



Environmental, Social, Governance Report



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About Cybolt

Introduction

Cybolt Inc. was born from the integration of a group of leading Mexican companies in the cybersecurity industry, to offer its customers comprehensive, accurate, and complete solutions for digital security.

Our operational centers are in Mexico (Mexico City, State of Mexico, Nuevo León), Colombia (Bogotá), and the USA (Chicago).

Since its founding in 2019, Cybolt works 24/7 to protect its clients from cyber-attacks, data theft, misuse of information, malicious emails, unidentified banking transactions, and hackers. We are working to prevent critical incidents, as well as to provide immediate and reliable solutions to facilitate data recovery and restore business operations in the event of an emergency.

We serve public and private sector clients to mitigate security risks affiliated with any type of infrastructure, device, information, and/or technological resource.



Cybolt's Approach

Our preventative protection approach is embedded within our core business model, which means that it also applies to our environmental, social, and governance work. We realize that the technology's great potential for good won't happen on its own.

It is our responsibility to ensure that our business operations are not negatively impacting the environment, democratic processes, or human rights. To achieve this, we need to dedicate time, energy, and resources to implementing new and innovative practices, strengthen bonds for collaboration, and focus on the triple bottom line (people, planet, and profits).



Letter from the

Chairman of the Board

Cybersecurity is increasingly important for the sustainable development of our societies. The war in Ukraine has showcased the need for cybersecurity and digital protection to advance the clean energy transition, ensure the safety of citizens, and keep critical infrastructure running. Some argue that putting cybersecurity at the heart of ESG strategies is vital to achieving corporate sustainability and good governance.

Fortunately, cybersecurity is our expertise, and the United Nations Guiding Principles serve as an advisory guide on how to carry out our business with a focus on human rights.

Running a successful business means more than just turning a profit. At Cybolt, we believe that growth cannot come at the expense of people and the planet. We prioritized the formalization of the environmental, social, and governance (ESG) committees, procedures, and structures in 2022. The ESG Committee oversees all our ethics, environmental, human rights, and governance work, in coordination with sub-committees specialized in these topics.

In 2022, we achieved a number of key ESG successes, including the development of our Human Rights Policy, Environmental Policy, Ethics Policy, and the Business Code of Conduct, which impact all those that interact with Cybolt's work. These policies are now being incorporated into staff training, onboarding procedures, recruitment exercises and contracts, and we are solidifying monitoring and evaluation processes to ensure their effective implementation.

Based on the legislative changes of these past years, it is obvious that the regulatory, investment and overall business environment is changing. For example, Gartner predicts that 65% of the world's population will be protected by privacy regulations in 2023; a 10% increase of the protected population in 2020¹. In addition, the European Union is developing environmental and human rights due diligence legislation that is likely to impact every sector, and eventually every continent. As governments around the world implement additional regulations to protect citizens and our societies, Cybolt is working to ensure that our operations fully comply with international standards and best practices. Not only that, but we aim to differentiate ourselves as being the effective, trustworthy, and human rights-centered cybersecurity professionals that the world needs right now.

Thank you for your interest in our ESG report, which outlines our achievements and available data from 2022. In the years to come, we will be enshrining ESG data collection into our ways of working to allow for more insightful disclosures, improved transparency, support our communities, and do our part to help build a better world.



Mauricio Rioseco
Chairman of the Board
Cybolt



¹ Gartner, 2020 <https://www.gartner.com/en/newsroom/press-releases/2020-09-14-gartner-says-by-2023--65--of-the-world-s-population-w>

Human Rights Report

Over the past year, the team has been busy laying the groundwork for our plans and projections from now until 2030. Management has decided to noticeably expand the environmental, social, and governance work to ensure that our efforts reflect Cybolt's social values and commitments. This has led to the restructuring and establishment of new committees, processes, and policies.

As stated in the 2021 Human Rights Report, Cybolt created a Human Rights Committee to develop and adopt a new Human Rights Policy for the company. After this milestone was achieved, the Human Rights Committee transformed into the Environmental, Social, and Governance (ESG) Committee, which will now oversee the implementation of all ESG-related initiatives (including the fulfillment of the Human Rights Policy).

All references in previous reports to the Human Rights Committee are now considered to be the ESG Committee. Its members remain the same:

- Sara Dodero, Alliances
- Carlos Kornhauser, Risk Management & Compliance
- Mariana Paredes, People
- Alfredo Sastré, Infrastructure, Identity & Information Security
- Jorge Varela, Member of the Board

In addition to:

- Special guests invited by request, depending on the topics (including directors of other areas, experts on certain technologies, sales representatives, communications and marketing focal points, etc.)
- Luis Adrián Gómez Moreno, CEO, with observer status
- Mauricio Rioseco, Chairman of the Board, with observer status

The ESG committee President is an independent human rights expert, Ms. Meredith Veit. Ms. Veit is responsible for guiding the direction of the Committee, providing advice, and liaising with members of the Board and investors.

We have included select metrics and indicators from the Global Reporting Initiative (GRI), the United Nations Guiding Principles Reporting Framework (UNGP RF), the Sustainability Accounting Standards Board (SASB), and Software & IT Services standards. We are aware that there are data gaps that need to be filled, and we aim to improve our data collection and tracking procedures.





Environment

Cybolt recognizes the urgency of the global environmental crisis and that businesses need to take substantial action to help mitigate the drastic and dangerous impacts of climate change. This means we need to take concrete steps toward reducing our carbon footprint, recycling as much as possible, carefully managing electronic waste, and monitoring water consumption.

As a Next-Generation IT services and cybersecurity provider, Cybolt is responsible for our share of natural resource use, energy use, greenhouse gas emissions, and electronic waste. At present, Cybolt's environmental working group is prioritizing the "greening" of the data center based in Metepec, Mexico.

Establishing New Policies and Procedures

2022 Goal: Cybolt will adopt an Environmental Policy.

Status: **ACHIEVED**

Cybolt has adopted a new Environmental Policy that outlines our commitment to respecting and protecting the environment. This policy will be reviewed each year to adjust and adapt it to evolving standards. Cybolt commits to:

- Measure the company's impact on the environment and establish goals designed for continuous improvement;
- Maintain management systems to monitor our progress in achieving these performance goals and objectives;
- Take a preventative protection approach and integrate consideration of environmental concerns and impacts into our decision-making and activities;
- Use biodegradable materials whenever possible and ensure maximum use of supplies before purchasing additional materials;
- Meet or exceed all applicable environmental laws, regulations, and standards applicable to the company;
- Work collaboratively with our office owners and other partners to improve environmental programs in the workplace; and
- Disseminate information concerning our compliance with environmental goals.

The implementation of the policy will be carried out by the Environmental Working Group, which is led by Josué Chang Álvarez. The Environmental Working Group reports to the ESG Committee.

Working Towards Carbon Neutrality

2022 Goal: Cybolt will develop and begin implementing an environmental action plan.

Status: **ONGOING**

Cybolt has begun working with Sphera, an internationally renowned environmental sustainability firm based in Germany. Sphera is a party to the Science Based Targets initiative (SBTi) and joined the United Nations Global Compact in 2021. Sphera will be supporting Cybolt to establish our own science-based targets to achieve our goal of carbon neutrality by 2030.



As explained by Sphera, the firm “combines the world’s leading Life Cycle Analysis (LCA) modeling and reporting software with reliable and consistent environmental data” to develop sustainable, climate-focused solutions for companies. Its tools and expertise will be used to finalize a baseline greenhouse gas emissions assessment (using data from the calendar year 2022). By way of this new partnership, Cybolt will carry out the following activities in 2023:

- Corporate carbon footprint scoping workshops with the relevant staff
- Scope 1-2 screening
- Scope 3 relevance analysis and preliminary calculation

About our Data Center

Cybolt’s data center is located in a low-risk area according to CENAPRED’s Risk Atlas.



We have a 2n + 1 redundancy configuration in precision air conditioning, with Free Cooling technology that allows the use of cold air from the area to reduce the use of condensers that inject air into the Data Processing Center. The design and construction of the facilities are aligned with the best practices established by BICSI.

We are an ICREA Level III Certified Data Center with a world-class certified environment or S-WCQA (Safety World Class Quality Assurance) and ANSI/TIA 942 Rated 3 Certified Data Center for design and infrastructure.





Social Responsibility

Embodying Human Rights Principles

In December 2021, on International Human Rights Day, Cybolt announced its commitment to respect human rights and begin the development of a Human Rights Policy.

“At Cybolt, we recognize the immense power and promise of technology, as well as the increasing importance of ethical cybersecurity. While ethics and human rights have long been a part of the way we make business decisions, we have decided to take the important step of formalizing our best practices and company values by developing a Human Rights Policy. This policy will formally establish Cybolt’s commitment to adopting a more holistic approach to security, including the security of our employees, our public spaces, our democratic values, and the future of our planet.”

-Mauricio Rioseco, Chairman of the Board
(December 2021)

One year later, the team has achieved substantial progress in solidifying this commitment by crafting relevant policies and building accountability structures in accordance with international standards.

Cybolt's Human Rights Policy

2022 Goal: Cybolt will adopt a Human Rights Policy

Status: **ACHIEVED**

In 2022, the ESG Committee drafted and finalized Cybolt's first Human Rights Policy. The policy states that Cybolt respects all human rights, and the company will work to proactively avoid human rights abuses and the complicity of human rights abuses by business partners. After multiple rounds of inter-disciplinary discussion, the policy was ultimately approved by the Chairman the Board and Cybolt's CEO. The Human Rights Policy will be reviewed and updated every year to integrate evolving best practices and international standards.

Identifying and Managing Salient Human Rights Risks

In 2022, Cybolt began the process of carrying out and standardizing continual human rights due diligence. Based on the nature of Cybolt's work, the countries of operation, and the technologies in use, the ESG Committee determined that there are three core human rights risks that need to be prioritized:

- The right to privacy
- The right to safety and security (in person and online)
- The right to a healthy and sustainable environment

The ESG Committee worked with business unit leaders in order to highlight the technologies most in need of Human Rights Impact Assessments (HRIAs). Staff within key positions (including the legal team, technical team, public safety team, sales team and human resources) are required to participate in human rights trainings and workshops so that staff are adequately able to preemptively identify human rights risks in contract negotiations, daily operations, risks to public safety and security due to the malfunctioning of software or hardware, or possible negative impacts experienced by the end user.



The Right to Privacy

“No one shall be subjected to arbitrary or unlawful interference with his [their] privacy, family, home, or correspondence, nor unlawful attacks on his [their] honor and reputation. Everyone has the right to the protection of the law against such interference or attacks.

- Article 12, The Universal Declaration of Human Rights

The right to privacy underpins many of the products and services that Cybolt offers. This includes data protection and device encryption, ensuring file integrity and endpoint protection, identity protection, ethical hacking for risk management, etc. Cybolt abides by Mexico’s General Data Protection Regulation and looks to international best practices set out through the European General Data Protection Regulation. Therefore, we are committed to carefully monitoring the information lifecycle (the collection, usage, retention, processing, disclosure, and destruction of data) to ensure that we are maintaining international standards. Cybolt’s Compliance Working Group is responsible for overseeing those efforts, which include the creation of a data inventory, sources, targets, uses, etc. The Compliance Working Group reports to the ESG Committee.

In alignment with the right to privacy, and as stated in the Human Rights Policy, Cybolt commits to “pushing back against excessively broad or extra-legal third-party requests that may impact privacy or freedom of expression, including requests from governments.” The ESG Committee has developed procedures for responding to third-party data requests in a way that prioritizes the privacy of the user while also acting in compliance with the law. For more information, view the -Transparency procedures- section of this report. These procedures have been created as a preventative measure.

Metrics & Indicators: Data Protection & Privacy

- To date, Cybolt has not experienced any monetary losses as a result of legal proceedings associated with user privacy.
- To date, Cybolt has not received any law enforcement requests for user information.
- To date, Cybolt does not operate in any countries where our core products or services are subject to government-required monitoring, blocking, content filtering, or censoring.
- To date, Cybolt has not experienced any data breaches.



The Right to Safety & Security (in person and online)

“Everyone has the right to life, liberty, and security of person.”

- Article 3, The Universal Declaration of Human Rights

Cybolt is already working on supporting safety and security in many ways, including digital forensics and behavioral analytics to detect suspicious activity online, implementing safe-city solutions, running digital risks and threat modeling, employing the non-intrusive screening of vehicles, containers, and luggage at transit points, and conducting cybersecurity awareness-raising activities. Cybolt works towards the protection of citizens and provides support and intelligence for investigating criminal acts.

Cybolt’s Human Rights Policy clearly states that:

“We will not participate in the surveillance, detention, torture, or any kind of violence against human rights defenders, journalists, lawyers, women, children, migrants, or political dissidents. We also will not tolerate the ‘weaponization of information’ against vulnerable communities by way of Cybolt’s technologies or services. Cybolt also commits to ensuring that its user data is not being used (by humans or algorithms) to harass or attack people based on characteristics including gender, race, ethnicity, religion, and sexual orientation.”

Metrics & Indicators: Safety & Security of Person

Cybolt has not received any claims or potential cases concerning the misuse or abuse of our technologies and services to violate human rights. We recognize, however, that this does not guarantee that incidents have not occurred. As explained in **-Grievance mechanisms-** section of the report, we are working on improving our means and methods for people to report potential incidents safely.

The Right to a Healthy and Sustainable Environment

On October 8th, 2021, the United Nations Human Rights Council passed a resolution recognizing access to a healthy and sustainable environment as a universal right. The ESG Committee established the Environmental Working Group to implement activities concerning critical environmental action. In particular, we are committed to ensuring that our data center is compliant with international sustainability standards and achieves carbon neutrality by 2023.

Please see more information within the **-Environment-** section of this report.



Managing Systemic Risks from Technology Disruptions

Working within the cybersecurity industry, we understand that some customers depend on the reliability and functionality of our services to maintain critical national infrastructure and operations. In line with our preventative protection approach, we are taking steps to mitigate disruptions in our services. Many of the technologies that we use are deployed in parallel with other software that can help reduce the risk of vulnerabilities. These risks and opportunities for layering the product and service offerings for maximum security and safety are always presented to our customers and partners.





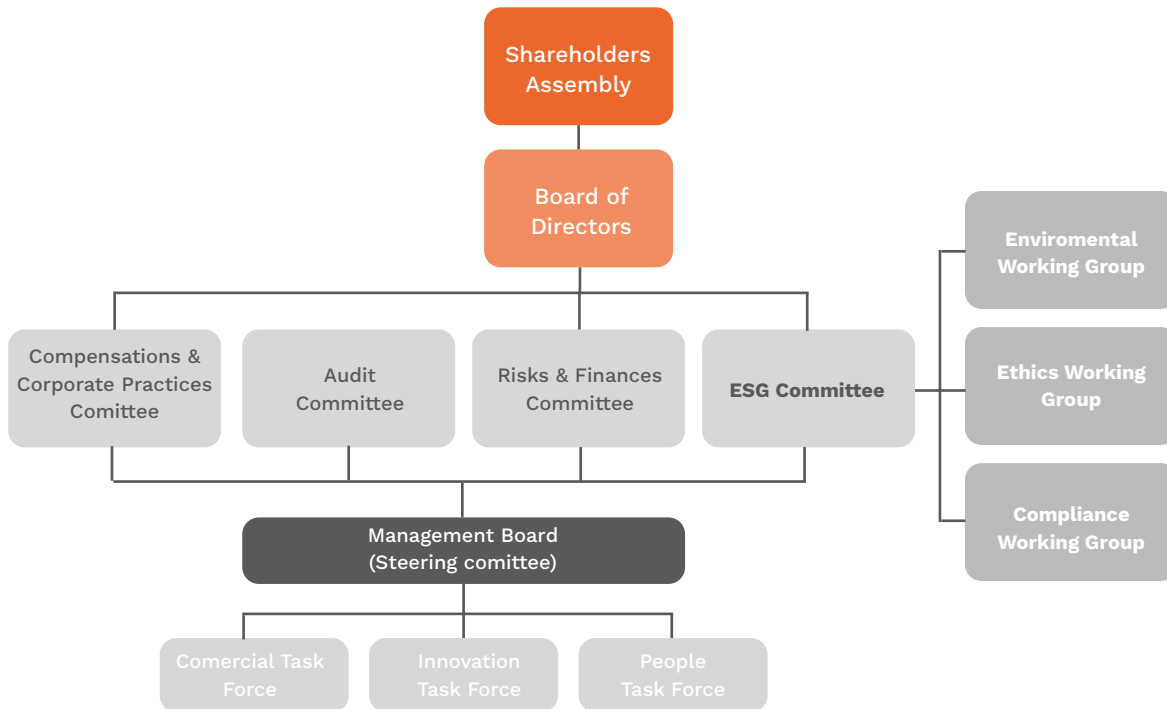
Governance

In alignment with our new policies, Cybolt’s governance structure was adjusted to ensure improved monitoring of ESG compliance, generate fruitful informational exchanges amongst teams, and facilitate more effective decision-making with a human rights approach.

Board Oversight

The Members of the Board, including the Chairman of the Board, oversee all ESG-related activities for the company. They ensure Cybolt’s success by maintaining international standards and best practices in corporate responsibility. During 2022, the Chairman of the Board actively pushed for and ultimately approved Cybolt’s new ESG policies, with a particular interest in guaranteeing that human rights are central to Cybolt’s work. In addition, the Board has agreed that Cybolt will allocate additional funds to vamping up the company’s environmental work in 2023.

The current governance structure is as follows:



Ensuring Compliance

Cybolt aims to conduct our business both ethically and honestly, and we are adopting different measures to ensure that we are in full compliance with the law and international standards.

Metrics & Indicators: ISO Certifications

- 27001 – Information Security
- 20000 – IT Services Management
- 9001 – Quality Management
- ISO 22301 – Business Continuity Management

Stakeholder Engagement

2022 Goal: Ensure that partners are aware of and abiding by Cybolt’s human rights standards.

Status: ONGOING

Cybolt developed a Business Code of Conduct which came into effect on November 1, 2022. This code of conduct sets out expectations for all Cybolt’s employees, investors, board members, clients, and business partners to ensure that their behavior is in alignment with Cybolt’s values and commitment to corporate social responsibility. This Code of Conduct includes our



commitment to respect human rights and all compliance-related policies that Cybolt has adopted.

Cybolt is focused on engaging with and improving the capacities of its employees, customers, and partners concerning our newly developed ESG policies. In 2022, the ESG Committee also engaged with the local Mexico City United Nations office and participated in its business and human rights course to present our work and solicit feedback. Cybolt is also a member of the International Computer Room Experts Association (ICREA); a standard that certifies Data Centers for being designed and built following best practices. ICREA has 5 levels, and Cybolt is currently at level 3.

Grievance Mechanisms

Employees, customers, partners, investors, or any other person involved with or impacted by Cybolt's business operations is encouraged to report any concerns that they see or experience regarding a breach of Cybolt's policies. For all internal matters, employees are welcome to contact the Ethics Working Group through etica@cybolt.com. For all external matters, stakeholders are welcome to contact the ESG Committee through humanrights@cybolt.com.

The ESG Committee is responsible for overseeing and/or facilitating investigations about ESG-related concerns and determining the appropriate resolutions. Cybolt has a zero-tolerance policy for retaliation against whistleblowers, and will not allow for reprisal of any individual or group raising complaints in good-faith.

Metrics & Indicators: Grievance Mechanisms

To date, there have not been any reports of human rights violations affiliated with Cybolt's services.

Transparency & Reporting

Transparency goes hand in hand with responsibility. Transparency builds trust, ensures regulatory compliance, and prevents harmful practices. Our goal is to be fully transparent with our staff, clients, partners and investors in order to work together on continuous improvement of ESG aspects. Cybolt will publish an ESG report each year to document our progress, challenges, and lessons learned along the way.



Transparency Procedures

Cybolt understands that surveillance technologies are becoming more powerful and pervasive, and publishing transparency reports will help to ensure that we are following our Human Rights Policy and remaining accountable. We believe that companies working with new technologies have the responsibility to preserve the right to privacy and free expression. As a part of Cybolt's commitment to transparency and accountability, we will publish a report each year to provide insights into the requests we receive from governments and other private actors to provide information and how we respond to these requests. Once Cybolt has received its first information request outside of regular business operations, the transparency reports will begin to appear on our website. If you do not see any information concerning third-party information requests, it is because Cybolt has yet to be contacted for information concerning our staff, clients, or end users.

When responding to data requests or sensitive inquiries, Cybolt promises to protect human rights, including the rights to privacy, the right to online safety and security, and freedom of expression by resisting requests that are: overly broad or vague; seeking information about large groups of people; not related to specific investigations; presumed to be improper, illegitimate or have been brought in bad faith — for example, government attempts to track, suppress or censor political dissidents, journalists or human rights defenders. These standards are in alignment with the best practices elaborated by international human rights organizations and other members of civil society.

Metrics & Indicators: Number of law enforcement requests for user information

To date, Cybolt has not received any data requests from a third party.

Cybolt's New ESG Page

On Cybolt's website, we have created a new page that displays all of our public commitments, contains the latest information about our ESG work, and archives our annual ESG reports.

Visit the page: <https://cybolt.com/esg-eng/>

Please feel free to send us feedback about the ESG page on our website or this ESG report to humanrights@cybolt.com



Reference & Resources

Acknowledgments

This report was created with the support of:

- Sara Dodero, Alliances
- Carlos Kornhauser, Risk Management and Regulatory Compliance
- Mariana Paredes, People
- Alfredo Sastré, Infrastructure, Identity and Information Security
- Jorge Varela, member of the Board
- Marcos Torres Sánchez, Infrastructure Operations Team Leader
- Bruno Reyes Valle, Head of Operations
- Thalía Ivette Luna Hernández, Legal Manager
- Cynthia Alejandra Jiménez García, Director of Project Management

Resources Used for Completing This Work

- Global Reporting Initiative (GRI)
- The Sustainable Accounting Standards Board (SASB)
- The Task Force on Climate-Related Financial Disclosures (TCFD)
- The United Nations Global Compact
- United Nations Guiding Principles on Business & Human Rights
- CEECA Resource Hub
- Doing Business with Respect for Human Rights Guide Corporate Human Rights Benchmark
- Business & Human Rights Resource Centre Tech Portal
- Know the Chain
- US Department of State Impact Assessments
- Women's Empowerment Principles
- Children's Rights and Business Principles
- United Nations Guiding Principles Reporting Framework

