

ESG Impact Report 2020



verb
inspire · action



Table of Contents

03

Message from the CEO

04

About this Report

05

Social Impact

07

Culture and Inclusion

15

Environmental Impact

18

Responsible Business Practices

20

Occupational Health & Safety

22

Appendix

Message from the CEO

The last couple of years have presented an unprecedented challenge as we faced a global health crisis, political and social unrest, increased concerns about climate change, and overall economic uncertainty. As a small yet rapidly growing technology company, our focus is on improving lives and livelihoods by providing quality software-driven video-based sales solutions to improve our clients'—enterprises, small businesses, or individuals—revenues, sales conversion rates, and their customers' engagement. But our size does not deter us from participating in, and contributing to, the solutions to larger societal issues. This is the underlying motivation for issuing our first Environmental, Social, and Governance (ESG) Impact Report.

Our corporate values are intrinsic to who we are and drive our day-to-day operations. ESG issues affect all our stakeholders—our workforce, partners and clients, suppliers and contractors, investors, and the communities where we operate. It is especially important to us, and to me personally, to act in the most responsible and ethical manner that reflects the values we represent and strongly adhere to. This endeavor is not only about measuring how we did in the past, but also

how we can improve our efforts for the future. Our commitment to ESG, combined with our corporate values, are what make VERB a leader in ESG among small cap companies.

Our initial efforts on ESG implementation primarily center around topics immediately relevant to our business, namely, those that affect equality, diversity and inclusion. We have taken a look at our data on issues such as gender pay disparity, workforce gender diversity, equal opportunities to succeed, advancing women into leadership roles, and employee turnover. By assessing how we performed, we have been able to identify areas for improvement and evaluated different ways to do better on these metrics in the coming years. Although most of our ESG initiatives have focused on the social and governance aspects given that we are a software company, our corporate efforts also include the environmental element in our own little way. From as simple as eliminating single-use plastics in our two offices to promoting recycling by providing education and the means to recycle where possible, we believe that every little action contributes to creating a sustainable environment and reducing our carbon footprint.

In addition, VERB has its own philanthropy program called Verb for Humanity, which supports communities where we have presence and beyond, as well as promotes employee volunteering and camaraderie as we help different causes. In 2020, we proudly worked with charitable organizations including Worthy Beyond Purpose, The Colette's Children Home & Shelter, Utah Food Bank, Food and Care Coalition, and Kids in Need Foundation. We are excited to work with more organizations in the future.

I feel fortunate to be surrounded by tenacious and talented team members who share our Company's ESG vision and sustainability goals. We look forward to reporting and providing transparency on our continued ESG progress.



Rory J. Cutaia
Rory J. Cutaia
CEO

About Verb

Verb Technology Company, Inc. is the market leader in interactive video-based sales applications and is transforming how businesses attract and engage customers. Our platform is based on its proprietary interactive video technology, and is comprised of a suite of sales enablement business software products offered on a subscription basis.

Our software applications are available in over 60 countries and in more than 48 languages to large enterprise and small business sales teams that need affordable, easy-to-use, and quick-to-get-results sales tools.

WHAT IS ESG?

The phrase ESG Reporting was coined in 2005 to refer to how companies adhere to modern environmental, social and governance standards. According to the Harvard Business Review, “‘Environmental’ disclosures include greenhouse gas emissions, water usage, waste disposal, and more. ‘Social’ disclosures include diversity, labor relations, product safety, employee health and safety, community development, and more.”

ESG scores provide valuable information about companies for their customers, investors and communities, and paying attention to them is a great way to establish trust and loyalty while becoming good global citizens.

The Environmental aspect of ESG refers to how companies promote sustainability and regulate aspects of business that can impact the environment (namely, greenhouse gas emissions, biodiversity, waste management, water management, and more).

Social criteria examine how companies manage relationships with employees, suppliers, customers, and the communities where it operates. So, it makes sense that ESG investing is sometimes referred to as sustainable investing, responsible investing, impact investing, or socially responsible investing.

Governance criteria examines things like management structure, executive compensation, audits, shareholder rights, looking at potential conflicts of interests in board members, and even employee relations. All things that dive into the heart of a company, examined to make sure that the business is running well, ethically speaking.

As we are new at reporting on ESG, our focus for 2019 and 2020 was simply to collect and present this data. We will be working to third-party validate all future ESG reporting.

In addition to this report, Verb released a sustainability report in the last fiscal year, which was included in our regulatory filings.

Social Impact



Verb for Humanity

At Verb, we love giving back to our communities, as well as friends and family around the world. Our Verb for Humanity team has led a number of charitable efforts focused on UN Sustainable Development

Goals, namely Zero Hunger, Good Health and Well-being, Quality Education, and Sustainable Cities and Communities. We look forward to continuing to expand our charitable efforts; after all,

giving is a Verb.

ORGANIZATIONS WE PROUDLY PARTNERED WITH IN 2020



Worthy Beyond Purpose



Utah Food Bank



Marine Toys for Tots



United Way of Southwest Louisiana



The Colette's Children Home & Shelter



Food & Care Coalition

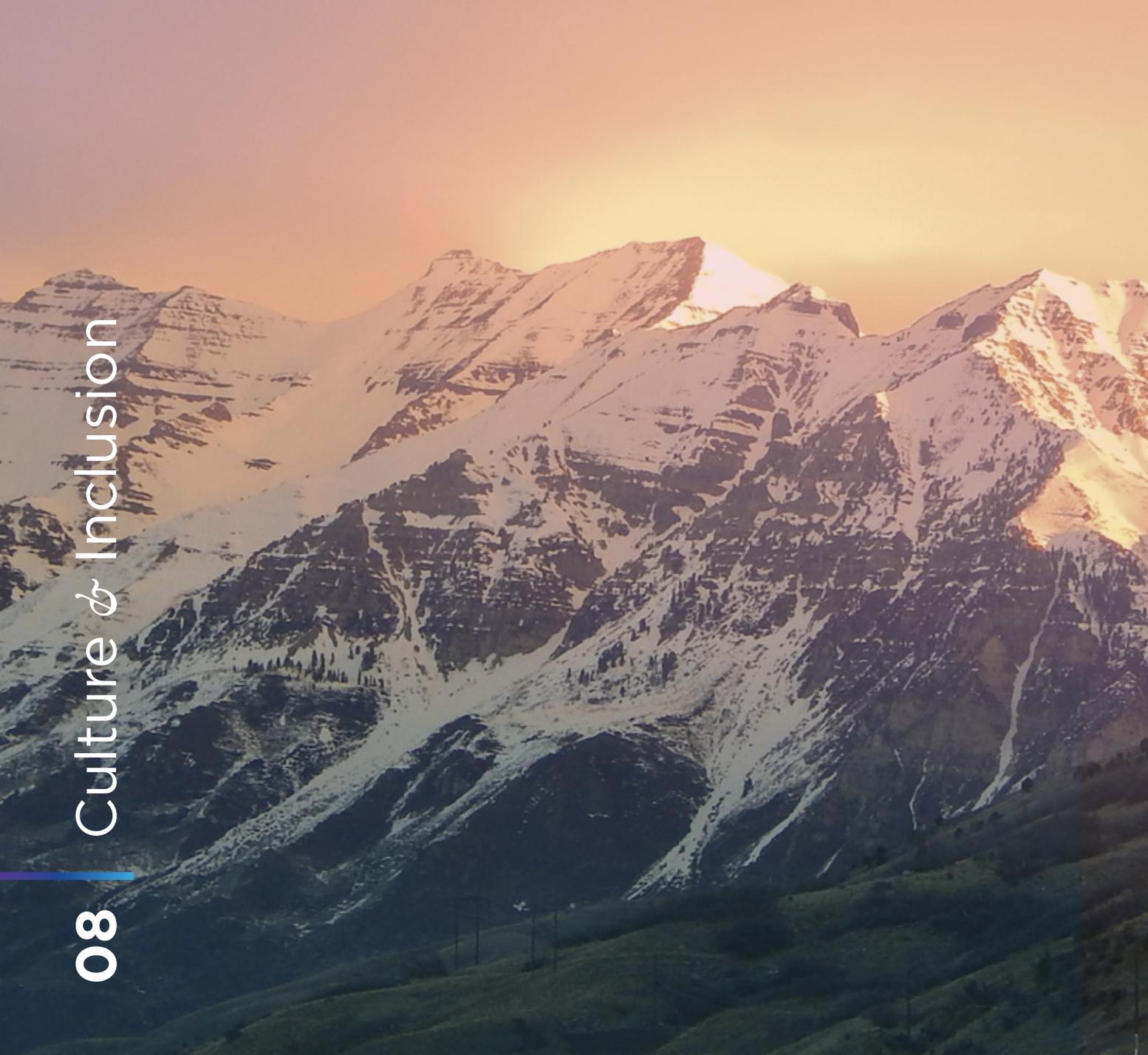


Kids in Need Foundation



Culture & Inclusion





Non-Discrimination & Harassment

Verb is committed to a work environment in which all individuals are treated with respect and dignity and are free from all forms of harassment and discrimination. Any form of harassment, even when not unlawful or directed at a protected category, is prohibited and will not be tolerated. All employees, including supervisors, co-workers, vendors, contractors, customers or other third parties, are expected to adhere to this policy.

Reported or suspected occurrences of harassment or discrimination will be promptly and thoroughly investigated. Following an investigation, Verb will promptly take any necessary and appropriate disciplinary action.

Verb will not permit or condone any acts of retaliation against anyone who files or cooperates in the investigation of harassment or discrimination complaints.

To view our complete Non-Discrimination Policy, please refer to it [here](#).

Gender Pay Ratio

We care about Gender Equality at Verb, and we work hard to ensure our employees are compensated fairly. Because this survey does not capture the differences in skills and experience within certain roles which are the only basis for determining compensation within our organization, the results are misleading. We can state definitively that there is no disparity in compensation between males and females performing the same role, and with the same levels of skills and experience in our entire organization.

We are proud to have decreased the gap by 22% during 2020 and will continue to provide compensation commensurate to the skills and experience of all our employees.

	2020	2019
Median male salary	85,000	70,000
Median female salary	52,260	34,320
Median Male Salary to Median Female Salary	1.63	2.04



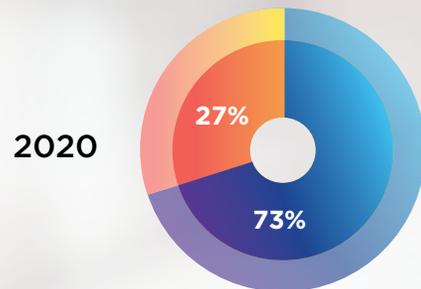
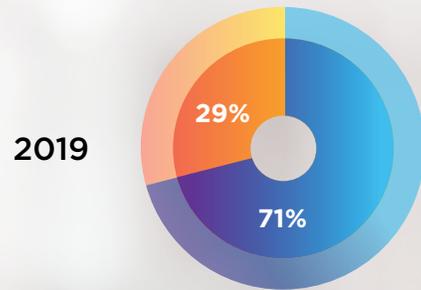
Gender Diversity

As is evidenced by our male-to-female ratio, and as the United States Census Bureau reported, women make up less than 30% of the STEM workforce (Women Making Gains in STEM Occupations but Still Underrepresented (census.gov)). At Verb, we want to help end the trend. In 2022 we plan

to begin recruiting from top STEM schools that have good male-to-female student ratios. We will also be actively meeting with all employees to implement career pathing to help them progress and grow within the company.

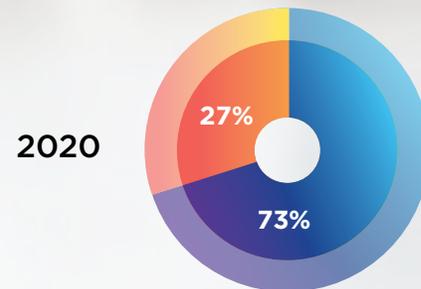
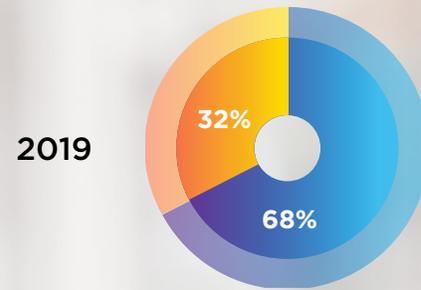
**GENDER REPRESENTATION:
FULL-TIME EMPLOYEES**

● Women ● Men



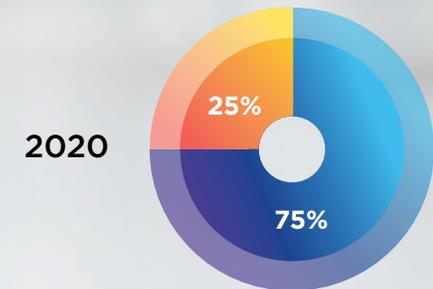
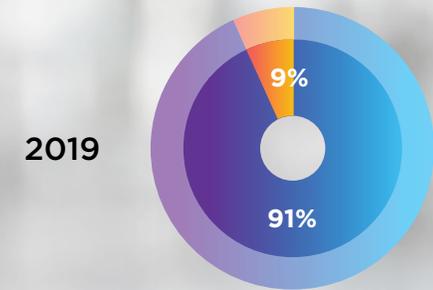
**GENDER REPRESENTATION:
ENTRY & MID-LEVEL**

● Women ● Men



**GENDER REPRESENTATION:
SENIOR & EXECUTIVE-LEVEL**

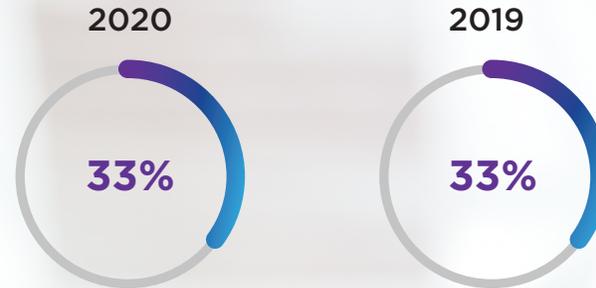
● Women ● Men



Executive & Board Statistics

BOARD DIVERSITY

Percentage of positions held by women



BOARD INDEPENDENCE

Percentage of board seats occupied by Independents



CEO PAY RATIO

CEO Pay Ratios vary greatly across industry sectors and company sizes, and in 2020 averaged 299:1 for the S&P 500¹ and 315:1 for the Information Technology industry within the S&P 500². As Verb is among the first, if not the first, microcap technology companies to provide transparency with an ESG report, there is limited information on CEO Pay Ratios for our sector and market capitalization.

Median Compensation of Full-Time Employee vs. CEO Compensation



1. <https://www.reuters.com/business/us-ceo-to-worker-pay-ratio-rose-2991-last-year-union-2021-07-14/>
2. <https://aflcio.org/executive-paywatch>



Employee Turnover

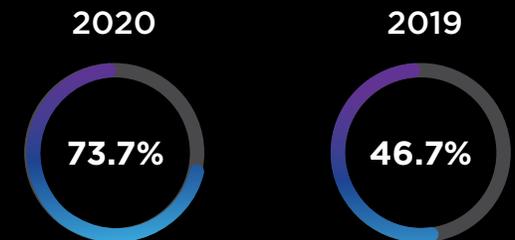
At Verb, we believe in creating a work environment and culture that people want to be a part of long term. As a small company, we realize that many of our employees are still in school and may or may not stay with us upon completion of their degree. While our turnover rates look high, we recognize that smaller companies tend to have higher turnover rates, and believe our numbers are on par or better than average (see the Bureau of Labor Statistics Economic News Release for industry specific averages [here](#)).

	2020	2019
Number of annual Full-Time Employees who leave the organization voluntarily or due to dismissal, retirement or death	32	8
Number of annual Part-Time Employees who leave the organization voluntarily or due to dismissal, retirement or death	14	7

FULL-TIME EMPLOYEES TURNOVER RATIO



PART-TIME EMPLOYEES TURNOVER RATIO





Temporary Worker Ratio

Ratio of part-time to full-time employees and contractors/consultants to total employees.

TEMPORARY WORKER RATIO	2020	2019
Number of total yearly Full-Time employees	132	95
Number of total yearly Part-Time Employees	19	15
Percentage of Total Yearly Part-Time Employees	13%	14%

Human Rights

At Verb, we believe every person is entitled to a safe work environment free of harassment, discrimination, and inequality. Any employee involved in discriminatory practices is subject to termination.

All employees of the company, both management and non-management, are responsible for assuring that a workplace free of harassment, sexual harassment, and discrimination is maintained. Any employee may file a complaint regarding incidents experienced personally or incidents observed in the workplace. The company strives to maintain a pleasant work environment where all employees can effectively perform their work without interference of any type.

Our growth and success are dependent on the creativity and ingenuity of our employees. We strive to create an environment where innovation can thrive. Employees are encouraged to share their opinions freely. Respect and courtesy are essential to establishing productive and impactful dialog within all facets of the company.

At Verb, we adhere to state and federal laws pertaining to Child Labor Laws and expect our partners and vendors to do the same. We expressly oppose slave labor, indentured servitude, and forced prison labor and do not participate in such labor.

When companies or individuals choose to trample on human rights, they inadvertently give others permission to do the same. Verb is proud to stand with other companies in asserting our determination to promote Human Rights in everything we do.

Child & Forced Labor and Supplier Code of Conduct

We believe every person is entitled to a safe work environment. We expressly oppose child labor, slave labor, indentured servitude, and forced prison labor. We adhere to state and federal laws pertaining to Child Labor Laws and expect our partners and vendors to do the same. While we have not formally imposed our Human Rights policy on our suppliers, we expect them to adhere to local and federal laws pertaining to forced labor and child labor laws. 90% of our suppliers and vendors are based in the United States of America and subject to Federal Employment and Labor Laws. We are also working with our foreign vendors to ensure 100% compliance with Human Rights by the end of 2021.

Environmental Impact





Environmental Policy

While we understand that our business model does not lend itself to serious environmental impacts of any nature, we still believe in doing our part to mitigate our ecological footprint. One way we are contributing is by eliminating all single-use plastics from both of our facilities. We advocate the use of 100% compostable utensils for department events, and paper-based plates, bowls and cups instead of Styrofoam or plastic.

Another initiative we care about is ensuring we are recycling as much as possible. Each office is equipped with recycling bins. We encourage our employees to place glass, plastic, aluminum, paper, and cardboard in a recycling bin rather than a waste bin.

At Verb, we want to do our part to protect and preserve the environment. This can only happen if every department works together to implement Verb's environmental policies and practices.

Climate Oversight & Risk Mitigation

The Verb Board/Management Team does not currently oversee and/or manage climate-related risks or sustainability issues.

Environmental Operations

ENERGY USAGE	2020	2019
Total Amount of Energy Directly Consumed	171.3 MWh	193.8 MWh
Total Amount of Energy Directly Consumed	0	

RANKED ENERGY SOURCES	2020	2019
First Ranked Electricity	171.3 MWh	193.8 MWh
Second Ranked	0	NA
Third Ranked	0	NA

TOTAL GHG EMISSIONS FOR SCOPE 1, 2, AND 3 IN 2019, 2020

Scope 1	0
Scope 2	0
Scope 3	0

ENERGY INTENSITY	2020	2019
Direct energy consumed annually per square foot	.0058	.0065
Direct energy consumed per full-time employee	1.71	2.22

WATER USAGE	2020	2019
Water Consumed	657 cubic meters	1376 cubic meters
Water Reclaimed	0	0

TOTAL GHG AND NON-GHG EMISSIONS PER SCALING FACTOR IN 2019, 2020

Scaling factor (denominator)	0
E2-A: Total GhG emissions per output scaling factor	0
E2-B: Total non-GhG emissions per output scaling factor	0

Responsible Practices





Customer Privacy Statement

Verb has taken steps to comply with GDPR rules and follows an established Data Privacy policy. Our Privacy Policy and Data Processing Agreement can be viewed [here](#) and [here](#).

Incentive Pay

Currently, company executives are not formally incentivized to perform on ESG metrics. As we grow, ESG will be a core part of our company and we plan to incentivize based on ESG metrics, whether monetarily or through recognition.

Collective Bargaining

	2020	2019
Enterprise headcount covered by collective bargaining agreement(s)	0	0
Total enterprise headcount	105	95
G4-A: Percentage of total enterprise headcount covered by collective bargaining agreement(s)	0	0

Ethics & Anti-Corruption

At Verb, we value integrity. We expect our employees to be honest in their dealings with our customers, our clients, our suppliers, and each other.

Advance approval from management is required before an employee may accept or solicit a gift of any kind with a value of over \$500 from a customer, supplier, or vendor representative. Employees are not permitted to give unauthorized gifts to customers or suppliers, except for certain promotional "premiums" (such as t-shirts, coffee mugs, pens, or key chains) imprinted with Verb logo or sales information.



Occupational Health & Safety

Occupational Safety & Health Policy

Verb is committed to the safety and health of all employees and recognizes the need to comply with regulations governing injury and accident prevention and employee safety. Our full Safety Policy can be viewed [here](#).

INJURY RATE 2020

Total number injuries	0
Total FTEs	94
S7-A: Total number of injuries relative to total workforce	0



Appendix

Disclosure Practices

Due to the nature of Verb’s business and its size, the Company does not publish disclosures on the following:

- Global Reporting Initiative (GRI)
- Carbon Disclosure Project (CDP)
- Sustainability Accounting Standards Board (SASB)
- International Integrated Reporting Council (IIRC)

Additionally, Verb does not focus on reporting specific Task Force on Climate-Related Financial Disclosures (TCFD).

Reporting currency	USD
Segment of the exchange Verb has shares listed	Micro Cap
Country in which Verb’s financial instrument(s) listed	U.S.A.
Reporting Period End Date	12/31/2020
Data Usage	For Public Dissemination



Report Reference

E1: GHG Emissions_____	17	G1: Board Diversity_____	11
E2: Emissions Intensity_____	17	G2: Board Independence_____	11
E3: Energy Usage_____	17	G3: Incentivized Pay_____	19
E4 Energy Intensity_____	17	G4: Collective Bargaining_____	19
E5: Energy Mix_____	17	G5: Supplier Code of Conduct and Compliance_____	14
E6: Water Usage_____	17	G6: Ethics & Anti-Corruption_____	19
E7: Environmental Operations_____	16	G7: Data Privacy_____	19
E8: Climate Oversight / Board_____	16	G8: ESG Reporting_____	04
E9: Climate Oversight / Management_____	16	G9: Disclosure Practices_____	22
E10: Climate Risk Mitigation_____	16	G10: External Assurance_____	04
S1: CEO Pay Ratio_____	11		
S2: Gender Pay Ratio_____	09		
S3: Employee Turnover_____	12		
S4: Gender Diversity_____	10		
S5: Temporary Worker Ratio_____	13		
S6: Non-Discrimination_____	08		
S7: Injury Rate_____	20		
S8: Global Health & Safety_____	20		
S9: Child & Forced Labor_____	14		
S10: Human Rights_____	14		