

Environmental, Social & Governance (ESG) Policy

DeepShield Systems, Inc.

Effective Date: January 1, 2024

Document Version: 2.0

1. Purpose and Scope

1. This Environmental, Social & Governance (ESG) Policy (the "Policy") establishes DeepShield Systems, Inc.'s ("DeepShield" or the "Company") commitment to sustainable and responsible business practices across its operations, with particular focus on industrial cybersecurity and critical infrastructure protection activities.
2. This Policy applies to all DeepShield employees, contractors, subsidiaries, and business partners globally.

2. Environmental Commitments

1. Carbon Footprint Reduction

- Implementation of energy-efficient data centers and cloud infrastructure
- Annual carbon footprint measurement and reporting
- 50% reduction target in operational emissions by 2030
- Transition to renewable energy sources for major facilities

2. Sustainable Product Development

- Eco-friendly hardware component sourcing
- Energy-efficient software design principles
- Circular economy initiatives for equipment lifecycle management
- Minimization of electronic waste through responsible disposal programs

3. Social Responsibility

1. Workforce Development

- Commitment to diversity, equity, and inclusion in hiring and promotion
- Regular employee training on cybersecurity best practices
- Professional development programs for technical and leadership skills

- Fair compensation and benefits aligned with industry standards

2. Community Engagement

- Critical infrastructure protection education programs
- Cybersecurity awareness initiatives for local communities
- Partnership with educational institutions for STEM development
- Pro bono security services for essential public services

3. Supply Chain Management

- Vendor code of conduct emphasizing human rights and fair labor practices
- Regular audits of supplier ESG compliance
- Preference for local suppliers where feasible
- Conflict minerals avoidance policy

4. Governance Standards

1. Corporate Oversight

- ESG Committee reporting directly to Board of Directors
- Quarterly ESG performance reviews
- Integration of ESG metrics into executive compensation
- Regular stakeholder engagement on ESG matters

2. Ethics and Compliance

- Comprehensive code of business conduct
- Anonymous whistleblower reporting system
- Regular compliance training for all employees
- Zero tolerance for corruption and bribery

3. Data Protection and Privacy

- Implementation of industry-leading security protocols
- Regular privacy impact assessments
- Compliance with global data protection regulations
- Transparent data handling practices

5. Implementation and Monitoring

1. ESG Performance Metrics

- Development of key performance indicators (KPIs)
- Regular measurement and reporting of ESG metrics
- Third-party verification of environmental data
- Annual sustainability report publication

2. Risk Management

- Integration of ESG factors into enterprise risk assessment
- Climate change risk evaluation and mitigation
- Social impact assessment for new products
- Regular review of governance practices

6. Reporting and Disclosure

1. The Company shall publish an annual ESG report aligned with:

- Sustainability Accounting Standards Board (SASB) standards
- Task Force on Climate-related Financial Disclosures (TCFD) framework
- Global Reporting Initiative (GRI) guidelines
- UN Sustainable Development Goals (SDGs)

7. Policy Review and Updates

1. This Policy shall be reviewed annually by the ESG Committee and updated as necessary to reflect:

- Changes in regulatory requirements
- Evolution of ESG best practices
- Stakeholder feedback
- Company strategic objectives

8. Compliance and Enforcement

1. Compliance with this Policy is mandatory for all employees and contractors.

2. Violations may result in disciplinary action up to and including termination of employment or contract.

9. Approval and Authorization

This Policy has been approved by the Board of Directors of DeepShield Systems, Inc.

APPROVED AND ADOPTED on January 1, 2024

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Dr. Marcus Chen

Chief Executive Officer

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Robert Kessler

Chief Financial Officer

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Sarah Blackwood

Chief Technology Officer

10. Document Control

Document Owner: ESG Committee

Last Review Date: December 15, 2023

Next Review Date: December 15, 2024

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