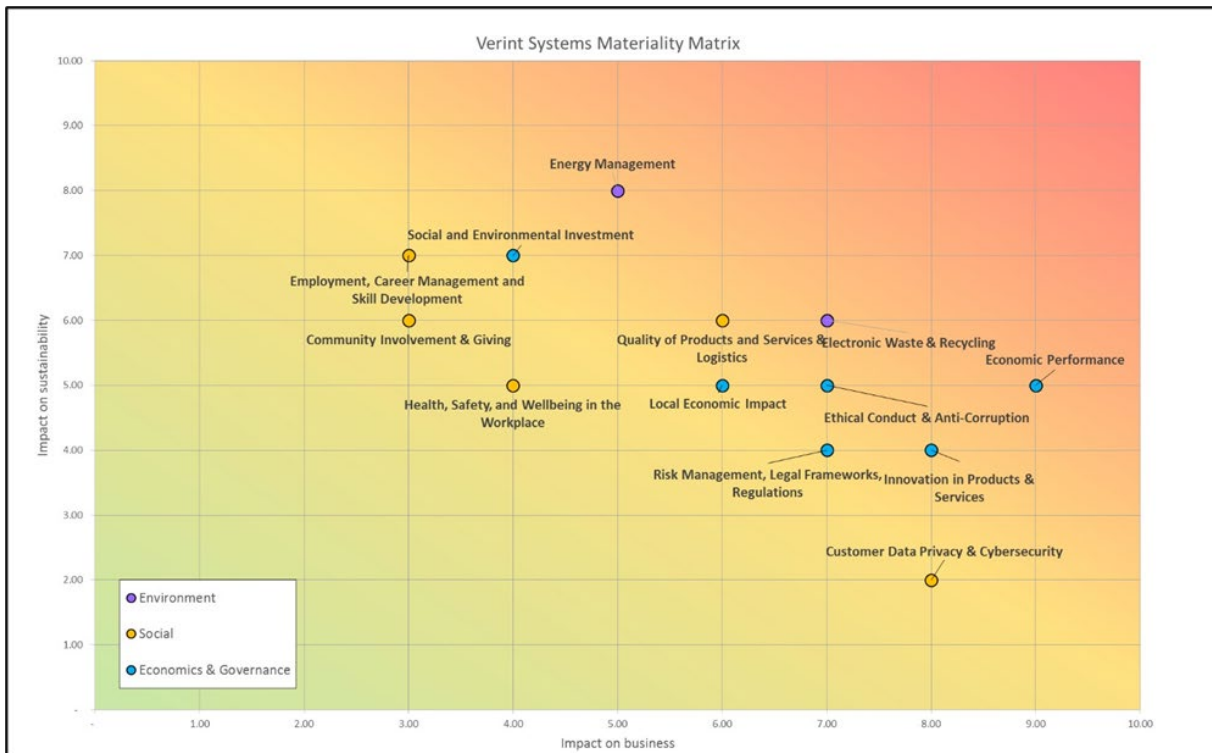
Our Corporate Responsibility & Sustainability Program

Verint's Global Corporate Responsibility function covers global ethics and compliance, enterprise risk management, global information security, global internal audit and global process improvement. We are committed to continually enhancing our Global Corporate Responsibility Program to help meet the needs of evolving markets, emerging technologies and a changing world. We also participate in forums dedicated to the evolution and success of these initiatives and encourage our employees to pursue an active role in their advancement. Learn more at www.verint.com/corporate_responsibility.

Verint has developed several policies for instilling and realizing our corporate, social and environmental commitments. In setting and establishing these frameworks, which include policies, codes of conduct, and relevant activities, we work to address our various stakeholders' expectations and to meet our organizational goals. Our Code of Conduct and many of our policies are available to the public on the "Corporate Responsibility" section of our website at the following link, and outline our commitments to proper environmental, social, corporate and economic governance.

Our Models for CSR Engagement

The United Nations has set 17 Sustainable Development Goals (SDGs) and 169 relevant targets for each of those goals. Through collaboration, policy making and value-driven engagement, the public and private sector – governments, non-governmental organizations, individuals and businesses – are expressing their various commitments to help realize as many of the SDGs and the relevant targets by 2030. As part of our materiality assessment discussed above, Verint sought to extend our platforms for engagement on these issues, thereby creating maximum value for our stakeholders and the local communities in which we work. As a result, we mapped our activities and commitments based on the United Nations' SDGs and the 169 relevant targets for each of the goals.

The SDGs and relevant targets that we found to correlate with our business include:

Sustainable Development Goal (SDG)	Relevant Targets	Relevant Materiality Matrix Issues
Quality Education and Lifelong Learning Opportunities	**4.4**: Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. **4.7**: Ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development. **4.8**: Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.	• Employment, Career Management, and Skill Development • Community Involvement and Giving • Local Economic Impact • Social and Environmental Investment
Decent Work and Economic Growth	**8.2**: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation. **8.3**: Promote development-oriented policies that support productive activities, decent job creation,	• Employment, Career Management, and Skill Development • Innovation in Products and Services • Local Economic Impact

Sustainable Development Goal (SDG)	Relevant Targets	Relevant Materiality Matrix Issues
	entrepreneurship, creativity and innovation. 8.5: Achieve full and productive employment and decent work for all women and men. 8.6: Substantially reduce the proportion of youth not in employment, education or training.	
Industry, Innovation and Infrastructure	9.2: Promote inclusive and sustainable industrialization. 9.5: Enhance scientific research and upgrade the technological capabilities of industrial sectors in all countries.	• Quality of Products and Services and Logistics • Innovation in Products and Services
Responsible Consumption and Production	12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse. 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	• Electronic Waste and Recycling • Social and Environmental Investment • Risk Management, Legal Frameworks, and Regulations

In addition, Verint is a member of corporate responsibility organizations and takes part in relevant sustainability initiatives that are relevant to our business sector. Such initiatives include:

- EcoVadis, a sustainability ranking and scorecard for the supply chain that monitors corporate social responsibility (CSR) and environmental, social and governance (ESG) performance. Verint has been an active member of EcoVadis for the past three years.

- The Israeli Users' Association of Advanced Technologies in High-Tech Integrated Systems (ILTAM), a non-profit organization that also provides updates on relevant sustainability regulations within the technology industry.

Management of Relevant Risks and Opportunities

The proper and transparent management of relevant environmental, social, health, and safety risks and opportunities at our organization is something we take very seriously. We also view compliance with relevant regulations as an essential element of our risk management, undertaking regular review of applicable regulations and policies.

Management is updated regularly on relevant risks and opportunities with regards to these topics and management, in turn, presents periodic updates to the Board of Directors.

Environmental Sustainability and Resource Management

Our commitment to environmental stewardship is relevant for the management of our global operations, for the design of our products – from the use phase and through to disposal, and in the management of our relationships with suppliers and other key stakeholders. We endeavor to consider relevant environmental impacts for all of our activities and to measure and track our performance, where possible, using key performance indicators (KPIs) such as measurement of energy resource consumption.

The following discussion outlines our environmental activities and performance during calendar year 2019. Our Director of Quality, Sustainability and Business Continuity Management (BCM) submits reports on this information to management on a quarterly basis. These reports serve as an opportunity to review our environmental performance and set targets for improvement for the future. Our environmental program is managed according to ISO 14001 for Environmental Management. Through this standard, we work to establish company-wide guidelines and to systematically assess our performance. In addition, and through our Environmental Health and Safety Policy (EHS Policy), we manage a number of aspects that relate to our environmental impacts such as energy usage, health and safety aspects, facilities operations and management, and measures to prevent, communicate and promote sound and sustainable relationships with the environment.

The data in this section is subject to internal and external audits in line with our Environmental Management System and ISO 14001 requirements. Data that supports public commitments, such as our goals to reduce greenhouse gas (GHG) emissions, are subject to third party validation. The performance targets described in this section were established prior to the onset of the COVID-19 pandemic. As a result of the transition to work-from-home, we believe we will be able to exceed many of these goals for the year ending January 31, 2021.

Managing Energy Use and Increasing Efficiency in Operations

Energy Resources Used in Operations and Maintenance

As a technology company, Verint relies on energy resources, namely for powering the operations of our global offices and in the deployment of our solutions, through electricity consumption. Due to the extent of our operations and their global scale, we are committed to minimizing our dependence on non-renewable sources and to reducing our consumption of energy sources where possible. These efforts not only support our commitment to environmental sustainability—by reducing our spending on electricity consumption, we are able to minimize costs and positively contribute to the economic success of our company.

Our company-wide commitment to reducing energy consumption and increasing efficiency is outlined in our Environmental Health and Safety Policy (EHS Policy). The policy is an integral part of our corporate culture and is openly communicated to all relevant stakeholders.

As such, Verint measures its electricity consumption on a global scale, generating a monthly average in electricity consumption for all of our major offices. In addition, we analyze our energy consumption according to the average electricity consumption per employee. Each year, we set an organizational goal for reduction of our electricity consumption.

Monthly avg. electricity consumption (Mwh)
Vs. electricity consumption per employee (Kwh)
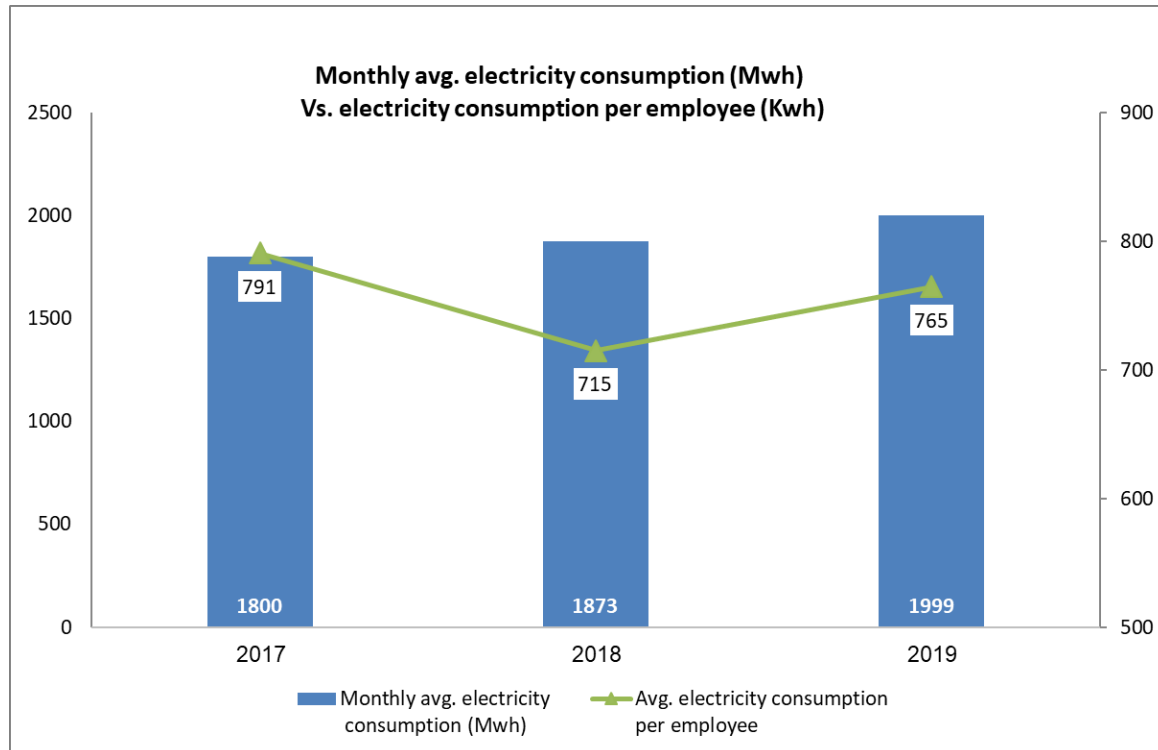
After several years of a decreasing trend, in 2019 we reported a 7% increase in electricity consumption per employee.

Despite the incremental increase in consumption 2019, which was primarily attributable to an increased number of employees and office locations, we implemented and initiated a number of energy efficiency measures that contributed to our results in striving for energy reduction. Operationally, we installed uninterruptible power sources (UPSs) to provide an emergency power load, new light switches to conserve power in the stairwells, measures to make more efficient use of lighting in the company's parking facilities, digital timers on the main air conditioning units, energy meters on the chiller cooling systems, and two new and more efficient chillers.

Energy consumption at Verint is managed by an energy officer, who is in charge of measuring, monitoring and reporting on the company's progress to the sustainability and quality management team. Every five years, the energy officer conducts an energy survey to identify areas for improvement.

Based on our framework for managing the topic of energy consumption, we set the following performance targets for calendar year 2020:

- Reduction of 5 percent in total energy consumption

- Reduction of 10 percent in energy consumption per employee.

Energy Resources Required for Use of Products and Services

As part of our commitment to deliver the most advanced solutions to our customers, we take factors such as energy use and savings into consideration. Our research, development, and product management teams work to stay up-to-date on the efficiency of the third party hardware solutions we offer to our customers on their ability to minimize environmental impacts, and on reducing energy usage and prolonging the product lifecycle. We endeavor to adhere to relevant Energy Star® requirements[1] as they relate to our products, to offer downloadable or cloud-based software solutions where possible, and to distribute all of our relevant communications, marketing and other materials electronically. Verint cloud services can cut energy use compared to traditional premises deployments while giving our customers the flexibility and resiliency to maintain operations in a variety of circumstances.

Monitoring Our Fuel Consumption

As part of our efforts to monitor our energy use, we track and report data on fuel consumption for our vehicle fleet in Israel. We measure the monthly average fuel consumption and set relevant goals for reduction.

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1 Energy Star® is a voluntary program launched by the US Environmental Protection Agency (EPA) and now managed by the EPA and the US Department of Energy (DOE) that helps businesses and individuals save money and protect the environment through superior energy efficiency.

Monthly total consumption (avg K-liter)
Monthly AVG consumption per car (Liter)
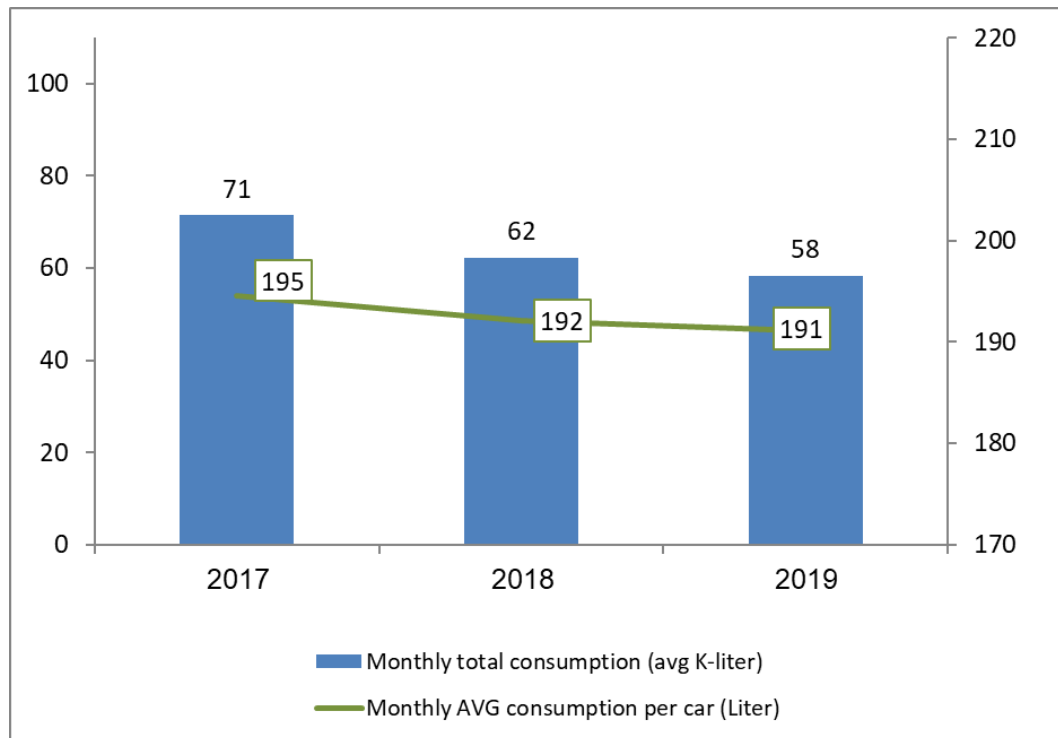
For calendar year 2019 we achieved a 0.6% reduction in average monthly fuel usage, versus a target of 3%, However, we achieved an overall reduction of 6.5% in total fuel consumption compared to the prior year. This decrease was mainly attributable to the downsizing of our vehicle fleet by 6%, from 324 vehicles to 305 vehicles. In addition, in 2019, we began efforts to increase the number of hybrid vehicles in our fleet. Looking ahead and based on the assumption that we will have a similar sized fleet, we have set a goal for calendar year 2020 of achieving a 13% reduction in overall fuel consumption.

Materials, Electronic Waste and Recycling

The global nature of our company and our customer base makes the topics of material management, electronic waste and recycling key areas of importance for Verint. We are committed to managing our environmental impact throughout the value chain – from design to disposal and every step in between – which is why we closely monitor our use of materials and adhere to all relevant regulations. These commitments are not only a critical part of our environmental promise but are also central to our approach to quality management for our customers. We have an organizational goal of ensuring that 100% of electronic waste from our products and operations goes to recycling. The essence of our commitment is outlined in our Environmental Health and Safety (EHS policy).
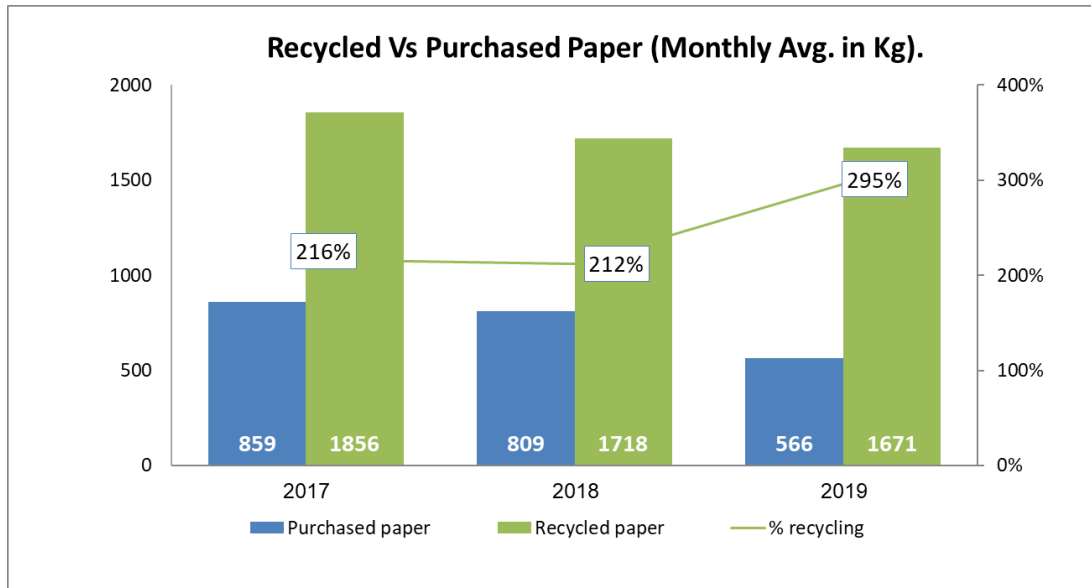
Our Policies for Electronic Waste Recycling

Internally at Verint, our employees have ready access to e-waste bins where they can recycle electronic products and batteries. Employees are encouraged to bring in old electronics from home and to recycle them at Verint as part of our recycling collection events. In addition, we recycle all Verint electronics and computers used in the workplace. The table below shows the monthly average of our recycled e-waste over the last three years.

Monthly avg. Recycled E-waste (Kg)

Year	Kg
2017	2429
2018	2729
2019	2156
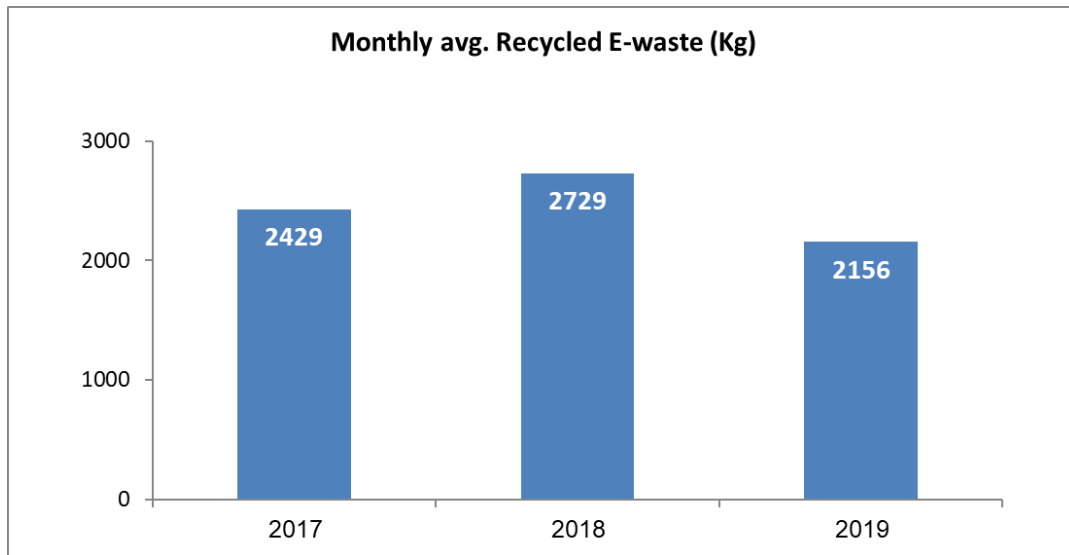
For calendar year 2019 we met our targets to increase recycling of all e-waste from our various office locations. Verint recycled a monthly average of 2,156 Kg of e-waste, with our Herzliya, Israel offices contributing an average of 1,170 Kg a month to this total amount. We have set a future goal that all of Verint's sites will participate in the e-waste recycling program and that they will track and report on their progress.

## Monitoring of Material Use, Re-Use and Recycling

As part of our environmental management efforts, we closely monitor and track the use of resources and work to ensure that they are correctly disposed of or recycled, where relevant. Verint has only a few manufacturing facilities, so the majority of data we track regarding material usage pertains to office supplies such as paper, cardboard and light bulbs.

Recycled Vs Purchased Paper (Monthly Avg. in Kg).

Legend: Purchased paper · Recycled paper · % recycling

Data shown:
- 2017: Purchased paper 859, Recycled paper 1856, % recycling 216%
- 2018: Purchased paper 809, Recycled paper 1718, % recycling 212%
- 2019: Purchased paper 566, Recycled paper 1671, % recycling 295%

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We achieved a 30% reduction in the amount of paper we purchased in calendar year 2019 along with a 3% decrease in recycled paper, enabling us to achieve our goals for the year.

For our products not delivered electronically, cardboard is used to package and deliver our products to customers. In many cases, we use recycled or repurposed cardboard packaging. In some offices we have installed printer management systems that reduce the paper usage and waste as printing copies can only be activated by an employee ID card being presented to the reader on the printer – this also allows for more secure printing.

Monthly avg. Recycled cardboard (kg)

Data shown:
- 2017: 5841
- 2018: 4373
- 2019: 4436
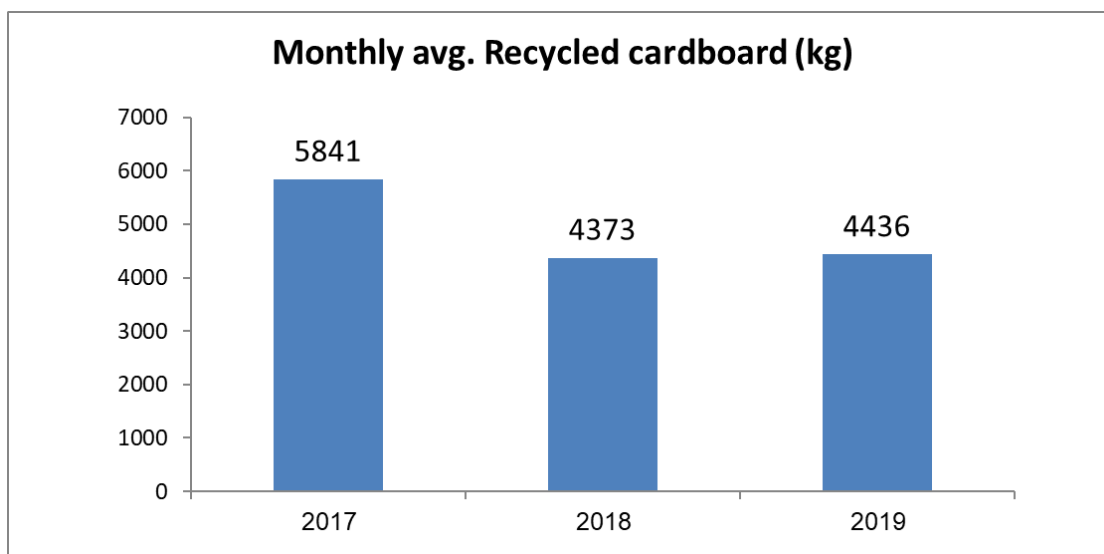
In 2019, our collection of recycled cardboard slightly increased 1.5% compared to 2018. Our goal for 2020 is to achieve higher levels of cardboard recycling through the installation of easily accessible receptacles at our various international offices.

In addition to paper and cardboard, we collect and recycle several other materials such as light bulbs used in our offices and production facilities, cans, plastic and glass bottles, alkaline batteries and coffee pods. Currently, we do not collect data on the recycling of these materials.

Adherence to Relevant Environmental Regulations and Design for Environment (DfE)

While our primary focus is on developing and producing software, to accommodate customers' desire for turnkey solutions, we also deliver solutions that incorporate third-party hardware components. This applies mainly to our Cyber Intelligence segment, as the majority of the solutions in our Customer Engagement segment are comprised solely of software components. We utilize both unaffiliated manufacturing subcontractors, as well as our internal operations, to produce, assemble and deliver solutions incorporating hardware components. These internal operations consist primarily of installing our software on externally purchased hardware components, final assembly, repair and testing, which involves the application of extensive quality control procedures to materials, components, subassemblies and systems. We also perform system integration functions prior to shipping turnkey solutions to our customers.

As the manufacturer of technological solutions, we assume the necessary responsibility of safely and properly designing, manufacturing and disposing of our products, and holding our manufacturing partners/contractors to the relevant standards. Approximately 80-90% of our manufacturing is performed by contract partners, and we work closely with them on meeting our standards including compliance with:

- European Directive 2011/65/EC on the restriction of hazardous substances (RoHS), which manages the use of certain hazardous substances in the manufacture of various types of electronics and electrical equipment;

- the Registration, Evaluation, Authorization and Restriction of Chemicals (EC) 1907/2006 (REACH) regulation that addresses the production and use of chemical substances and their impacts on human health and the environment;

- the Waste Electrical and Electronic Equipment Directive (WEEE) that manages the collection, recycling and recovery targets for electrical goods;

- Dodd-Frank Wall Street Reform and Consumer Protection Act (Wall Street Reform Act), namely the Conflict Minerals Rule;

- European Regulation (EC) No 1272/2008 on Classification, Labeling and Packaging of Substances and Mixtures; and

- Directive 94/62/EC (Packaging and Packaging Waste). Verint also adheres to relevant regulations regarding ozone-depleting substances (ODS).

In addition, and voluntarily, we produce and package our products according to the Environmental Protection Agency's (EPA) Design for Environment (DfE) concepts aimed at reducing the use of hazardous substances, power consumption in production, packaging materials, and following initiatives for encouraging reuse and recycling of our products. Through application of DfE concepts, we look at every stage of the product lifecycle, starting in the pre-manufacturing phase and through to the end-of-life or disposal phase. The overall goal is to eliminate, where possible, as many potential environmental and health and safety impacts as possible in an effort to create sustainable solutions for our customers. We also strive to provide relevant employees with training and professional skill building relating to DfE with the goal of ensuring that all of our products are environmentally friendly.
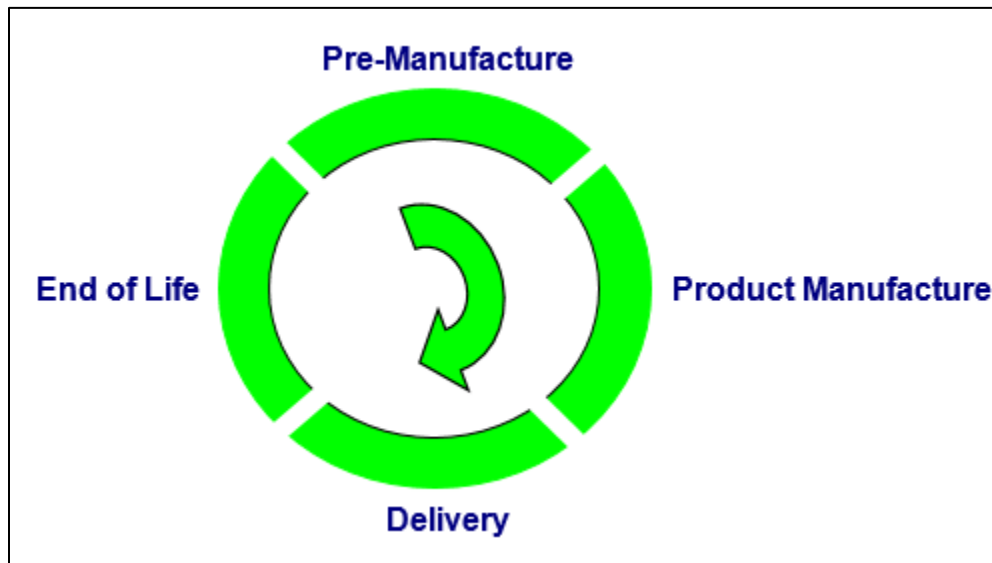
Environmental Management of the Supply Chain

As a company with operations and customers across the globe, Verint has a large and dispersed supply chain. We engage approximately 800 suppliers connected to the provision and manufacturing of our products, including, among others, brokers, consultants, contactors, distributors, franchisees or licensees, manufacturers, subcontractors and wholesalers.

We manage our relationships and expectations for our suppliers through our Third Party Code of Conduct. In addition, relevant environmental and sustainability expectations for our suppliers are outlined in our Environmental Health and Safety Policy (EHS policy), which emphasizes our commitment to green procurement practices and our expectation that suppliers and subcontractors will adhere to all relevant environmental and social regulations and directives.

In considering the key suppliers that we want to work with, our procurement department analyzes a number of relevant environmental parameters and policies, such as the location of the suppliers, in order to promote and encourage local procurement practices, as well as their ability to adhere to our environmental requirements, which are outlined above. As part of our agreements with hardware vendors, we require that the vendor acknowledge that all of the components that we order and that they supply comply with or that there are initiatives in place to comply with REACH, RoHS, the Conflict Minerals Rule, European Regulation (EC) No 1272/2008, and Directive 94/62/EC. In addition, we ask our suppliers to use environmentally conscious packaging, including:

- the use of packaging materials that can be reduced, reused or recycled;

- no use of halogenated chlorofluorocarbons (CFCs) or hydrogenated chlorofluorocarbons (HCFCs) in the manufacturing of materials for Verint;

- minimizing the use of methyl Bromide (commonly used as a fumigant for solid wood packing materials) through the use of alternative packaging materials where feasible;

- measurement of the sum concentration of incidental amounts of lead, cadmium, mercury or hexavalent chromium in any packaging material or component;

- use of disposable packaging that is biodegradable;

- compliance with ISPM 15 in the use of wood platforms;

- avoidance of the use of stickers on packaging, with a recommendation to print information directly on the package.

Suppliers are required to provide Verint, upon request, material declarations regarding the material contents of parts or products that are supplied to us according to our specifications.

Our procurement team works with suppliers to improve their level of compliance with our environmental policies and sourcing standards. The procurement department annually assesses suppliers' level of compliance with the environmental, health and safety, and social standards through an established and documented audit process. At the end of the audit process, each key supplier is rated according to an established scale, at which point we determine whether or not to continue our work with these suppliers. Furthermore, our procurement team works with suppliers to actively improve their environmental

performance, which includes offering relevant training opportunities and assisting the suppliers in developing detailed improvement plans.

Our People Are our Greatest Asset

Quality of Products & Services and Logistics

Our culture is quality-centric, and each Verint employee is a quality champion. Verint is globally certified on the ISO 9001 international standard for Quality Management. We have a company-wide quality management system designed to encompass all of Verint's relevant business operation enablement processes. The pillars that comprise our global quality policy include meeting or exceeding customers' expectations; driving meaningful innovation for the benefit of our customers and our organization; and striving for organizational and individual excellence. We strive to ensure that all of our customers receive the desired product in a timely fashion and that all of their relevant quality-related expectations are addressed.

Customer Data Privacy and Cybersecurity

Verint has an established security protocol that is managed through the ISO 27001 Information Security Management Standard. Through our Information Security Policy, we outline how Verint manages, monitors and minimizes information security risks, provides information to employees on their responsibilities to protect information, how the topic of information security is integrated into Verint's business processes, and how our data privacy policies comply with relevant regulations for the protection of personal information. Furthermore, Verint is committed to continually improving our information security efforts in compliance with globally accepted standards.

Verint's Global Information Security (GIS) program is built on an information security infrastructure that incorporates various controls for people, processes and technology to reduce the risk of exposure. Our GIS program is led by our Chief Administrative Officer, who is accountable to Verint's Board of Directors with respect to Information Security company-wide. We have implemented a global cross-functional Information Security Committee to guide our overall GIS program, as well as a number of subject-matter-specific information security sub-committees. We employ information security professionals highly experienced in information risk management, with certifications that include Certified Information Systems Security Professional (CISSP), Certified Information Security Manager (CISM), Certified Information Systems Auditor (CISA), Certified in Risk and Information Systems Control (CRISC), and ISO 27001 Lead Auditor.

Information security considerations are an integral part of our business, and are present in all our business processes, including within product development lifecycles. To this end, we are committed to promoting a security-minded culture by providing ongoing education and awareness on information security topics. All of our employees receive thorough information security training when hired and annually thereafter. Furthermore, our technical services teams – who may come in contact with customer data during the course of their work – must comply with our internal protocols on the appropriate handling of customer data.

Information Security

- **Security Expertise – certified personnel with separation of duties.**
- **Information Security Management System – secure architecture ensures environment integrity, covering:**
  - ➢ **Authentication**
  - ➢ **Access**
  - ➢ **Confidentiality**
  - ➢ **Availability**
  - ➢ **Logging**
  - ➢ **Auditing**
  - ➢ **Data Validation, etc.**
- **Incident Management – detection, notification, and response.**
- **Business Continuity – prevention of unexpected events from impacting continuity.**
- **Facilities and Environmental Systems – data centers and facilities to exceed physical security requirements, including environmental protection (air conditioning, fire protection, backup power systems, etc.)**

Verint is committed to providing the highest levels of operational security, integrity, resiliency and redundancy to our customers. Our approach maintains a confidential, high-level security environment with security controls to address our customers' requirements and expectations.

Powering Our People – Employment & Skill Development

We consider our relationship with our employees to be a central and critical factor in our success. That is why we work to provide our employees with ample opportunities to grow personally and professionally while working at Verint. These opportunities range from technical skill development, such as programming and product design, to soft skills such as social media marketing and leadership skills. In addition, we are proud of our tight-knit and diverse organizational culture, which we foster through company events and bonding opportunities.

Encouraging Local Employment

We encourage local employment and the hiring of local managers, where possible. Working hand in hand with the local community to foster job creation, and thereby to support the local economy, our goal is to create ecosystems of employees rich in technical and professional knowledge.

Employee Benefits

We strive to provide competitive, fair compensation to all of our employees according to their level of professional knowledge and on-the-job performance. In addition, Verint affords its employees bonuses and other types of economic incentives based on the company's financial performance.

Verint offers a comprehensive benefits package with many company -paid offerings that offer protection and value to our employees and their families. In the US, our plans offer multiple options so employees can to choose based on their own circumstances.

All social protection and retirement benefits, including vacation / paid time off, are afforded to employees according to local regulations and practices. Funding requirements for programs required by local laws are determined on an individual country and plan basis and are subject to local country practices and market circumstances.

For example, in the U.S., we maintain a 401(k) Savings Plan for our employees. The plan allows eligible employees to elect to contribute up to 60 percent of their annual compensation, subject to the maximum allowable amounts. Verint also matches a portion of employee contributions. Verint provides its U.S. employees with company paid life insurance, parental paid leave, and fertility and adoption benefits. We provide retirement benefits for non-U.S. employees as required by local laws (or to a greater extent) in accordance with customary local practices.

Employee Development Opportunities

Continuous learning and the professional development of our employees are key factors in our success. Verint's approach is based on the adult learning philosophy of "70:20:10". We believe that seventy percent of skill development occurs through on-the-job experiences, twenty percent through colleague and leadership interactions, and ten percent through formal professional and academic learning opportunities. All of our global 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. Numerous courses, both online and in-person, are offered to employees to encourage their professional development and acquisition of knowledge and new skills.

In addition, employees may establish an Individual Development Plan in collaboration with their managers to identify the employee's short- and long-term development goals. This plan is an individually tailored action plan based on the employee's own individual competencies and aspirations, in the context of our business goals and the opportunities available within the organization.

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Encouraging a Diverse and Inclusive Workplace

Our commitment to attracting and retaining a talented, diverse and engaged workforce means that we embrace differences and work to cultivate an inclusive organization. We believe in providing a supportive environment and equal opportunity in all aspects of employment.

We fully support the role of women and all diverse groups in the workplace, including fairly determined remuneration, the provision of completely equal terms of employment, professional opportunities and benefits. We recognize differences in family composition and our US benefit plans provide options for employees in diverse family circumstances including domestic partner benefits, adoption assistance and fertility assistance, We observe all local legislative diversity requirements, such as setting affirmative action goals for women and minorities annually at each of our US office locations and conduct on-going outreach efforts to achieve them.

We do this globally as well: in Israel, we promote the employment of female members of the Ultra-Orthodox Jewish community through the Talpiot program. The program seeks to encourage the employment of women from this social and cultural group in technical positions in high technology companies – an initiative that Verint fully supports. Additionally, we track and report on our global diversity results to our Board of Directors regularly. We are proud of the progress we have made thus far even as we work to do better. For example, over the past two years we have increased the number of women overall in the company by 7%, to 27%, and also increased the number of women within our leadership team by 13%.

Furthermore, we provide training to our employees and managers and have a "zero tolerance" policy for unlawful discrimination, sexual harassment, or other discriminatory actions based on age, race, color, national origin, religion, gender, sexual orientation or disability. We prohibit violence or any aggressive behavior in the workplace and strongly encourage all of our employees to report any such acts to the Human Resources Department or their direct manager.

Our employees and managers come from an array of cultural backgrounds, resulting in a diverse workforce that is embraced by our openness and humility toward differences. We outline our commitments to diversity, equal opportunity, and non-discrimination in our Code of Conduct.
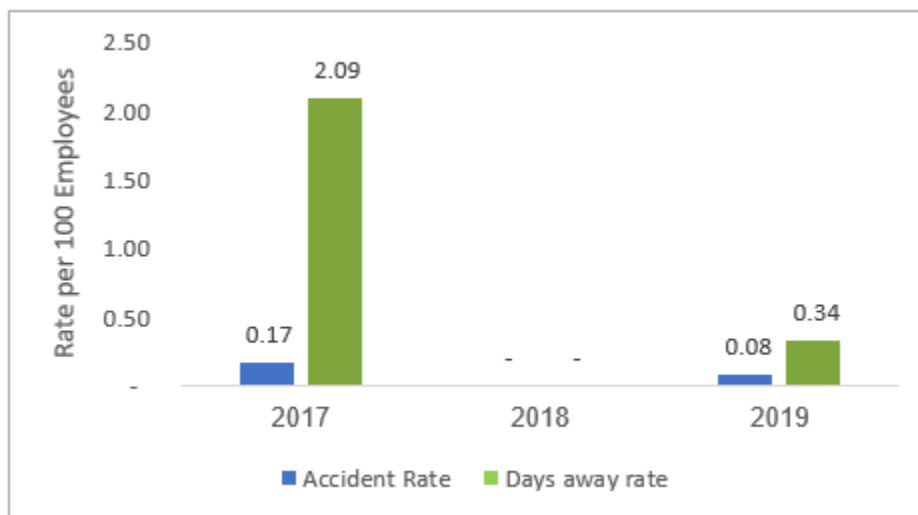
Health & Safety in the Workplace

The health and well-being of our employees is of critical importance to us as an organization, which is why we have advanced measures and standards in place to control, monitor and report on our global health and safety performance. Our EHS Policy outlines our commitment to providing our employees with a safe and healthy work environment, communicates our EHS performance, and guides our response to

relevant areas of concern. In addition, we express our commitment to prevent work-related accidents and employee illness, as well as integrating health and safety considerations into our activities. Finally, our commitment is to design, produce and distribute all of our products in ways that minimize health and safety hazards and potential impacts.

The overall responsibility for Occupational Health and Safety is led by the Human Resources Department together with the SVP of Operations. The director of Quality, Sustainability and Business Continuity Management (BCM) is responsible for reporting and tracking progress with regard to specific health and safety certifications and performance. We encourage employee participation and consultation in the area of health and safety through two-way communication channels, as well as the establishment of joint health and safety committees that include employee and management representatives.

We aim to manage occupational health and safety based on the principals of the ISO 45001 / OHSAS 18001 standard. Currently our facilities in Israel and Cyprus have received official ISO 45001 / OHSAS 18001 certification.

One way we evaluate safety performance is through tracking our work-related accident rate. The following chart demonstrates the improving trend in our safety performance.

In addition, we have invested in a number of health and safety projects to help reduce the number of work accidents and improve the overall well-being of employees in the workplace. These initiatives were identified through a risk assessment process that included an assessment of fire and ergonomic hazards, as well as hazards at work stations.

We have developed strict ergonomic equipment standards, a process for employees with ergonomic issues to request special ergonomic equipment, and provided lectures on ergonomics to our employees.

In order to help reduce the number of car accidents by Verint employees, we require relevant employees to take road safety courses to improve their driving skills.

We share various health and safety content with our employees through a dedicated EHS portal on our internal intranet.

Health and Safety in the Supply Chain

In order to ensure that our suppliers uphold relevant health and safety standards, we require them to acknowledge a number of requirements including: communication to employees and subcontractors on EHS hazards associated and relevant instructions; commitment to keeping the worksite free from EHS hazards through the use of engineering controls; provision of personal protective equipment and other means; and prevention of damage to Verint's premises and/or interference with Verint's activities.

With our key suppliers, we perform relevant health and safety audits and help them implement emergency plans. In certain cases, and when relevant, we provide our suppliers with training opportunities or suggest improvement plans to help them meet our health and safety requirements. In accordance with our Third Party Code of Conduct, we require all of our suppliers to ensure that they provide their employees with a safe and healthy work environment that stands in compliance with all applicable laws and regulations, and ensuring, at a minimum, reasonable access to potable water and sanitary facilities, fire safety, and adequate lighting and ventilation.

Furthermore, suppliers must provide adequate safety equipment and training to ensure that employees are not overexposed to chemicals, physical hazards, or overly demanding tasks in the workplace, that safety information is made readily available, and that emergency plans and response procedures are in place. In addition, we expect our suppliers to respect our expectations for the work environment, which include respecting child and forced labor laws, providing equal employment opportunities, ensuring non-discrimination, providing accommodations for individuals with disabilities, ensuring fair wages, working hours and benefits, and allowing for the freedom of association.

Encouraging Socially Responsible Procurement Practices

Our Code of Conduct and the Third Party Code of Conduct also outline our expectations of suppliers regarding record keeping, adherence with relevant laws and regulations, employment, diversity and provision of equal opportunities, management of conflicts of interest, and in use of Verint's technology and electronic assets. In addition, we conduct annual supply chain due diligence with regards to adherence with the Conflict Minerals Rule for the management of responsible sourcing of certain minerals and uphold a Conflict Minerals Policy that we ask all of our relevant suppliers to honor. In addition, we encourage social procurement practices by actively pursuing business relationships with suppliers owned

by minorities or by women. We are currently in the process of expanding our social procurement practices by mapping all of our suppliers according to these categories and calculating how much spend we devote to these two categories of suppliers. As of the publication of this report, we devoted $8.2 million to these categories of suppliers in 2019 and set a goal to be at or above this level in 2020. In Israel, we are also involved in an on-going engagement with ASMINE, which is an NGO promoting businesses owned by Jewish and Arab women.

Sound Corporate Governance, Ethical Conduct, Volunteering & Community Engagement

We view sound corporate governance and ethical conduct as essential to the success of our business. Our board of directors and executive management sets the tone at the top with respect to conducting our business in both an ethical and legally compliant manner. We believe that enduring economic success is inextricably linked to ethical business conduct and responsible corporate citizenship. Our corporate governance infrastructure and Code of Conduct serve as a foundation to these beliefs and are grounded in promoting ethical and legal business practices in our operations around the world.

Our Code of Conduct clearly articulates *Verint's Values*, policies and procedures, providing our team with guidance on important ethics and compliance issues, along with a framework for making good decisions and communicating areas of opportunity, improvement and concern. Many of our relevant corporate governance policies are available at our website at the following link.

All of our employees, including our board of directors and executive officers, are required to comply with our Code of Conduct, which is offered in four languages – English, French, Hebrew and Portuguese. The Code of Conduct is available on our website. In addition, 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 actively encourage our employees to report grievances or concerns, in correlation with our values of *transparency* and *integrity*, to their managers, local or global human resources contacts, legal department contacts or members of senior management. We maintain an Ethics Line where employees can anonymously submit concerns, grievances or relevant violations of the Code of Conduct 24 hours a day, 365 days a year via phone or the Internet.

Verint has a comprehensive corporate compliance training program that consists of five core course topics including: **Code of Conduct, Information Security Awareness, Anti-Corruption and Bribery, Insider Trading** and **Trade Compliance**. All employees and contractors are typically required to take all five courses annually. New employees are required to complete Code of Conduct and Information Security Awareness training upon commencement of their employment/engagement with Verint. We

delivered over 25,000 training courses to our employees and certain contractors and third parties over the course of our fiscal year ended January 31, 2020.

Community Engagement & Volunteering

Since 2005, our *Verint Next Generation* program has enabled our employees around the globe to engage and give back to organizations in the local communities where they work, particularly those benefiting disadvantaged children. As such, nearly all of our employees take part in community activities – from supplying food to food banks, participating in blood drives, collecting plastic trash on the beach, collecting clothing and school supplies, cleaning parks, and much more. Through these activities, our employees demonstrate *Verint's Values* in the local community and nurture positive relationships with community members.

Americas

- Our Atlanta, Georgia employees provide on-going support to the Foster Care Support Foundation, helping to organize and assemble shopping bags of new clothes and assemble toys for the resident children in Foster Care. Their Salvation Army Angel Tree drive provided Christmas gifts to more than 100 children.
- Our headquarters team in Melville, New York has 'adopted' a local Family Service League homeless shelter and helped build a STEM room for over 200 children on-site and replenished their games and activities. They have also planted a fruit and vegetable garden at the shelter. One employee commented that he knew their efforts were successful when several of the resident children came out to help and learn how to maintain the plants and vegetables.
- Employees in our Spokane, Washington office held fundraising events benefiting Coats4kids, "Tree of Sharing," and collected books and holiday gifts for children in need.
- Employees in Ann Arbor, Michigan collected food items for their local food pantry so people in their communities would have a holiday meal and assisted in sorting and packing items.
- Our Columbia, Maryland office held a food drive to benefit the Maryland Food Bank and Volunteered with Casey Cares: "Kami's Jammies" to provide ongoing palliative support to children battling cancer.

Israel

- Volunteers sponsored activities with a day care for blind and visually impaired children. Employees accompanied the children in visiting a fruit garden, a gymboree experience and a petting zoo.
- Employees volunteered to empower children through a weekly coding session in Scratch—a visual programming language for children developed at MIT.

VERINT

- Employees contributed their time and expertise in cyber security to build challenging computer courses for students from the "Magshimim Plus" program.
- Employees work with the Big Sisters of Israel organization with volunteers organizing special activities for Verint big sisters and their adopted little sisters.
- Youth Village is a residential home for boys where Verint's volunteers have been providing the boys one-on-one mentoring.

EMEA

- Employees in our Weybridge, England office held fundraising events benefiting local charities including a raffle at Sales Kick Off, a Spartan Race, a soccer tournament and a bake sale. They also collected toys for children for the holiday season.
- Employees in our Belfast, Northern Ireland office held a clothing drive to collect clothing for the Northern Ireland Children's Hospice. The team participated in the Belfast Marathon and held a pajama day to raise funds for children in need, as well as collected toys, toiletries and basic items for the Salvation Army.
- Employees in Glasgow, Scotland participated in a Kilt Walk for a local children's hospital. Employees held a "Christmas fun day," participated in a desk decoration contest, an ice bucket challenge, and a bake sale to raise funds; established a pop-up shop in the children's hospital to sell Christmas cards and gifts; and funded Christmas presents for children in the area.
- Employees in our Netherlands and Belgium offices each held toy drives.
- Employees in our Cyprus office supported the "Movember" charity organization with its goal to raise awareness of men's health issues.

APAC

- Our Hong Kong office partnered with a local college and elder center to create a program where the students taught the elderly technology skills, while the elderly taught the students everyday life skills.
- Our India offices conducted a workshop for local students to help discover different career paths, while also learning how to be confident. In India, the team participated in a "be a Santa" event with a local school in their area and then held a "sharing session" to motivate and mentor senior students.
- Our Australia office raised money to support children in India, and refurbished laptops to donate to needy schools.

➕ Our Indonesia office helped evacuees from a recent massive flooding disaster by providing food, toiletry items, and other basic needs to those families held in emergency shelters.

Our Goals for Community Engagement

We continually seek ways to improve how we give back to the local communities in which we operate. We recognize that local communities have different needs and for this reason, giving and volunteering plans are driven by a Steering Committee in each local office. As such, the following outlines goals for community engagement that were set for 2020 by our various international offices.

In Israel, employees have set a goal of collecting more recyclable waste and donated quality used goods, such as books, medicine and toys, to local children's charities.

In EMEA, our teams have committed to continuing to expand their support of children's hospice charities, and outreach to other local groups.

In the Americas, our employees continue to do outreach to those organizations in need and expand our partnerships to a wide variety of organizations to provide educational assistance, donations and physical labor as needed to help provide local children with opportunities.
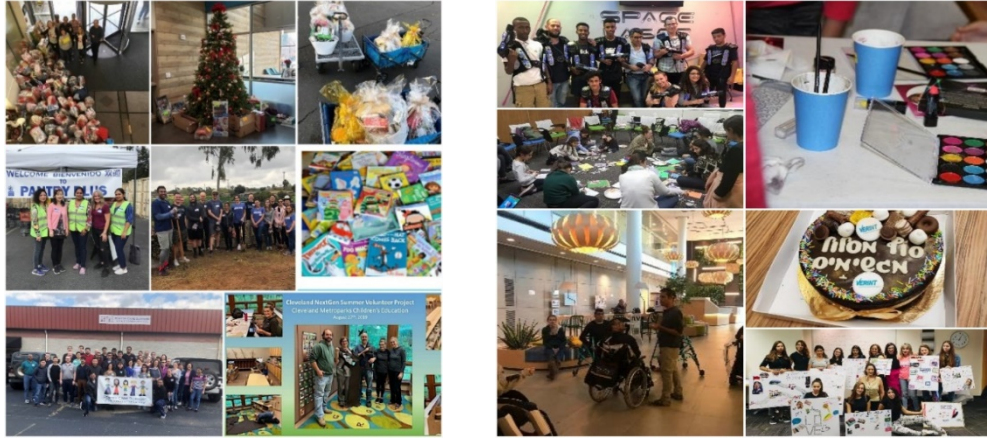
About this Report

Verint is committed to conducting business in an ethical manner and to creating sustainable value for our stakeholders including customers, stockholders, company management, employees, suppliers, contractors, certification and accreditation bodies, non-governmental organizations (NGOs), legal authorities, the local communities in which we work, and society at large.

The concept of sustainability is broad and focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs. We use our Sustainability Report to share how we are managing and measuring progress against our Corporate, Social, and Responsibility ("CSR") goals, to measure and highlight progress against our Environment, Social and Governance ("ESG") commitments, as well as to respond to a broad set of stakeholder expectations and inquiries we receive throughout the year.

As discussed above, we have identified the issues we believe have the greatest impact on the company in a number of areas related to sustainability. This report discusses how Verint addresses its sustainability goals as a whole, and where relevant, in each of its markets. Some data presented in this report has been rounded. Monetary figures are in U.S. dollars unless otherwise noted.

This report covers data for calendar year 2019, and tracks results provided from offices in the following locations unless otherwise stated.

 United States: Alpharetta, Georgia

VERINT.

Columbia, Maryland

Denver, Colorado

Melville, New York

Santa Clara, California

EMEA: Belfast, United Kingdom

Weybridge, United Kingdom

Limassol, Cyprus

Israel: Herzliya

APAC: Delhi, India

Hong Kong

Contact Us:

Verint Systems Inc.

175 Broadhollow Rd., Suite 100
Melville, NY 11747 USA
Phone: +1-631-962-9600
Fax: +1-631-962-9300

ESG@verint.com