

A photograph of two police officers in dark blue uniforms smiling and talking to a group of four people (two men and two women) on a city street. A police car with flashing lights is visible in the background.

For Greater Public Safety

2023 Environmental, Social & Governance Report

SoundThinking, Inc. | NASDAQ: SSTI

*"I am inspired and in awe of our employees. Their passion and commitment to saving lives and reducing crime in our communities is unwavering. Each of them has their own personal reason for why they joined and why they believe in SoundThinking. My favorite part of my job is when I hear their stories. **I am proud to be a SoundThinker.**"*

ANNE MUELLER
SVP, Human Resources





01



Overview — Harnessing Technology for Social Good

- About this Report 2
- Welcome from Ralph Clark and Nasim Golzadeh 3
- Forward-Looking Statements 5
- Table of Contents 6
- SoundThinking – 2023 at a Glance 7

About this Report

SoundThinking's third annual Environmental, Social, and Governance (ESG) report reaffirms our steadfast commitment to our law enforcement and security customers, the communities they safeguard, and our colleagues, business associates, and investors. Our corporate narrative revolves around stakeholder engagement, with a collective mission to enhance public safety outcomes guiding our endeavors.

We take pride in our company's continued growth and evolution, driven by our dedication to diversifying our product offerings and service approaches. While expanding our portfolio, our core values of trust, innovation, performance, and collaboration remain unwavering.

Our commitment to innovation extends beyond product diversification to encompass novel ways of serving communities and law enforcement agencies. We strive to provide comprehensive solutions that not only meet their evolving needs but also **foster trust, drive performance, and encourage collaboration.**

As we embark on our third year of reporting, we are confident in our ability to build a resilient enterprise that not only benefits our stakeholders but also contributes to creating safer communities globally. This, in turn, offers ample opportunities for professional growth, fosters mutually beneficial partnerships, and delivers attractive risk-adjusted returns to our investors.

► **We appreciate your attention to this report and welcome any constructive feedback.**



This report adheres to the sustainability disclosure framework of the Sustainability Accounting Standards Board (SASB) and aligns with the United Nations Sustainable Development Goals (UN SDG). Within the SASB framework, we address the six disclosure topics pertinent to the Software & IT Services industry within the Technology & Communications sector. Throughout, we reference UN SDG where applicable. Unless otherwise stated, the data provided is accurate as of December 31, 2023.

Welcome from Ralph Clark

I am pleased to present to you our third annual Environmental, Social, and Governance (ESG) report, outlining SoundThinking's ongoing commitment to sustainability, responsible business practices, and strong corporate governance oversight. Our purpose lies in creating safer communities for all through our innovative and expanding technology platform.

At SoundThinking, we are honored to help guide law enforcement agencies in their digital transformation, in order for them to become more efficient, effective, and most importantly equitable in creating positive community safety outcomes. We understand that our responsibilities extend to addressing the needs and concerns of all our stakeholders.

This report demonstrates our dedication to incorporating ESG considerations into our operations, to delivering meaningful impact and creating long-term value. **We are dedicated to fostering trust, promoting equity, and ensuring that our technology is used responsibly and ethically.**



As we reflect on our achievements, we recognize that there is still much work to be done. Going forward, we will continue to invest in our technology platform including the ethical harnessing of AI along with our best practices consultation and collaborate with community partners to drive positive change. We are excited about the opportunities that lie ahead and remain steadfast in our commitment to creating safer communities for all while doing **#workthatmatters**.

A handwritten signature in black ink, appearing to read 'R. Clark', written in a fluid, cursive style.

RALPH CLARK,
President and CEO

Welcome from Nasim Golzadeh

It is my honor to share SoundThinking's third annual Environmental, Social, and Governance report with our esteemed community of stakeholders. This report serves as a comprehensive reflection of our organizational values, particularly emphasizing the critical role of corporate governance and our responsibility as executives in conducting responsible business.

As leaders, we recognize the profound impact our decisions have on the communities we operate in and serve, including our valued law enforcement partners. Our commitment to serving these partners and communities is unwavering, it is at the heart of everything we do and is ingrained in our culture and reflected in our actions.

In today's rapidly evolving landscape, where AI technologies are increasingly shaping our business practices, it is paramount that we approach our responsibilities with diligence, foresight, and safeguarding against potential risks and biases.

Our third annual ESG report is a testament to the cultural and corporate values we hold dear. **It demonstrates our commitment to transparency, accountability, and responsible stewardship of the environment.**



Thank you for your continued support as we strive to build a sustainable and prosperous future for all.

A handwritten signature in black ink, appearing to read 'N. Golzadeh', with a large, sweeping flourish above the name.

NASIM GOLZADEH,
Executive Vice President and Managing Director

Forward-Looking Statements

This report contains forward-looking statements about SoundThinking, Inc. and our environmental, social, and governance initiatives that involve substantial risks and uncertainties. All statements contained in this report, excluding statements of historical fact, are forward-looking statements. These statements can usually be identified by the use of words such as “expect,” “aim,” “goal,” and words of similar import. The outcome of the matters described in, or implied by, these forward-looking statements could differ materially due to a number of factors, including but not limited to: the company’s ability to successfully negotiate and execute contracts with new and existing customers in a timely manner, if at all; the company’s ability to maintain and increase sales, including sales of the company’s newer product lines; the availability of funding for the company’s customers to purchase the company’s solutions; the complexity, expense, and time associated with contracting with government entities; the company’s ability to maintain and expand coverage of existing public safety customer accounts and further penetrate the public safety market; the company’s ability to sell its solutions into international and other new markets; the lengthy sales cycle for the company’s solutions; changes in federal funding available to support local law enforcement; the efficacy of the privacy and information security measures implemented by the company and third parties; the company’s ability to deploy and deliver its solutions; the potential effects of negative publicity; and the company’s ability to maintain and enhance its brand, as well as other risk factors included in the company’s most recent annual report on Form 10-K and quarterly report on Form 10-Q and other Securities and Exchange Commission (SEC) filings.

These forward-looking statements are made as of the publication date of this report. They are based on current expectations, estimates, forecasts, and projections, as well as the beliefs and assumptions of management. Except as required by law, SoundThinking undertakes no duty or obligation to update any forward-looking statements contained in this report as a result of new information, future events, or changes in its expectations.

The discussion of topics included in this report should not be read as implying that such topics are “material” in the context of the U.S. federal securities laws, Delaware General Corporation law, or any other regulatory framework and the inclusion of topics in this report does not indicate that such topics are material to the company’s business, operations, or financial condition. Our approach to ESG disclosures is informed by reporting frameworks, such as the SASB and UN SDG, that involve distinct standards of topic relevance than the materiality standard used for purposes of our compliance with SEC disclosure obligations.

Estimates and data contained in this report are unaudited, not prepared in accordance with generally accepted accounting principles, and involve assumptions and limitations, which may impact their accuracy. Certain statements included in this report are reliant upon third-party data. We believe that information provided by third parties contained herein generally comes from sources believed to be reliable, we have not independently verified any of the data from third-party sources. In addition, claims, data, assessments, or projections expressed by third-party entities included in this report are solely their own and do not necessarily represent the views or positions of SoundThinking or its management.



Table of Contents

01 **Overview** – Harnessing Technology for Social Good

- About this Report 2
- Welcome from Ralph Clark and Nasim Golzadeh 3
- Forward-Looking Statements 5
- Table of Contents 6
- SoundThinking – 2023 at a Glance 7



02 **Social Impact** – A Mission-Oriented Company Creating Safer Communities

- Working to Create a Safer World for Everyone 10
- Building Safer Communities Through Trauma Response and Community Engagement 24



03 **Governance, Oversight, and Accountability**

Corporate Governance 29	Building Trust with Our Employees 48
Diversity, Equity, and Inclusion 35	Building Trust with our Customers 53
Risk Management Framework 41	Building Trust with Our Shareholders 55
Information Security 42	



04 **Environmental** – Sustainable Practices and Protecting Our Planet

- Recycling, Refurbishment, and Responsible Practices 58
- Energy Consumption 59
- ShotSpotter Labs 60
- Protecting Reefs and Underwater Life in the Coral Triangle, Malaysia 61
- SDG Goals 64



Acknowledgements



SoundThinking — 2023 at a Glance



26,131

ShotSpotter Sensors Deployed



1,120

Square Miles of
ShotSpotter Coverage



325,981

Published ShotSpotter Alerts



170 | **19**

Cities | Universities
Covered by ShotSpotter



1.9M

Articles of Property Tracked



4,121,877

Queries Processed in CrimeTracer



1.2M

Cases Processed



166

SafePointe Lanes Deployed



311

Employees



02

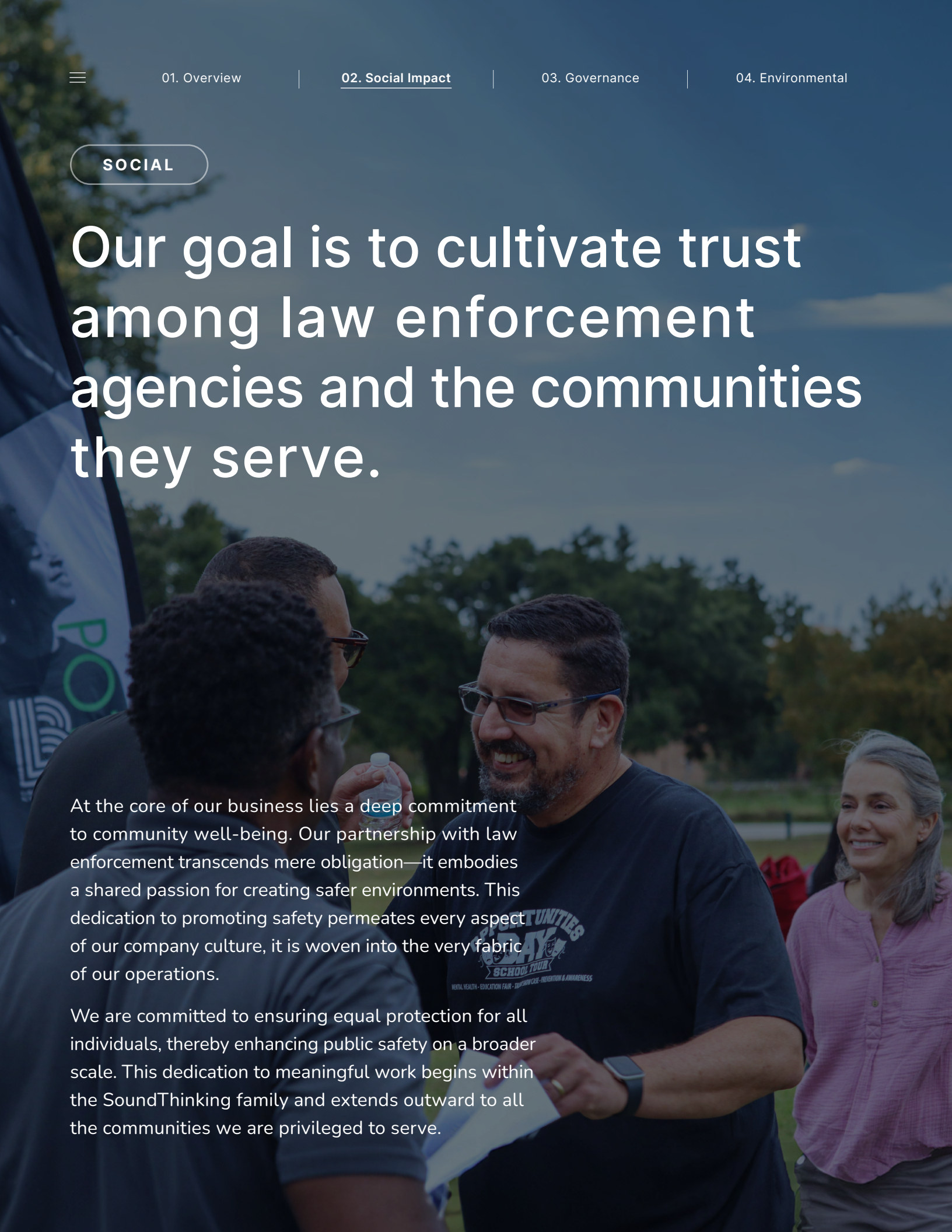
Social Impact —
A Mission-Oriented
Company Creating
Safer Communities

Working to Create a Safer World
for Everyone **10**

Building Safer Communities
Through Trauma Response and
Community Engagement **24**

SOCIAL

Our goal is to cultivate trust among law enforcement agencies and the communities they serve.



At the core of our business lies a deep commitment to community well-being. Our partnership with law enforcement transcends mere obligation—it embodies a shared passion for creating safer environments. This dedication to promoting safety permeates every aspect of our company culture, it is woven into the very fabric of our operations.

We are committed to ensuring equal protection for all individuals, thereby enhancing public safety on a broader scale. This dedication to meaningful work begins within the SoundThinking family and extends outward to all the communities we are privileged to serve.

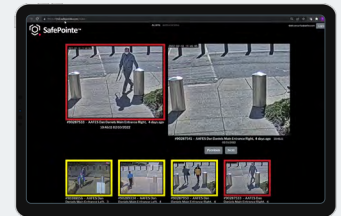


SoundThinking — Working to Create a Safer World for Everyone

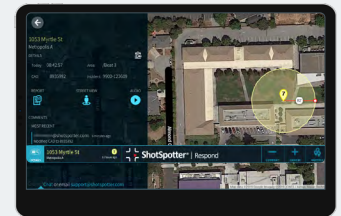
SoundThinking’s SafetySmart™ Platform brings together specialized software and objective data to help law enforcement and civic leadership better protect their communities by ensuring the right resources are provided when and where they’re needed most.



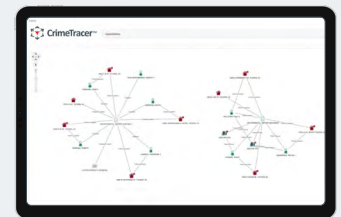
SafePointe is an AI-based weapons detection system designed for high throughput facilities. It features a low-profile form factor that effectively keeps weapons off-premises without compromising the visitor experience.



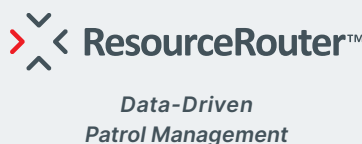
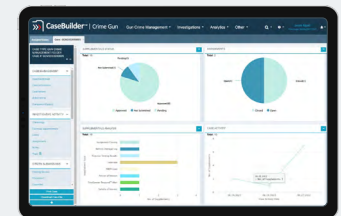
ShotSpotter is a proven acoustic gunshot detection system that alerts law enforcement to virtually all gunfire within a city’s ShotSpotter coverage area within 60 seconds, enabling police to provide a consistent, rapid, and precise response.



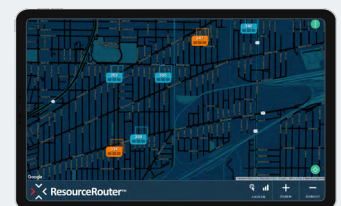
CrimeTracer is the #1 law enforcement search engine that enables investigators to search through more than 1.3B structured and unstructured data across jurisdictions to obtain immediate tactical leads, leverage advanced link analysis to make intelligent connections, link NIBIN leads to reports, suspects, and other entities, and more.



CaseBuilder is a smarter investigation management platform that enables investigative teams to efficiently organize and store case information, track and prioritize assignments, optimize resources, submit materials to prosecution, and more.



ResourceRouter is a resource management tool that automates the planning of directed patrols using Part 1 crime data across an entire jurisdiction, daily, while also providing transparency and accountability surrounding key stakeholders’ follow-up activities.



Products Used



Customer Since

2020

Albuquerque Police Department Reports 47% Decrease in Gunshots in One Neighborhood After Implementing Proactive Program



Albuquerque Police Department (APD), in partnership with investigators at the Crime Lab and the Real Time Crime Center, launched a new pilot initiative called the ShotSpotter Hotspot Organized Tracking program (S.H.O.T. program) to proactively address gun violence in a Southeast Albuquerque neighborhood with a high number of ShotSpotter gunshot detections.

APD sent a general letter to residents in the immediate area who were directly being affected by the frequent gunshots letting them know that the police were aware of the concerns and committed to addressing the gun violence. A separate letter was then sent to locations identified by ShotSpotter where the shots were originating and warned of the consequences of people firing guns.

The department also printed and handed out 350 signs to individuals to be placed in yards and in front of homes, urging neighbors to report gun crimes in the area as a community effort to assist APD. Follow-up investigative work was then conducted by

47%

The pilot program led to a 47% decrease in gunshot detections in the Southeast neighborhood.

detectives as well as the Digital Image and Recovery Team (DIVRT), who canvassed the area and looked for video evidence and surveillance of gun crimes.

The program has also led to increased collaboration between law enforcement and members of the community. Since the pilot program began in the Southeast, residents in both the Northeast and Northwest Area Commands have reached out to the department to provide helpful information on hotspot areas in their neighborhoods. These are neighborhoods where ShotSpotter devices are not in place, but the open communication helps expand the effort.



Gun crimes are an issue in our community and [ShotSpotter] is a proactive measure that is also helping build strong relationships with community members to collaborate and cut down gunshots fired in our city.

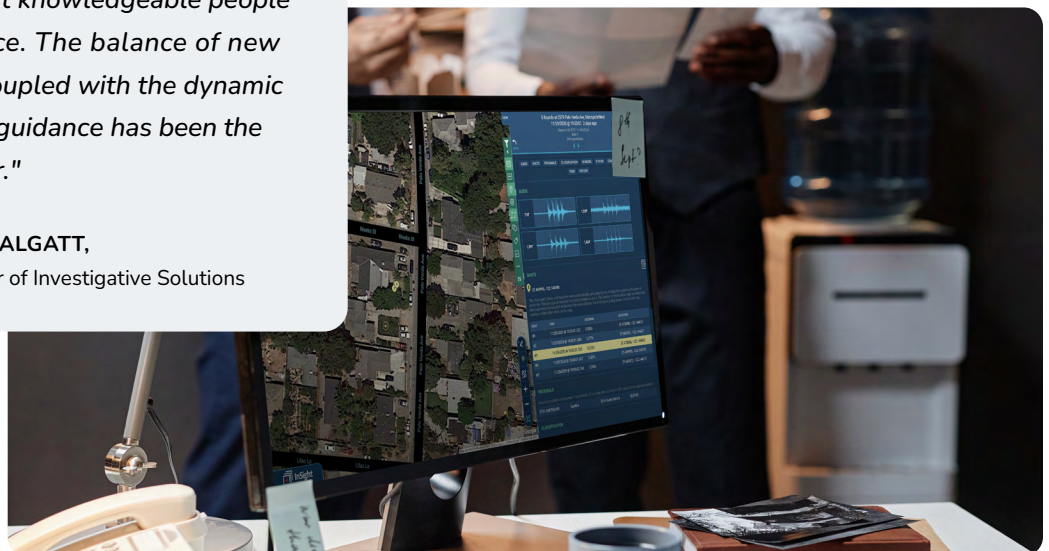


Police Chief HAROLD MEDINA
Albuquerque Police Department

"I enjoy working and collaborating with some of the smartest and most knowledgeable people in the public safety space. The balance of new ideas and innovations coupled with the dynamic of industry experts and guidance has been the culmination of my career."



JAMIE ALGATT,
Director of Investigative Solutions



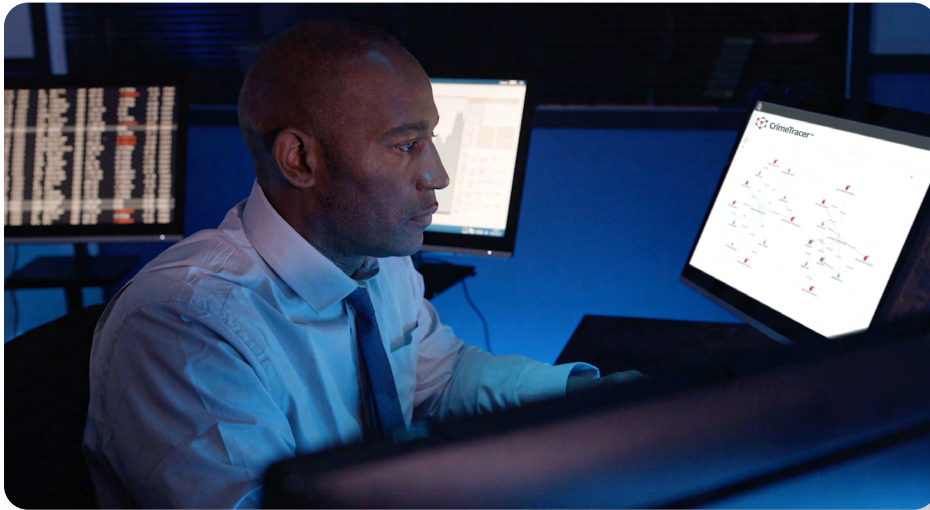
Products Used



Customer Since

2017

Tennessee Office of Homeland Security Leverages CrimeTracer to **Uncover International Organized Crime Theft Ring**



In February 2022, a local agency partner requested the Tennessee Office of Homeland Security’s assistance with solving a high value (approximately \$90,000 at the time) copper theft that occurred outside business hours at a local industrial manufacturing facility. At the time, the local agency only had dark CCTV footage of the theft in progress, the masked suspect, and associated vehicle, and no leads.

Based on the investigating officer’s knowledge of vehicles, the investigative team was able to identify the make, model, trim, drivetrain, and color code of the vehicle. They then used that information to cross-reference with vehicles registered across the U.S. Once they found what they believed to be the vehicle used, and associated suspect(s), they used CrimeTracer to push the investigation further, searching for the suspect’s associates.

In this process, the investigative team was able to uncover that the suspect was part of a much larger organized crime theft ring operating all over the U.S. CrimeTracer was especially helpful in identifying associates and thefts in roughly six states spanning across the U.S., from New York to California. The criminal enterprise also

had ties overseas. What started as a copper theft with virtually no leads developed into an international organized crime investigation thanks to CrimeTracer.

While the larger investigation is ongoing, local agency partners were able to identify the suspect(s) in their case. With the cooperation of out-of-state authorities, they were able to arrest the suspects, extradite them back to Tennessee for prosecution, and seize the vehicle used during the theft. They were also able to notify various agencies of the likely identification of suspect(s) in their outstanding cases.



CrimeTracer's ability to show associations and networks was critical in uncovering the larger aspect of this investigation."



Special Agent **ANDREW CANNITO**
Tennessee Office of Homeland Security



"Working for this organization is a continual source of pride and humility for me. The entire organization has developed a culture around the mission of not only providing effective, efficient, and equitable public safety outcomes but also believing that we are doing work that truly matters. To be able to say that from a technology company is not an easy lift. To embody those values day in and day out is also not something that can be manufactured. This comes from the genuine care every individual in our company has for our customers and the people they work tirelessly to protect each and every day. I am proud to support a sales organization aimed at educating our clients about the ways we may be able to help their ultimate mission. This is a gift and a tremendous responsibility that we do not take lightly."

ERIN EDWARDS
SVP of Sales

Products Used



Customer Since

2020

How SoundThinking's Data for Good Program is **Supporting Springfield in Battle Against Gun Violence**



The City of Springfield is tackling gun violence with a public health approach that leverages SoundThinking's Data for Good program. Sharing data from ResourceRouter and ShotSpotter with relevant organizations and stakeholders, this community-based program identifies areas where gunfire and trauma are likely to occur, helping the city deploy resources where and when they're needed most.

The Community Connections event was intentionally located in a high-risk area identified by Data for Good using ResourceRouter data. In October 2022, over 100 city employees and external organizations collaborated to provide resources to residents. The Department of Public Works led clean-up efforts, while partnerships with Springfield Public Schools extended support to at-risk youths through programs like Family and Community Engagement.

Building on these initiatives, Mayor Misty Buscher's BUILD Springfield initiative launched in October 2023. Strategically targeting areas identified by Data for Good, the initiative's

launch event provided a diverse range of services to underscore the city's commitment to helping those affected by crime. Since it began, the initiative has cleaned 55+ blocks, conducted door-to-door outreach with 85+ residents, and has engaged 35+ local and national organizations to address residential needs.

In Springfield, Data for Good is facilitating a comprehensive approach to violence prevention by pooling resources and expertise. As Chief of Police Ken Scarlette explains, these events have the goal of *“revitalizing this specific area [and] showing the most vulnerable residents of our community that we truly care about them and are willing to give them the services that they need.”*

85%

Residents were reached through door-to-door outreach

35+

Local and national organizations engaged to address residential needs



55+

Cleaned blocks



Products Used



Customer Since

2023

The City of Arvada— Using CaseBuilder for Criminal Investigations

"The City of Arvada Police Department had used a Criminal Intelligence software program from a vendor that did not follow through or take an interest in our agency when we attempted to renew a contract. As the Criminal Intelligence investigator, I was tasked along with our Crime Analysts to find a new vendor that would serve our specific purposes as well as keep us in compliance with accreditation standards. Many vendors swore they could offer us a solution, but in reality the only vendor that did so was SoundThinking.



SoundThinking representatives worked with us to build a program that would fit our needs and ensure compliance with state and federal statutes. They took the time to train our users and every time we discovered a new need, Erik and his team listened and found a solution.



The system is easy to use and one the best things is the ability to publish Threat Reviews, Officer Safety bulletins and other requisite documents needed for me to communicate with all members of the agency.

I am very satisfied with the product we received and the ability to tailor it to our needs."



Investigator DUANE EATON
Arvada Police Department

Products Used



Customer Since

2017

The City of Syracuse, a Reinstated ShotSpotter Customer, Credits the Technology with a **Remarkable Improvement in Response Time** and a **Reduction in Gun Violence**



67%

Reduction in the number of gunshot wounds

56%

Decrease in shooting incidents resulting in injury or fatality

In the City of Syracuse, the issue of gun violence loomed large. With determination and innovation, the Syracuse Police Department (SPD) has discovered a potent ally in their battle against this epidemic: ShotSpotter, the advanced software solution from SoundThinking that swiftly alerts police to the precise locations of gunshot incidents within seconds of the shots being fired.

The SPD first implemented ShotSpotter in 2017, briefly pausing usage due to budget cuts during the pandemic. The pause, says First Deputy Chief Richard Shoff Jr., was a “disaster.” Thanks to resounding community support and the advocacy of the Mayor of Syracuse, ShotSpotter was reinstated in 2021 with an expanded coverage area, breathing new life into the city’s safety initiatives.

The return of ShotSpotter was met with widespread approval from the community. Linda Wood, a long-time resident of Syracuse, expressed her satisfaction to the media: *“I think it’s great, especially with the shooting the other night, I think it’s wonderful.”* Wood

lives on a street where gun violence nearly took the life of a six-year-old boy in 2019. ShotSpotter enabled the swift response of police, who were able to rescue the child from the shooter and treat his wounds until EMS arrived. The District Attorney of Onondaga praised the SPD's prompt action, calling it some of their finest work.



We have found [ShotSpotter] to be an invaluable tool. If you look at the numbers, we're coming off with about 40% less in shots fired, and 67% less people shot when compared to last year... ShotSpotter is an important part of that.



Lieutenant MATTHEW MALINOWSKI
Public Information Officer,
Syracuse Police Department

40%

Reduction in the number of gunshots fired

By pinpointing the location of gunfire in real-time, ShotSpotter gets police on the scene rapidly, allowing them to save lives, apprehend shooters, and gather evidence. First Deputy Chief Shoff Jr. notes that ShotSpotter has enabled the SPD to respond to and uncover evidence of 35% more shootings compared to when they rely on 9-1-1 calls alone.

"I've seen first hand the difference we make in the communities we serve, lives saved, illegal firearms taken off the streets. There is a real and tangible purpose in the work we do."



TRI DANG
Sr. Director of Project Management
SoundThinking



Products Used



Customer Since

2017

St. Louis County Prosecutors Leverage ShotSpotter Evidence to Secure Murder Conviction



On March 24, 2021, police in Jennings, Missouri, arrested 20-year-old Dairius Kinnie after a high-speed chase followed by a brief shootout. Kinnie was arrested on suspicion of having shot and killed his former girlfriend, Tianna Baker, as well as her mother in their home in the northern suburb of St. Louis. Kinnie was charged with Baker’s murder, as well as several other crimes. Prosecutors alleged that he went to the house and shot Baker several times, intending to kill her, and then shot her mother.

To help prove that Kinnie acted with cool deliberation, St. Louis County prosecutors submitted a ShotSpotter audio recording as evidence to the jury. The recording revealed that Kinnie fired his gun in three volleys, with pauses in between, before starting to shoot again. The pauses were enough to demonstrate the deliberation element required by Missouri’s definition of first-degree murder.

The state built its case on the testimony of Baker’s mother, who had survived the shooting, and of Baker’s sister, who was there at the time. They also called upon

several police officers and detectives as witnesses. On December 20, 2023, a St. Louis County jury returned a verdict of first-degree murder and four other felonies in connection to the fatal shooting.



ShotSpotter evidence can tell you if there was a gap in the shots, which could indicate something like deliberation, supporting an argument that the second round of shots was to ensure the victim died. In addition, the technology can lead to a faster police response, making it easier to ensure the integrity of the scene, locate witnesses, and preserve and gather evidence."

**WESLEY BELL**

St. Louis County Prosecuting Attorney



"It's a privilege to wake up each day and be part of moving our mission forward—that is, to enable more efficient, effective, and equitable public safety outcomes. Said more plainly, helping to save lives and mitigate the pernicious impacts of gun violence. Couple that with the opportunity to work with an incredibly collaborative and talented team addressing very difficult problems—there's no place I'd rather be."

GREG MAKUCH

SVP of Marketing

Products Used



Customer Since

2008

Zero Homicides Reported in East Palo Alto in 2023 Due to Effective Policing, Proven Technology, and Community Trust



JEFF LIU
Chief of Police - East Palo Alto, CA

0

HOMICIDES
REPORTED IN 2023

East Palo Alto, once considered the “murder capital” of the United States, is proud to share zero reported homicides for the year of 2023. “When I joined the department in 2000, East Palo Alto was a completely different world,” said East Palo Alto Police Chief Jeff Liu.



Gunfire was a regular thing, getting shot was a regular thing...that was pre-ShotSpotter, a time when we had to rely on callers to guide us to where gunfire occurred.”

In fact, the grim situation in East Palo Alto back in the 1990s was a major source of inspiration for Dr. Robert Showen to establish the company originally known as ShotSpotter. While conducting research on the location of earthquake epicenters at the Stanford Research Institute in 1996, Dr. Showen began reading more and

more about the prevalent gunfire problem in this nearby city, which is when he had the idea of applying the similar sound wave principles he was using for earthquake research to detect and locate gunshots, so that a fast and precise respond would be possible and lives would be saved.

27 years later, the news of zero reported homicides is both a triumphant success for the East Palo Alto Police Department (EPAPD) and a full-circle moment for SoundThinking.



Our cops have to gather [evidence] through witness statements, but also, in cases of gunfire, through ShotSpotter data. ShotSpotter data has come to court many times, and our DA’s office and our prosecutors love that evidence. The jury can hear the gunfire, and that makes it real for them.”



Police Chief JEFF LIU
East Palo Alto Police Department

Chief Liu is the first to admit that the decline in homicides in the city is due to a combination of factors. *“There’s no magic pill,”* he said. *“In 2022 we had five homicides and our patrol staff worked with our community and we solved every single one of them, and we publicized that, which sent out a strong message to potential offenders. Additionally, the police department and personnel work hard to be visible in the community, letting people know that we’re here to help, in a caring, respectful way.”*

Chief Liu also highlighted EPAPD’s relationship with the Office of the District Attorney, as well as ShotSpotter’s Detailed Forensic Report (DFR), a court-admissible analysis of a shooting incident captured by the ShotSpotter system, as instrumental contributors to the reduction in homicides. *“District attorneys prosecute based on the evidence they’re provided with,”* Liu said. *“For a small, understaffed department, I really want to continue to look at what technology can do for us,”* Chief Liu said, before adding: *“I love how SoundThinking is not satisfied with just being a gunshot location system and is constantly leveraging new technology and trying to become more of a comprehensive law enforcement solution.”*





SoundThinking: Building Safer Communities Through Trauma Response and Community Engagement

Addressing Gun Violence Through a Multi-Faceted Approach

Gun violence is a complex issue with profound social and human costs. SoundThinking recognizes its corporate responsibility to address this challenge. We have established a dedicated Trauma Response and Community Engagement team to partner with agencies and communities. Our dual-pronged strategy focuses on:

- 1. Strengthening Trauma Response:** Utilizing data-driven insights to ensure a timely and targeted response to gun violence incidents, saving lives and supporting healing.
- 2. Fostering Meaningful Community Engagement:** Building trust and collaboration with residents and community-based organizations most affected by violence.

1. Strengthening Trauma Response

SoundThinking leverages the valuable data provided by ShotSpotter technology to:



Improve Response Times

Precise gunfire location data allows first responders to reach victims and potential perpetrators faster, potentially saving lives.



Optimize Resource Allocation

Data analysis helps identify areas experiencing chronic violence, enabling focused deployment of resources for prevention and intervention efforts.



Target Support Services

By pinpointing high-violence neighborhoods, outreach programs delivering mental health services and social support can be strategically targeted.

2. Fostering Community Engagement

SoundThinking understands that lasting solutions to gun violence require collaboration beyond law enforcement. Our approach emphasizes:



Building Trust

We bridge the gap between residents and law enforcement through community meetings, events, and outreach programs.



Identifying Root Causes

Open communication fosters collaboration with agencies and community leaders to identify the root causes of violence and develop tailored solutions.



Connecting with Resources

We work with agencies to connect residents with essential services like social workers, mental health professionals, and other community resources to address the underlying issues that contribute to violence.

A Holistic Approach for a Safer Future

SoundThinking's data-driven insights enable officers to provide targeted and informed response to gun violence and its associated trauma. With technology that ensures unbiased policing and safer streets, SoundThinking is helping law enforcement build closer connections with the communities they serve. It's a synergy that empowers residents and officials alike, and ultimately contributes to a safer and healthier world for all.

Key ESG Considerations



Social Impact

Reduced gun violence incidents, improved response times, and increased access to mental health resources.



Community Engagement

Building trust and collaboration with residents and community organizations.



Data Governance

Utilizing data responsibly and ethically to inform targeted solutions.

Giving Back to the Communities We Serve

At SoundThinking, we are dedicated to serving out communities in a meaningful way—which is why we were not surprised when our employees self-initiated a project to support the community-based organization Youth ALIVE!.

Founded in 1991 in Oakland, Youth Alive is dedicated to violence prevention, intervention, advocacy and healing. Their team—comprising mentors, youth leaders, counselors, case managers, intervention specialists,



Image L-Rt: Doris Cohen, SoundThinking; John Torres, Youth ALIVE! Associate Director; Dr. Joseph Griffin, Youth ALIVE! Executive Director; Lauren Greenberg, Youth ALIVE! Development Director



and violence interrupters—believe that young people from the city’s most violent neighborhoods have the power to effect positive change.

Our team generously donated \$3,175 to Youth Alive in support of their mission to prevent gun violence among youth, a cause that deeply resonates with all we do at SoundThinking. Their contribution demonstrates our commitment to supporting initiatives that not promote safety and empower communities.

During the first quarter of 2023, a number of SoundThinking team members visited the Youth ALIVE! headquarters in Oakland. There, they met with the executive team and learned about the organization’s mission, activities, and how they could further contribute to the cause.

Later in the year, 83 team members participated in a virtual tour of Youth ALIVE!’s programs and initiatives, gaining valuable insights into their trauma response and prevention strategies. This engagement deepened our understanding of the issues they are addressing and reinforced our support for their mission.

SoundThinking is actively working towards a safer and more secure future for everyone. We commend each and every one of our team members for their support of Youth ALIVE!; their collective effort is a testament to our shared values and commitment to making a positive impact on the communities we serve.



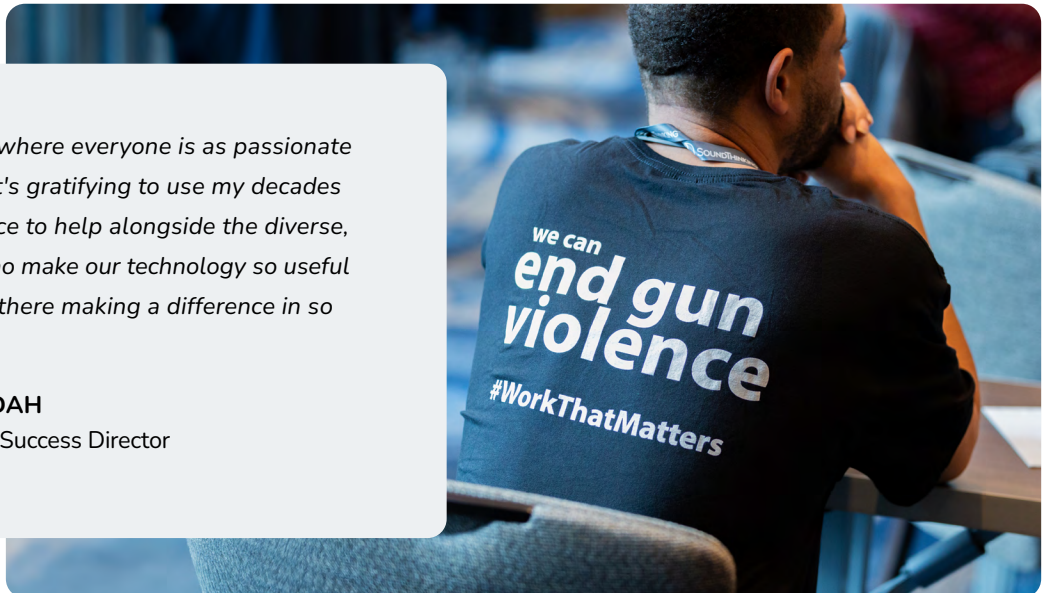
Where there is violence there can be healing."



YOUTH ALIVE!

"I love that I've found a place where everyone is as passionate about public safety as I am. It's gratifying to use my decades of law enforcement experience to help alongside the diverse, bright, and energetic folks who make our technology so useful to the real-world heroes out there making a difference in so many communities."

JOSH JUDAH
Customer Success Director





03

Governance, Oversight, and Accountability

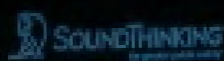
Corporate Governance	27
Diversity, Equity, and Inclusion	35
Risk Management Framework	41
Information Security	42
Building Trust with Our Employees	48
Building Trust with our Customers	53
Building Trust with Our Shareholders	55



GOVERNANCE

Our internal controls ensure accountability, transparency, and fairness.

At SoundThinking, we know that checks and balances are indispensable to corporate governance. Our internal controls ensure accountability, transparency, and fairness. They prevent the concentration of power, promote ethical decision-making, and safeguard the interests of shareholders and stakeholders.



Corporate Governance

SoundThinking Board of Directors



Pascal Levensohn
Chairman of the Board



Commissioner William J. Bratton
Director



Deborah Grant
Director



Marc H. Morial
Director



Ambassador Roberta S. Jacobson
Director



Ruby Sharma
Director



Ralph A. Clark
Director and CEO

SoundThinking operates under the governance of its Board of Directors, entrusted with overseeing the company’s operations. The board, alongside its standing committees —audit, compensation and human capital, nominating, and corporate governance—guides the business and affairs of the corporation. This includes, but is not limited to, the following:

- ✓ Selecting and evaluating the CEO and other key members of senior management
- ✓ Ensuring the company’s business operations are properly executed by overseeing management
- ✓ Reviewing and, when deemed necessary, approving the company’s financial objectives and major corporate plans, strategies, and actions
- ✓ Understanding the company’s risk profile and overseeing its risk management practices
- ✓ Reviewing significant changes in the auditing and accounting practices used for preparing the company’s financial statements
- ✓ Establishing and monitoring effective systems for receiving and reporting information about the corporation’s compliance with legal and ethical obligations
- ✓ Articulating clear expectations and standards pertaining to corporate culture
- ✓ Understanding the company’s financial statements and monitoring the adequacy of its financial controls, internal controls, and disclosure procedures

Through these measures, the board and its committees uphold SoundThinking’s commitment to integrity, transparency, and ethical governance. The company’s stock ownership guidelines for non-employee directors requires them to hold shares equivalent to three times their annual cash retainer. The value of these shares is measured on December 31st each year. If a director does not meet their required ownership as of that date, they must retain at least 50% of the shares received from full value awards until December 31st of the following year, or until they are no longer a director—whichever comes first. This 50% is calculated after shares are surrendered to pay the exercise price.

Board Leadership

Our Board of Directors consists of seven individuals. Our Chair of the Board is an independent director, who facilitates the board’s oversight of management and the company’s long-range strategy and business initiatives. Additionally, the chair acts as a liaison between management and independent directors, and presides over meetings of the board, including scheduling and preparing board agendas.



Our Chief Executive Officer is the principal executive officer of our company, responsible for supervising business operations and strategic direction. The CEO also serves as a member of the Board of Directors.

Board and Committee Self-Assessments

Annually, the Board of Directors, Audit Committee, Compensation and Human Capital Committee, and Nominating and Corporate Governance Committee, conduct self-assessments to evaluate their performance and identify areas for improvement. This rigorous process involves directors completing a comprehensive questionnaire that addresses a range of topics such as board and committee composition, structure, effectiveness, and duties.

Following completion of the questionnaire, each committee, as well as the board as a whole, reviews and evaluates the responses. This process culminates in the formulation of recommendations. Subsequently, the board engages in comprehensive discussions regarding the assessment outcomes, with a focus on devising actionable strategies to address any identified issues or areas for improvement.

Role of the Board in ESG Practices and Reporting Oversight

SoundThinking’s Board of Directors has oversight responsibility over ESG practices and reporting by ensuring that ESG initiatives align with the company’s long-term strategy and goals. The board meets with the executives responsible for the ESG committee and working groups to receive updates and provide recommendations. It also oversees the management of ESG-related risks, such as environmental risks, social issues, and governance challenges.

Role of the Board in Risk Oversight

One of the primary responsibilities of the board is to provide informed oversight of the company's risk management processes. Rather than establishing a dedicated risk management committee, the board directly administers this oversight function, utilizing various standing committees to address risks specific to their areas of expertise.

The board is responsible for monitoring and evaluating strategic risk exposure, and determining the appropriate nature and level of risk for the company. Specifically, the Audit Committee is tasked with oversight concerning significant financial and cybersecurity risk exposures, as well as evaluating management's efforts to monitor and mitigate these risks. This includes establishing guidelines and policies governing the risk assessment and management processes, as well as ensuring compliance with legal and regulatory requirements.



The Nominating and Corporate Governance Committee oversees aspects of corporate governance functions, including environmental, social, and governance policies and programs, and makes recommendations in these areas. The Compensation and Human Capital Committee is responsible for assessing and monitoring compensation practices and policies with regard to risk management, ensuring they do not incentivize excessive risk-taking. Additionally, it oversees matters related to human capital management, including policies and strategies related to recruitment, retention, diversity, and inclusion.

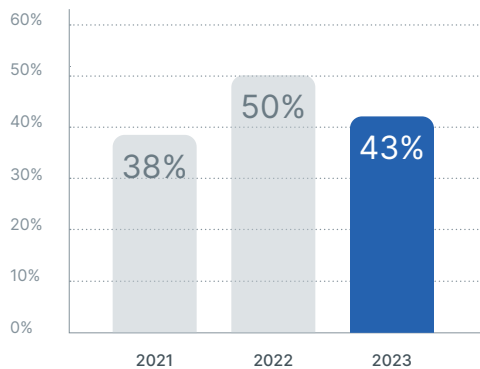
Composition and Refreshment of our Board of Directors

SoundThinking proudly maintains a very diverse Board of Directors. We uphold an intentional and meticulous approach to board refreshment and succession planning, ensuring unwavering governance from a highly qualified and diverse cadre of directors. Our director nominees embody diverse perspectives and experiences, each contributing essential strategic, operational, financial, public safety, governmental, and governance acumen to our esteemed board.

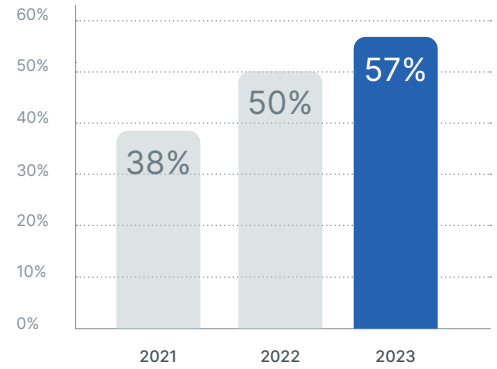
All board members actively engage in overseeing our strategy. We approach board refreshment and succession planning thoughtfully, ensuring our board maintains diverse perspectives and essential skills in strategy, operations, finance, and governance. Our Corporate Governance Guidelines emphasize diversity in gender identity, race, ethnicity, age, and sexual orientation. The board values unique and complementary backgrounds that reflect our customer base and communities. This diversity helps guide us in serving the best interests of our shareholders.

Diversity is a cornerstone of our board’s ethos.
We understand the importance of fostering unique and complementary backgrounds and perspectives.

SoundThinking is committed to assembling a board with diverse skills, professional experiences, ages, races, ethnicities, genders, and cultural backgrounds, reflecting the diversity of our customers and the communities that they serve. This diversity guides our corporate governance and ensures we act in the best interests of our stockholders.



Board of Directors Composition
Female Directors



Board of Directors Composition
Racial Diversity*

* Directors included in the Racial Diversity category include Black/African American, Hispanic/Latino, Native Hawaiian/Pacific Islander, Asian, and two or more races.

Policies and Corporate Governance Framework

Robust corporate governance has been a cornerstone throughout our company's journey, and in particular as a publicly traded entity. Transparent and open communication channels with a broad spectrum of stakeholders, spanning employees, customers, partners, and shareholders, constitute a pivotal element of our growth strategy. By harmonizing these diverse interests through a unified sense of purpose, we fortify our corporate structure and enhance our potential for societal impact.

Code of Business Conduct and Ethics

As part of our corporate governance practices, SoundThinking is dedicated to maintaining the highest standards of integrity. Central to this commitment is our Code of Business Conduct and Ethics, which outlines the principles and practices guiding our operations. We hold every employee, officer, and director accountable for understanding and adhering to the code in all of their business endeavors.

Our code outlines essential conduct standards for interactions with stakeholders and signifies a **broader commitment to integrity and responsibility.**

To ensure compliance to this code, we have instituted a comprehensive program that encompasses code awareness, training, and review. The oversight of this program falls under the purview of our Compliance Officer, Alan Stewart, who also serves as our Chief Financial Officer.

The Code of Business Conduct and Ethics covers various aspects of legal compliance, including insider trading policy, international business laws, antitrust regulations, environmental compliance, conflict of interest protocols. Additionally, it includes guidelines for maintaining accurate corporate records, handling gifts, entertainment, and donations, as well as directives regarding fair dealing and confidentiality.

We encourage employees to voice concerns to Mr. Stewart, underscoring our commitment to fostering a culture of transparency and accountability. Moreover, as part of our corporate governance framework, all executives and officers are required to complete the company's quarterly disclosure controls and procedures questionnaire, ensuring ongoing compliance and effective risk management.



Insider Trading Policy

At SoundThinking, we have implemented a robust insider trading policy to govern transactions involving SoundThinking securities by our employees, directors, consultants, and their families. This policy strictly prohibits trading based on inside information and the disclosure of such information to external parties. It defines the scope of insider information, outlines exceptions, and establishes blackout periods around significant corporate events, such as quarterly financial filings.

To ensure compliance, we conduct regular training sessions and distribute formal communications and reminders to all staff. By upholding these standards, we demonstrate our commitment to ethical business practices and maintaining the integrity of our corporate operations.



"Trust, Mentorship & Collaboration. We must do an incredible job at all 3 of these things - and we do. We must in order to be as successful as we are as one amazing team."



KENT MCINTIRE,
Sr. Project Manager

Diversity, Equity, and Inclusion



28%

of Promotions went to Female Employees

At SoundThinking, we strive to advance diversity, equity, and inclusion. We believe that a workplace should be inclusive, encouraging, and respectful; a place where everyone has equal opportunity regardless of gender, race, age, disability, sexual orientation, gender identity, cultural background, or religious belief.

59%

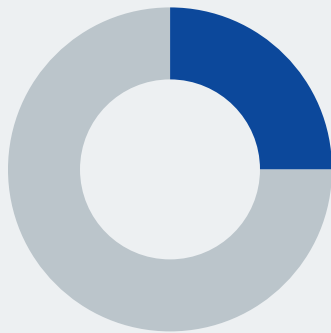
of Promotions went to Racially Diverse Employees

Our purpose is to: *“Earn the trust of law enforcement to help them provide equal protection for all and strengthen the police-community relationship, ultimately improving public safety.”* Our diverse workforce, who represent and reflect the communities we serve, fulfill this purpose through integrity, innovation, performance, and collaboration.

We prioritize individual perspectives and have cultivated a workplace culture centered on equity and belonging.

We emphasize the recruitment of people who are passionate about effecting positive change through their work. Our employees share a collective mission to foster safer communities by leveraging the latest SoundThinking technology. Driven by this shared purpose, SoundThinking employees are dedicated to crafting solutions that cater to the evolving needs of

SoundThinking Executive Team Diversity | Gender Diversity



● MALE 75% ● FEMALE 25%

our customers and take great pride in working at the forefront of innovation in public safety.

In an industry marked by perpetual evolution, we recognize the necessity of adaptability and agility. We are committed to not only keeping pace with change, but proactively identifying future opportunities to ensure we remain at the leading edge of industry innovation. We are keenly aware that all of this starts with a culture of inclusion, equity, and belonging for our own team.

To ensure equal opportunity and treatment for all, we have put in place processes that begin in recruitment and continue throughout all stages of employment.

To ensure fair recruitment processes, together with HR we have created standardized job descriptions for all positions across all divisions. We also actively track and report on diversity in our recruitment efforts.

To ensure equal and equitable pay and to eliminate gender gaps, we have implemented a standardized process for pay determination and benchmarking, along with frequent compensation audits. We believe in transparency and communication, which is why we post pay ranges for all open positions.

We track and report on career progression and promotions. **In 2023, 28% of promotions went to female employees, and 59% of them to employees who identified as racially diverse.**

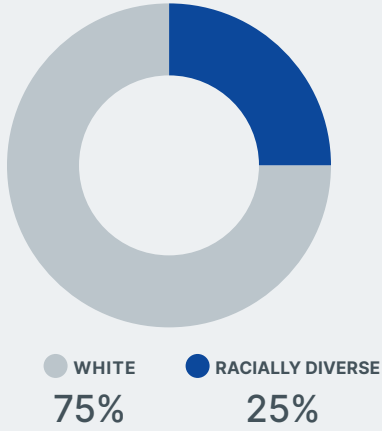
We are committed to cultivating an **inclusive workplace environment that values and respects all employees.**



To ensure an inclusive workplace, we have put in place several mechanisms for receiving employee feedback and addressing concerns or problems. On an annual basis, we conduct the confidential, anonymous, third-party administered Great Place to Work survey to gather comprehensive employee feedback. We also have an open-door policy that allows employees to report concerns directly to HR and executives. Additionally, we report on employee attrition and conduct exit interviews.

SoundThinking has implemented a standard performance management process to provide quarterly feedback to employees and ensure alignment with company goals. This process allows managers to guide staff in their career progression and growth.

SoundThinking Executive Team Diversity | Racial Diversity



Employees included in the Racial Diversity category include Black/African American, Hispanic/Latino, Native Hawaiian/Pacific Islander, Asian, and two or more races.

To ensure transparency with our employees, SoundThinking executives conduct a monthly town hall meeting where company updates are shared, and staff have an opportunity to ask questions and interact with the executive team.

Our policies include the following:

- ✓ Policy Against Proscribed Harassment and Discrimination
- ✓ Standards of Performance and Conduct
- ✓ Code of Business Ethics and Conduct
- ✓ Equal Employment Opportunity and Diversity
- ✓ Workplace Security and Anti-Violence Policy
- ✓ Drug-Free Workplace

The goal of these policies is to ensure that our processes are impartial and fair for every individual within our organization. This commitment means fair treatment and a safe environment for all, regardless of gender identity, race, age, disability, sexual orientation, cultural background, or religious belief.

Our executive and management teams are dedicated to cultivating a culture of diversity, equity, and inclusion. This involves raising awareness around these issues, instituting a zero-tolerance stance against harassment and discrimination, and celebrating differences. We ensure that all employees feel a sense of belonging, and that our programs, policies, strategies, and practices actively promote and sustain a diverse, equitable, and inclusive environment.

We have made substantial investments in analysis to demonstrate our commitment to equity and inclusion through fair compensation and facilitating opportunities for professional advancement.

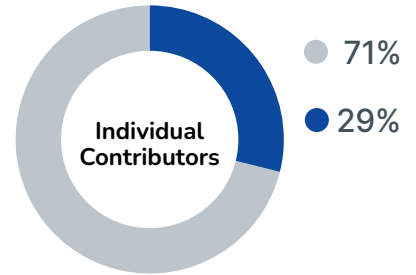
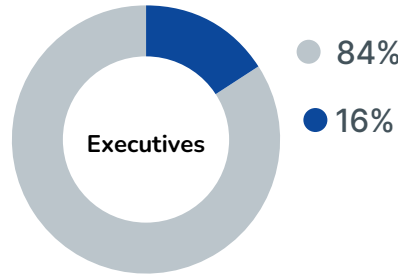
Pay parity is a fundamental principle for us, and we ensure employees in identical roles and locations receive the same compensation, regardless of gender or ethnicity. We continue to provide our employees with access to advanced opportunities within the company.

SoundThinking Technical Team Diversity | Racial Diversity

At SoundThinking, we believe that diverse perspectives drive innovation and excellence in problem-solving. By promoting inclusivity and welcoming individuals from various backgrounds, we create an environment where everyone's unique talents and experiences are valued. Our dedication to diversity extends to our annual Hackathon, where gender diversity is a prerequisite for team qualification.

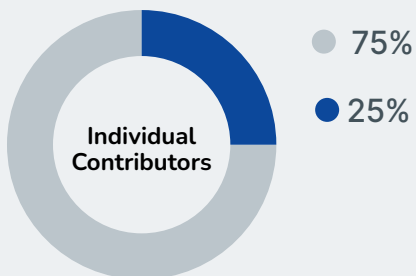
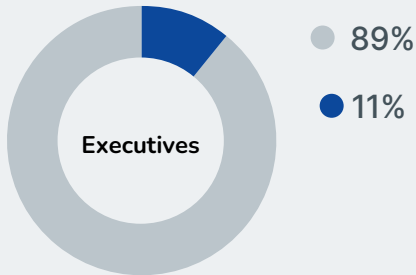
- WHITE
- RACIALLY DIVERSE

Employees included in the Racial Diversity category include Black/African American, Hispanic/Latino, Native Hawaiian/Pacific Islander, Asian, and two or more races.



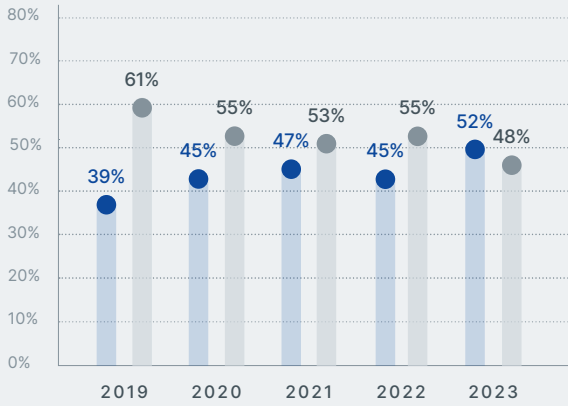
SoundThinking Technical Team Diversity | Gender Diversity

- MALE
- FEMALE



SoundThinking Employee Diversity | Companywide Racial Diversity

- WHITE
- RACIALLY DIVERSE



Companywide Racial Diversity Trend

Employees included in the Racial Diversity category include Black/African American, Hispanic/Latino, Native Hawaiian/Pacific Islander, Asian, and two or more races.

Executives

75% | 25%



Sr. Leadership (VP) and Managers

59% | 41%



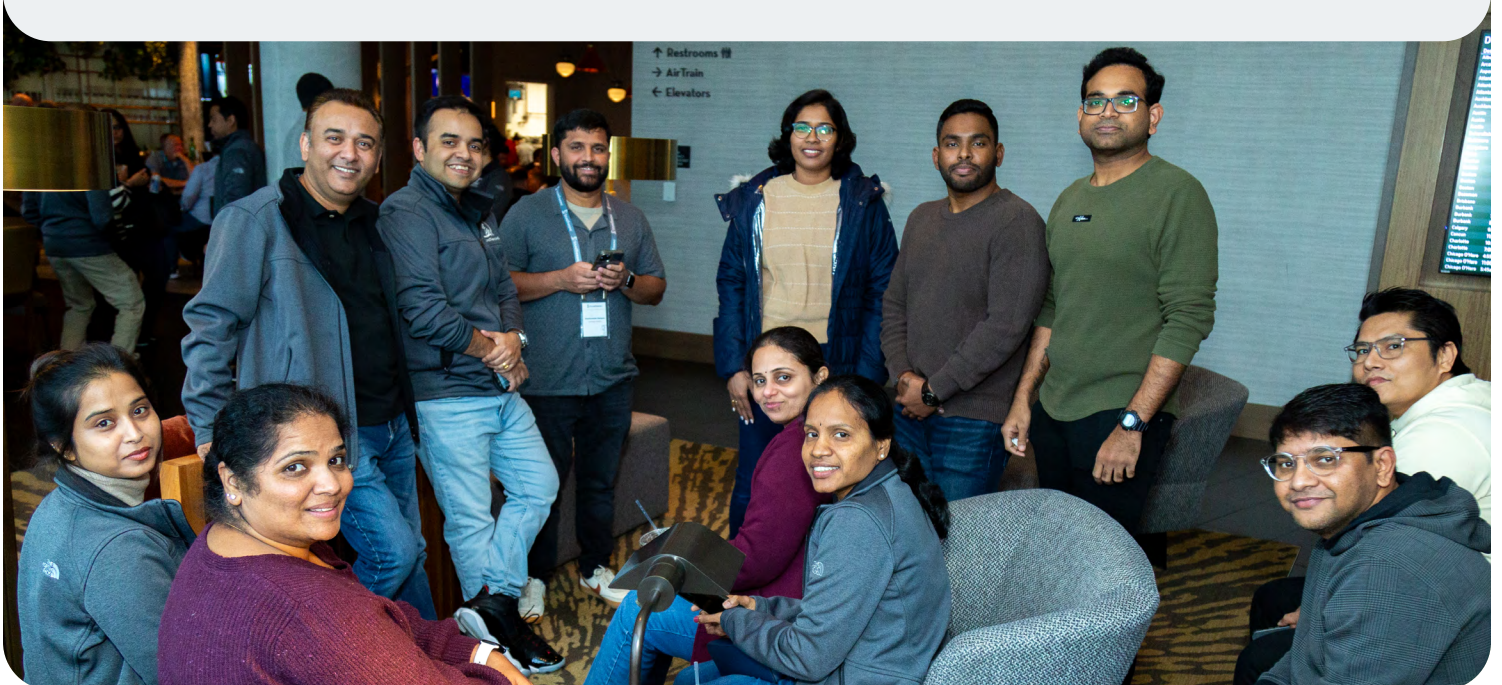
Individual Contributors

44% | 56%



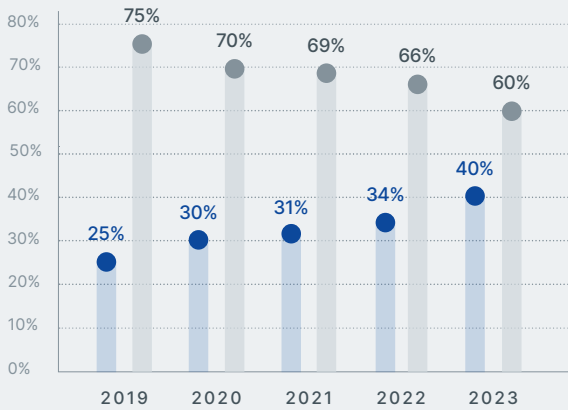
Total Employees

48% | 52%

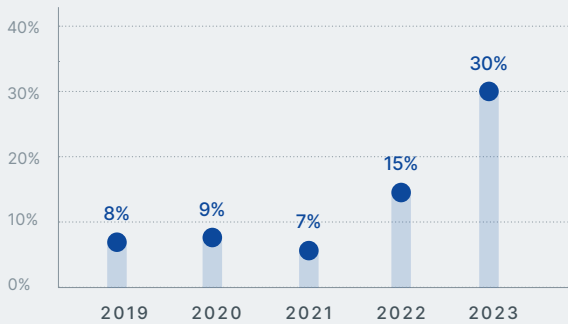


SoundThinking Employee Diversity | Companywide Gender Diversity

● MALE ● FEMALE



Companywide Gender Diversity Trend



Gender Diversity Trend Among non-Executive Managers and Sr. Managers



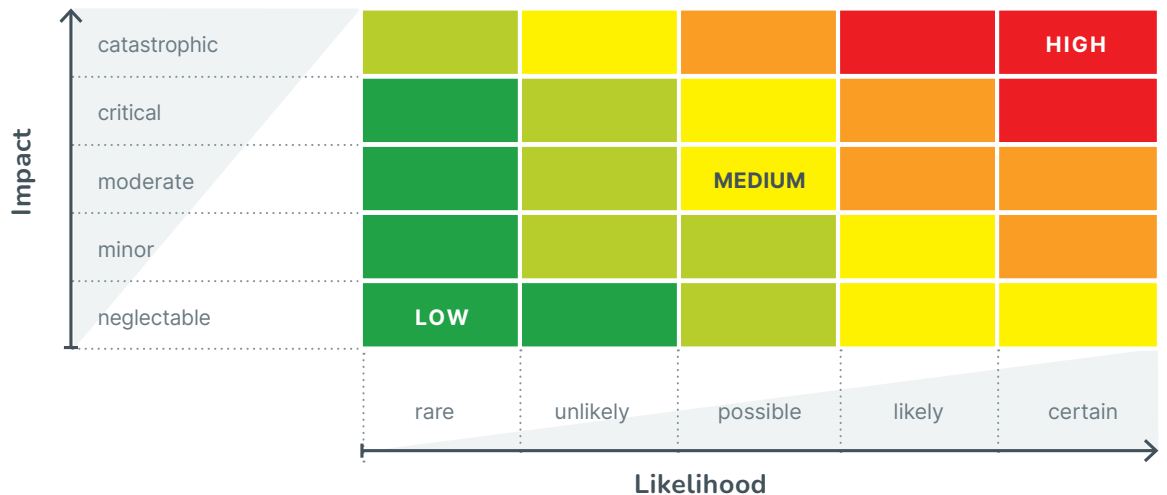


Risk Management Framework

One of our board’s key functions is the informed oversight of our Risk Management framework. This oversight is administered both directly by the board and through its standing committees. Our executive officers handle the day-to-day management of risks. Throughout the year, the board receives periodic updates from management and their independent advisors regarding the risks we face. Additionally, our committees are assigned specific areas of responsibility and meet periodically with management and their independent advisors to review risks and risk management processes within their purview, reporting to the board as appropriate.

Risk oversight is a crucial part of our risk management framework, allowing the board to **stay informed about mission-critical threats, emerging opportunities, and potential changes** in stockholder preferences due to a dynamic risk landscape.

SoundThinking maintains an ongoing risk management approach, which regularly updates an Internal Risk Register to track and assess potential risks. As part of our Risk Mitigation Strategy, we have completed the SOC 2 Type 2 Audit.



Information Security



SoundThinking recognizes the utmost criticality of security and privacy to our business and, more importantly, to the success and protection of our customers and the communities they serve. Our team of highly qualified security and privacy professionals implements and optimizes effective practices to manage ever-changing risks and threats, focusing on building products with security as a foundational element that ensures the availability, integrity, security, and privacy of the data. SoundThinking's executive management and the board oversee these risk management practices. Our incident management policy mandates that the Senior Management is involved and informed on critical and high-priority incidents, and reports are presented to the Board of Directors' audit committee at least twice annually.

Security Highlights

● Criminal Justice Information Services (CJIS)

CJIS data consists of sensitive information gathered by local, state, and federal law enforcement agencies. This data could include criminal background information, fingerprints, copies of private documents, or other personal data that could be considered sensitive. SoundThinking Investigate deals with Criminal Justice Information (CJI) and as such is subject to additional security controls beyond SoundThinking's standard security policy set. We are actively working towards compliance with CJIS Policy, transitioning from version 5.9.3 in October 2023 to version 5.9.4, which will take partial effect in October 2024.

The updated policy includes new requirements for identity verification, role-based training, and system patching.

● **NIST 800-53**

The NIST 800-53 framework is designed to provide a foundation of guiding elements, strategies, systems, and controls that can universally support any organization’s cybersecurity needs and priorities. SoundThinking has adopted NIST Special Publication 800-53 policies to drive its Information Security Program approved by the Board of Directors and senior management and measured regularly. These policies provide guidance for the rest of security program’s snap-in policies and procedures. These policies continue to be matured across the organization.

● **NIST 800-218**

The NIST 800-218 framework addresses software security in detail, ensuring that secure software development practices are adhered to throughout our software development processes. This initiative advocates for a foundational set of secure software development practices that can be integrated into each Secure Software Development Lifecycle (SSDLC) implementation.

By following these practices, our development teams can effectively minimize vulnerabilities in released software, mitigate potential impacts from exploited or undetected vulnerabilities, and proactively address underlying causes to prevent future occurrences.

● **AppSec Program**

SoundThinking’s Application Security Program (AppSec) is governed by a central Secure Software Development Lifecycle (SSDLC) policy which consists of comprehensive lifecycle governance across planning/analysis, requirements definition, development, integration and testing, acceptance, and management activities.

In 2023 the following practices supported the Secure Software Development Framework (SSDF):

- A vulnerability management program designed to identify, triage, and track remediation of platform and application vulnerabilities.
- Network vulnerability scanning was increased from quarterly to weekly, and hundreds of findings were detected, tracked, and closed with validation. It is our goal is to mitigate all critical vulnerabilities within 15 days, and high-risk vulnerabilities within 30 days from the date they are identified.

"As a sales professional at SoundThinking, my primary focus is on bringing new customers on board, specifically for gunshot detection. I am committed to providing a strong value proposition and earning the trust of law enforcement agencies. The most rewarding aspect of my job is hearing about the successes our customers have with our products and sharing these success stories on social media. It's an honor to praise them for their exemplary police work."

TERRI GREENE,
Sales Director





- Dynamic and static software analysis tools were added to support key integration processes.
- The Engineering Change Order (ECO) process now includes an application security sign off for AppSec-related changes.

In 2023 the following practices were added or refined to help reduce risk through an” AppSec program:

- Increased focus on software supply chain risk reduction
- Increased the scope of existing Static Application Security Testing (SAST) and Dynamic Application Security Testing (DAST) tooling to certain IoT and recently acquired SaaS products
- Threat modeling and processes for earlier identification of security requirements when designing new functionality
- Collection of evidence and metrics to help measure the effectiveness of the AppSec and Vulnerability Management Program (VMP) programs

CIS Level 1 or better

The Center for Internet Security (CIS) is a nonprofit entity whose mission is to “identify, develop, validate, promote, and sustain best practice solutions for cyber-defense.” It draws on the expertise of cybersecurity and IT professionals from government, business, and academia from around the world to develop standards and best practices.

CIS benchmarks provide baselines and best practices for securely configuring a system. As part of our security initiatives, SoundThinking implemented CIS Level 1 or better baselines to our end-user devices (laptops and desktops) to enhance the security of our assets.

Hardening of end user and infrastructure devices is recommended by the best practices including NIST 800-53.

Single Sign-On with Multi-Factor Authentication

Multi-Factor Authentication (MFA) enhances security by requiring more than just a password for access. At SoundThinking, we have implemented ubiquitous Single Sign-On (SSO) combined with MFA. This approach is designed to enhance security while enabling convenient authentication to systems as to which safeguards are implemented. Additionally, we conduct regular audits designed to monitor various accounts, administrators, and applications, including quarterly reviews of administrator and VPN access, and daily reviews of all Security Information Event Management (SIEM) alerts.

Vendor Assessment Program

A vendor risk assessment programs are designed to provide visibility to the risks that organizations are exposed to when using third-party vendors' products or services. Risk assessments are particularly important when a vendor handles a critical business function, accesses sensitive customer data, or interacts with customers. As such, SoundThinking underwent a review of all Critical Partners (known internally as Level 1, these partners perform operations or services that critically impact SoundThinking's operations). SoundThinking is committed to performing a thorough evaluation of all its significant partners.

Data Loss Prevention

SoundThinking is committed to the protection of its data and their customer's data. In 2023 SoundThinking enhanced its Data Loss Prevention Controls (DLP) with enhanced tooling deployed on employee equipment, to provide detailed information on how data is transferred into and out of the company.

Cybersecurity Awareness Training

The Information Security Team provides cybersecurity training to SoundThinking employees. This onboarding covers the products we use, who to contact in case of a security event or incident, and topics such as phishing, privacy, and ransomware.

Infrastructure Updates

The Information Security Team provides cybersecurity training to SoundThinking employees. This onboarding covers the products we use, who to contact in case of a security event or incident, and topics such as phishing, privacy, and ransomware.

SOC 2 Type 2

A SOC 2 report is a report on controls at a service organization relevant to information security, availability and confidentiality. As of January 1st, 2024, SoundThinking's auditors completed its SOC 2 Type 2 audit covering Overall Business, Infrastructure, and products including ShotSpotter, ResourceRouter, and CaseBuilder.

Customer demand and contractual requirements increasingly emphasize our maintenance of SOC 2 Type 2 compliance. To streamline future discussions and demonstrate our commitment to information security, we completed and passed our first SOC 2 Type 2 Audit in 2023.

An SOC 2 audit report is a report on controls at a service organization relevant to information security, availability and confidentiality, which is the American Institute of Public Accountants' (AICPA) Trust Service Criteria (TSC), in accordance with SSAE 18. Obtaining a SOC 2 Compliance Report is a rigorous process conducted by an independent, third-party auditor. It involves



measuring adherence to specific control categories, encompassing over 160 detailed requests. These include providing a list of current employees, demonstrating password controls through source code submissions with timestamps, reviewing individual termination procedures, and assessing network diagrams and firewall controls.

Service organizations must cover at least three of the five trust services categories—security, confidentiality, availability, integrity, and privacy. The minimum audit requirement for a SOC 2 Type 2 Report is security. SoundThinking has exceeded the minimum requirements as to security, confidentiality, and availability for ShotSpotter, Resource Router, CaseBuilder, and Business Infrastructure. The audit report directly reflects the following opinion:

In our opinion, in all material respects,

- a. *the description presents SoundThinking's Public Safety Solutions Services System that was designed and implemented throughout the period June 1, 2023 to November 30, 2023, in accordance with the description criteria.*
- b. *the controls stated in the description were suitably designed throughout the period June 1, 2023 to November 30, 2023, to provide reasonable assurance that SoundThinking's service commitments and system requirements would be achieved based on the applicable Trust Services Criteria, if its controls operated effectively throughout that period and if the sub-service organization and user entities applied the complementary controls assumed in the design of SoundThinking's controls throughout that period.*
- c. *the controls stated in the description operated effectively throughout the period June 1, 2023 to November 30, 2023, to provide reasonable assurance that SoundThinking's service commitments and system requirements were achieved based on the applicable Trust Services Criteria, if complementary subservice organization controls and complementary user entity controls assumed in the design of SoundThinking's controls operated effectively throughout that period.*



Infrastructure Updates

SoundThinking has implemented IT policies and procedures designed to address governance and risk management, asset management, human resources security, physical security, communications and operations, access controls, systems acquisition and development, incident management and business continuity, and disaster recovery. All teams are expected to adhere to the SoundThinking Information Security policies and procedures, which define how services should be delivered. These are located on an internal corporate SharePoint Site and can be accessed by all SoundThinking employees.

AI Acceleration, Governance, Security, and Ethics

At SoundThinking, we believe in advancing technology responsibly. As a technology company, we are committed to embracing innovation, including the conscientious integration of artificial intelligence (AI) technologies into our products and practices.



We recognize AI’s potential to enhance competitiveness, foster innovation, and drive long-term success in an ever-evolving business landscape. We categorize the potential benefits of AI technologies broadly into three key areas: AI tools, AI-enabled features, and leveraging AI for operational efficiencies and productivity enhancements. Across these dimensions, we discern ample opportunities for growth and improvement.

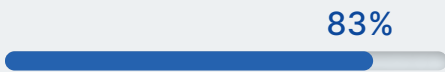
We acknowledge our desire to safeguard the interests of our company, customers, community, and shareholders by implementing appropriate AI governance frameworks.



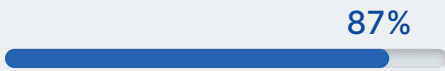
To help address identifiable AI risks, SoundThinking has established dedicated AI Governance and Advisory roles. These roles are divided into security and data governance, and ethics, respectively. They help us analyze issues concerning responsible AI usage by carefully reviewing internal requests for AI tools and features. The insights from these roles inform the product council’s decisions regarding the adoption of AI tools and features.

Through this framework, we strive to prioritize transparency and accountability by evaluating and mitigating associated risks. By embedding ethical considerations into our AI practices, we endeavor to ensure the sustainable advancement of our organization while mitigating potential risks associated with the use of AI.

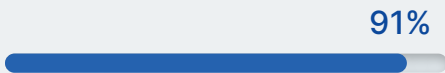
Building Trust with Our Employees



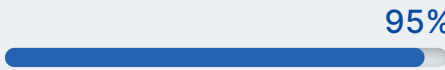
Participation Rate



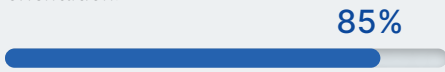
Taking everything into account, I would say this is a great place to work.



When I look at what we accomplish, I feel a sense of pride.



People here are treated fairly regardless of their race, gender, age, and sexual orientation.



Management is approachable, easy to talk with.

We recognize the pivotal role our employees play in our triumphs and are dedicated to crafting a workplace that celebrates diversity, fosters inclusivity, and prioritizes the well-being of all. Our endeavors to cultivate a secure, inclusive work environment, advance professional development opportunities, and ensure fair compensation and benefits are central to our success. We uphold the highest ethical standards across all facets of our operations and remain committed to maintaining a workforce that mirrors the communities we serve.

In 2023, SoundThinking was designated a Great Place to Work® company for the sixth consecutive year, with a resounding 87% of our workforce affirming our distinction. Since 1992, Great Place to Work has been the preeminent authority on workplace culture, employing rigorous, data-driven methodologies to gauge employee experience. Our leadership remains dedicated to cultivating a safe and inclusive environment that is conducive to well-being, personal growth, and collaboration.

Our values of trust, innovation, performance, and collaboration are fundamental to all we do. Our success is driven by our collective desire to effect change, and the genuine connections and mutual respect that has been fostered among our team members. We are continually investing in our global workforce to further drive diversity and inclusion, offering fair and competitive remuneration, and supporting the growth and development of all.

Physical and Mental Wellness



SUSTAINABLE DEVELOPMENT GOALS



"I am given the resources and equipment to do my job."



91%

Hybrid Work

To encourage collaboration and uphold our cultural values in the post-COVID era, we have introduced a hybrid work arrangement. This approach aims to balance individual productivity with opportunities for collaboration, strong relationships, and a sense of belonging. SoundThinking provides a \$100 monthly stipend for remote employees to assist with improving their working from home conditions, and for hybrid employees, to help with commute costs.

"Management shows appreciation for good work and extra effort."



80%

CEO Award

At SoundThinking, we believe in recognizing and rewarding talent, dedication, innovation, and contributions to our team and organization's success. To honor these qualities, we present the CEO Award quarterly to individuals who exemplify exceptional commitment, demonstrate our values, and make meaningful contributions to our collective goals.

90% "Our executives fully embody the best characteristics of our company."

"People are encouraged to balance their work life and their personal life."



83%

PTO and Refresh Friday

At SoundThinking, we prioritize the well-being and work-life balance of our staff. We provide a generous four weeks of Personal Time Off to all full-time new hires, which increases to five weeks after five years of service. To enhance our employees' wellbeing and to support their personal interests, we offer a unique benefit: 'Refresh Fridays.' Every quarter, employees receive a paid day off to refresh, recharge, and indulge in activities that bring them joy and fulfillment. These initiatives reflect our commitment to creating a positive and rewarding work environment where our team members can thrive both personally and professionally.

"This is a fun place to work."



79%

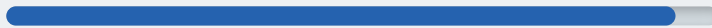
Sponsored Group Activities

SoundThinking sponsors fun activities to strengthen relationships and foster friendships outside of work. In 2023, SoundThinking sponsored interested staff from any location in the country to participate in the Grizzly Peak Trail Half Marathon and 10K runs in Berkeley, California. The event was preceded by a fun pasta dinner the night before.



94%

"I'm proud to tell others I work here."



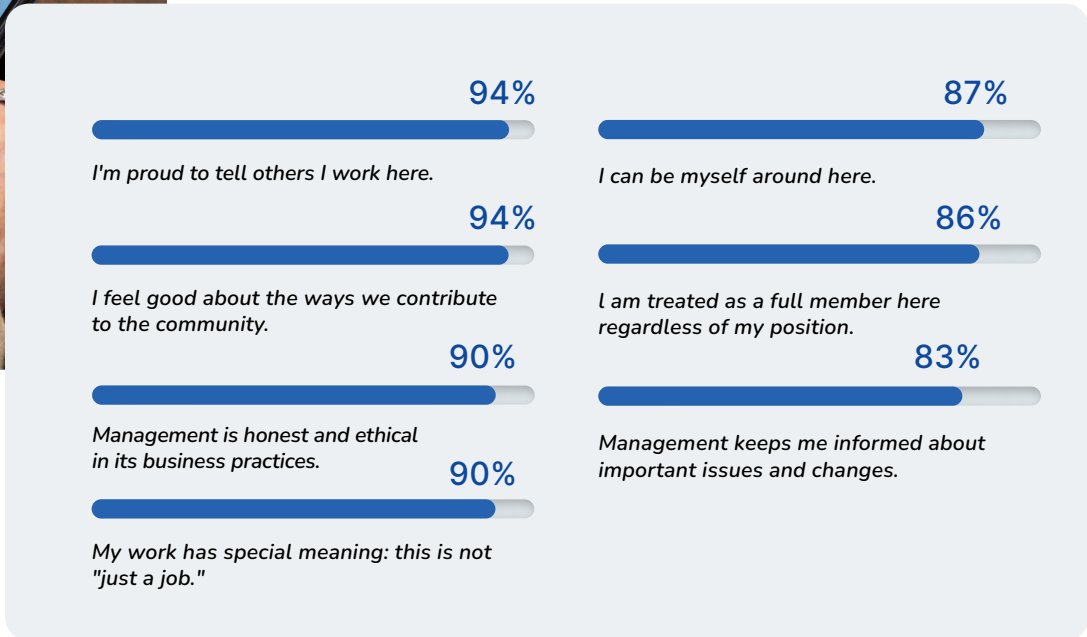
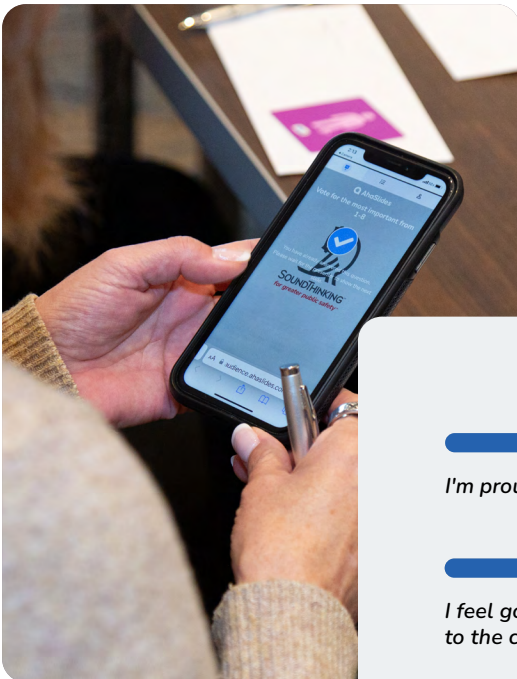
Physical and Mental Health Resources

SoundThinking provides a diverse range of medical, dental, and optical insurance plans tailored to individual preferences and family needs. Additionally, employees and their families benefit from the Health Advocacy Program (HAP), offering confidential assistance 24/7 with plan coverage, healthcare provider selection, diagnoses clarification, treatment options research, and billing and claim issues. Our team and their families also have access to the Employee Assistance Program (EAP) for confidential support with personal, family, and work-related concerns, along with online resources covering various aspects of well-being and life management.

Financial Wellness

At SoundThinking, we recognize financial stability and security as essential components of wellness. To support our employees' financial futures, we offer a comprehensive range of benefits. This includes a 401(k) plan with a discretionary company match of 50% of contributions up to 2% of eligible compensation, with a three-year vesting schedule. In 2023, 46% of our team members participated in this program, reflecting its popularity and value.

Additionally, we provide full-time employees an opportunity for ownership in the company through our Employee Stock Purchase Plan (ESPP), with 29% of eligible staff choosing to participate. Alongside these initiatives, our employees have access to a suite of benefits including company-sponsored long-term disability benefits, health care coverage, and flexible spending accounts for dependent care.



Social Awareness Holiday

As a mission-oriented company, being socially aware and responsible is central to all we do at SoundThinking. In 2020, we began a program for one paid Social Awareness Holiday per calendar year, with the goal of celebrating diversity and creating an opportunity to learn about and appreciate the historic milestones that have shaped us as a nation.



SUSTAINABLE DEVELOPMENT GOALS



In 2022, we observed Bloody Sunday as our Social Awareness Holiday. This event commemorated the violent suppression of civil rights activists advocating for African American voting rights on March 7, 1965 in Selma, Alabama. In 2023, we observed May 17 in commemoration of the landmark Supreme Court ruling of Brown vs. Board of Education. This ruling, which deemed racial segregation in public schools as unconstitutional, was issued on the same date in 1954.



internationaldayofpeace.org

Our team has selected September 21, the International Day of Peace, as our 2024 Social Awareness Holiday. The UN has designed this year’s theme, “Actions for Peace: Our Commitment to the #GlobalGoals.”The UN’s theme is a call to action that recognizes our individual and collective responsibility to promote peace. Advancing peace contributes to the realization of the SDGs which aim to create a peaceful, just, and inclusive world that is free of fear and violence.

SoundThinking has a Historical Awareness Group (HAG) that was born from the Social Awareness Holiday. This group researches significant events across time, compiling reports and delivering company-wide information sessions on them. We believe that being better informed and knowledgeable about our history helps shape a better future for both our company and the world.

During 2023 HAG sent out social awareness content and company-wide announcements related to 36 diverse social, civil, religious, and historical occasions. These occasions included Black History Month, International Women’s Day, Asian-American and Pacific Islander Month, Diwali, Eid al-Fitr, Labor Day, Cesar Chavez Day, Women’s Suffrage, Rosh Hashanah, and more.

Building Trust with our Customers

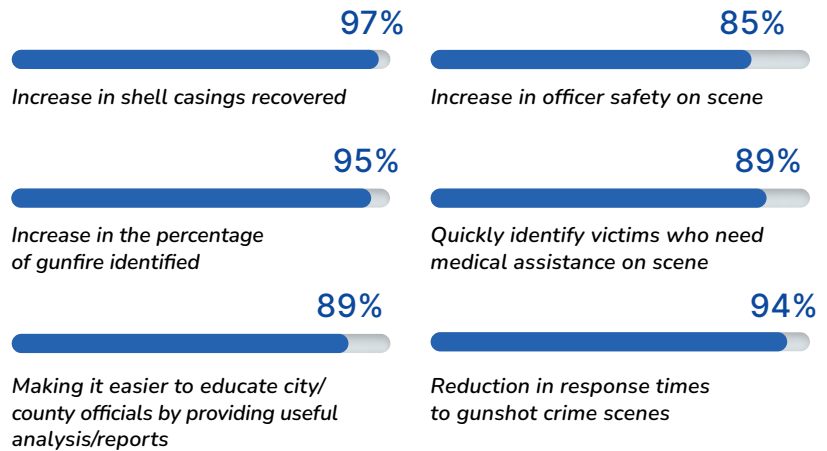
Net Promoter – Customer Satisfaction, Key to Customer Retention

93%

SoundThinking, the provider of ShotSpotter, is a true partner to your agency

We take pride in serving as a trusted partner to our customers, as evidenced by our robust customer retention. We believe that the truest gauge of our performance lies in customer loyalty and their appraisal of our products and services. Our annual assessments, including the Net Promoter Score (NPS) survey, reflect our achievements. Our latest NPS score of 64 marks another year of achieving an “Excellent” rating and sustaining a score above 50 for the seventh consecutive year. These results demonstrate our dedication to cultivating a customer-centric, service-driven culture, and highlight the proficiency and effectiveness of our Customer Success team.

► An impressive percentage of our customers responded “Strongly Agree” or “Agree” to the following statements:



“The law enforcement industry is now going through a digital transformation with the increased use of technology and data to enable focused strategies and operating efficiencies. I am excited about our work at SoundThinking where we combine the knowledge of our Customer Success Directors and Analytics team members with our consultative approach to help our clients get maximum value from our applications. Our client focused efforts truly help to make our communities safer.”

LARRY S. JACKSON,
SVP Customer Success, SoundThinking

Privacy compliance (CCPA/CPRA)

SoundThinking is subject to and complies with numerous privacy laws and regulations, such as the California Consumer Privacy Act (CCPA) and the California Privacy Rights Act (CPRA). By complying with these privacy regulations we enable consumers to be in control of their data, and protect their privacy, and establish transparency in our data collection practices.

SoundThinking continues to monitor the privacy landscape in states and countries where we operate, and we will update our policies and practices as needed to comply with these regulations.

Customer and Public Privacy Protection Efforts

SoundThinking technology is reshaping transparency and accountability within communities. The implementation of ShotSpotter gunshot alerts, which focus solely on reporting the precise time and location of incidents and not the identity of potential shooters, is instrumental in fostering public trust and ensuring fair treatment. As our data becomes increasingly vital in complex investigative and forensic contexts, balancing transparency and personal privacy is paramount.

Acoustic sensors, integral to the ShotSpotter system, capture gunshot audio in real-time, highlighting the need to safeguard citizens' privacy during data collection. To uphold our commitment to public safety while minimizing privacy risks, we maintain strict controls and protocols for accessing sensor audio.

To ensure the alignment of our privacy approach with external standards, we engaged the non-profit Policing Project at the NYU School of Law to conduct an independent audit of ShotSpotter's privacy practices. The audit concluded that "the risk of voice surveillance is extremely low," attributing this to the robust design frameworks and operational safeguards built into the product.

The Policing Project emphasized the necessity for both law enforcement and communities to thoroughly understand the implications of policing technologies like ShotSpotter. They commended our continuous efforts to enhance product design and operation to strike a balance between public safety and individual privacy. This endorsement underscores our dedication to fostering transparency, accountability, and privacy in our pursuit of safer communities.

In their key takeaways and conclusions, the Policing Project indicated that: *"The Policing Project undertook this assessment because we believe it is essential that law enforcement and [the] communities they serve understand the costs and benefits of policing technologies like ShotSpotter before acquiring any new technology. Further, we believe it is incumbent on technology providers to take meaningful steps to improve their product's design and operation to minimize intrusions on civil liberties."*

“Throughout this process, SST (ShotSpotter technology) has consistently demonstrated commendable commitment to modifying its technology to balance its public safety function with protections for individual privacy.”



Throughout this process, SST (ShotSpotter technology) has consistently demonstrated **commendable commitment to modifying its technology to balance its public safety function with protections for individual privacy.**”

Building Trust with our Shareholders



At SoundThinking, we are committed to robust communication and engagement with our investor stakeholders. We actively seek feedback from the investor community to gain diverse perspectives on how we are executing the substantial market opportunities before us, while driving positive social outcomes.

Ensuring frequent and transparent investor communications remains a top priority. Throughout the year, we participate in multiple annual investor conferences and road shows, facilitating dialogue with a wide array of current and prospective investors. We proactively engage with stakeholders through regular communication, addressing significant events, progress updates, and stakeholder concerns with our senior executives. Moreover, we encourage investors to connect with our client base as part of their investment process. In addition to our quarterly earnings releases, associated calls, and disclosures, we maintain an easily accessible investor relations website.

In 2023 we participated in several investor conferences and continue to maintain a robust dialogue and engagement through our one-on-one engagement with investors. We are fortunate to maintain relationships with a number of investment banks that provide analyst coverage for us. These analysts not only offer insights into our company’s performance but also share detailed information from comparable companies to help us benchmark our performance relative to industry peers. To remain at the forefront of best practices, we continuously update our governance-related policies based on input from our investor, investment bank, and analyst stakeholders.



04

Environmental – Sustainable Practices and Protecting Our Planet

Recycling, Refurbishment,
and Responsible Practices 58

Energy Consumption 59

ShotSpotter Labs 60

Protecting Reefs and Underwater
Life in the Coral Triangle, Malaysia 61

SDG Goals 64



ENVIRONMENTAL

We are actively pursuing sustainable practices with a sense of urgency and purpose.

As a company focused on public safety and community well-being, SoundThinking prioritizes environmental stewardship and sustainability. We are actively pursuing sustainable practices with a sense of urgency and purpose. This includes comprehensively managing our environmental impact and complying with ESG reporting regulations, focusing on energy consumption, and waste reduction and management. At SoundThinking, we endeavor to use our technology to support philanthropic causes that give back to the environment, ensuring a better world for generations to come.

At present, we responsibly manage our operations, technology, and deployments, and minimize our waste to protect the environment. We strive to achieve practices that make our operations carbon emission light. Our technologies also play a critical role in our efforts to support and promote sustainable practices. Around the world, they are used to protect wildlife and safeguard endangered species.

Recycling, Refurbishment, and Responsible Practices



SUSTAINABLE
DEVELOPMENT
GOALS



At SoundThinking, we maintain strict adherence to e-waste disposal practices for office equipment, including CPUs, monitors, phones, and other electrical devices. When an employee leaves, we provide postage for the return of their IT equipment to ensure controlled data-wiping and responsible e-waste management.

Similar responsible practices are applied to the repair and replacement of our acoustic sensors. Sensors removed from the field are returned to the factory in Anaheim, CA for RMA. We aim to re-use them or their parts whenever possible and ensure proper E-waste disposal for those that cannot be reused. This aligns with the UN's Sustainable Development Goal of responsible consumption and production.

SoundThinking strictly adheres to the Restriction of Hazardous Substances (RoHS) guidelines for electronic assembly and do not use lead. SoundThinking partner, Blue Clover Devices, adheres to their own sustainability manifesto, striving to become "Ecologically Better."

Energy Consumption



SoundThinking's largest physical footprint is its acoustic sensor arrays, a vital element of the ShotSpotter gunshot detection technology. These compact devices, roughly the size of a toaster, are equipped with a processor, GPS, cellular radio, and microphones. In urban deployments, we typically install up to 25 sensors per square mile. Remarkably, each sensor requires approximately 3 watts of power to operate. This efficiency is a point of pride for SoundThinking, as it means we can provide gunshot detection coverage for an entire square mile using less power than a single 100-watt light bulb.

To further our commitment to sustainability, we have harnessed green energy in the fight against gun violence. We've developed and deployed cutting-edge solar panels with integrated battery and charging systems, streamlining the installation and maintenance of our gunshot sensors. These panels utilize innovative "Shade Tolerance" technology, enabling them to continue charging the battery even when partially shaded, enhancing overall efficiency.

In addition to powering our gunshot detection systems, solar panels are instrumental in driving our environmental initiatives, such as protecting rhinos in South Africa and preserving coral reefs in Malaysia. Solar panel usage is also on the rise for urban gunshot detection deployments.

SoundThinking Labs

The SoundThinking Lab develops innovative uses of gunshot detection technology to help protect wildlife and the environment. ShotSpotter gunshot detection is deployed in Kruger Park, South Africa, home to the largest remaining population of protected rhino, and has helped reduce poaching.



60%

Of the world's remaining rhino live in the IPZ

58%

Reduction in the number of rhino killed in the coverage area

>50%

Interception rate within the coverage area

Protecting Reefs and Underwater Life in the Coral Triangle, Malaysia



SUSTAINABLE
DEVELOPMENT
GOALS



SoundThinking has forged a long-term partnership with the global environmental coalition Stop Fish Bombing. This collaboration enables us to utilize our technologies to combat the widespread threat posed by fish bombing, a destructive practice endangering tropical reefs worldwide and jeopardizing the food security of millions.

This partnership underscores our **commitment to biodiversity initiatives**, translating dedication into tangible action.

Together with the NGOs Stop Fish Bombing USA (SFB USA) and Stop Fish Bombing Malaysia (SFB Malaysia), SoundThinking has repurposed urban gunshot detection technology for marine use to end fish bombing. This illegal, unsustainable, and ecologically catastrophic fishing method causes irreversible damage to coastal ecosystems, decimating fish nurseries, destroying coral reefs, killing marine life, and transforming once-thriving underwater habitats into desolate wastelands.

Success in Semporna, Malaysian Borneo

ShotSpotter’s real-time acoustic sensors deployed in Semporna have provided invaluable data on fish bombing incidents:

- **Utara Semporna:** Utara Semporna saw a significant decline in incidents from 938 in 2021 to 298 in 2022, and less than 150 in 2023. Real-time data, determination of precise incident location, swift response from enforcement agencies (namely Sabah Parks and Marine Police), and collaboration with local communities and NGOs helped drive this successful outcome
- **Selatan Semporna:** Sensors were deployed in Selatan Semporna in late 2022. By capturing and providing more accurate data using ShotSpotter, they revealed an increase in incident trends in 2023, which warranted an investigation. Having access to accurate and precise data has created a better understanding of the situation so that the success in the Utara Semporna area can be replicated elsewhere.

Addressing gaps in data and funding have been among the chief challenges in combating fish bombing. The implementation of ShotSpotter technology is helping to address this by enabling accurate and continuous data collection. This data serves the basis for investigating changes in trends and implementing targeted solutions in the area.

Collaboration and Innovation Defining the Future of Protecting the Environment

SoundThinking and its partners have adopted an innovative approach by combining and integrating technologies and components. This approach aims to enhance detection and response capabilities effectively and sustainably, thereby protecting reefs and biodiverse habitat in the region.

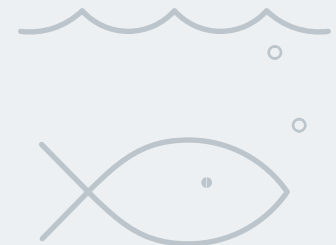
The Blue Boat is a small Autonomous Surface Vehicle capable of patrolling the area and detecting bombs from kilometers away. When three or more of these boats operate together, they can pinpoint the exact location of an incident in real-time and report the activity. ShotSpotter’s sensors and bracket designs are integral components of the Blue Boat, which also uses high-quality hydrophones for detection, multi-instance GNSS used for precise location and timing, and solar energy for sustainable and extended autonomous patrolling. This purpose-built device offers enhanced flexibility and mobility, significantly improving fish bomb detection capabilities.



Expanding Tropical Reef Protection in the Coral Triangle

Indonesia and the Philippines: In the Summer of 2023, a regional workshop convened in Cebu, the Philippines, where delegates from several countries, including Indonesia and the Philippines, raised concerns about fish bombing. It came to light that the Spermonde Archipelago in Indonesia is a significant hotspot for this destructive practice, coinciding with ongoing efforts to restore coral reefs. As these reefs are restored, they attract more fish, inadvertently increasing the incidence of fish bombing. In the Philippines, fish bombing is widespread, particularly around Cebu Island where the workshop was held.

The workshop emphasized the urgent need to address fish bombing in Southeast Asia. Despite awareness of the issue, pinpointing exact blast locations remains challenging, which hampers timely response from marine enforcement. ShotSpotter technology, proven effective in Malaysia, offers a promising solution to this problem. Collaborating with NGOs from Indonesia and the Philippines, presents an opportunity to replicate this success and combat fish bombing effectively across the region.



UN SDGs Index

 <p>1 NO POVERTY</p> <p>Page: 61</p> <p>Learn more ↗</p>	 <p>2 ZERO HUNGER</p> <p>Learn more ↗</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Pages: 49, 61</p> <p>Learn more ↗</p>
 <p>4 QUALITY EDUCATION</p> <p>Page: 49</p> <p>Learn more ↗</p>	 <p>5 GENDER EQUALITY</p> <p>Pages: 35, 49, 52</p> <p>Learn more ↗</p>	 <p>6 CLEAN WATER AND SANITATION</p> <p>Learn more ↗</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Learn more ↗</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Learn more ↗</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Learn more ↗</p>
 <p>10 REDUCED INEQUALITIES</p> <p>Page: 35</p> <p>Learn more ↗</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Pages: 1, 13, 15, 18, 20, 25</p> <p>Learn more ↗</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Pages: 58, 59</p> <p>Learn more ↗</p>
 <p>13 CLIMATE ACTION</p> <p>Learn more ↗</p>	 <p>14 LIFE BELOW WATER</p> <p>Page: 61</p> <p>Learn more ↗</p>	 <p>15 LIFE ON LAND</p> <p>Learn more ↗</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Pages: 1, 13, 15, 18, 20, 25, 35, 47, 52, 61</p> <p>Learn more ↗</p>	 <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Pages: 1, 25</p> <p>Learn more ↗</p>	 <p>SUSTAINABLE DEVELOPMENT GOALS</p>

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