



2023

Corporate Responsibility and
Sustainability Report

Tactile
MEDICAL®

About Tactile Medical

At Tactile Medical, our Mission is to reveal and treat people with underserved chronic conditions and help them care for themselves at home. We are customer-focused and Mission-driven, as reflected in our Code of Business Conduct and Ethics. Our unique platform includes advanced, clinically proven devices, as well as continuity of care services provided by a national network of territory account managers, patient education consultants, reimbursement experts, patient advocates and clinical staff. This combination of products and services helps tens of thousands of patients annually receive the at-home treatment they need to better manage their chronic conditions. In addition to improving the quality of life for patients with chronic conditions, our solutions help improve clinical outcomes and reduce overall healthcare costs.

Our Mission

To reveal and treat people with underserved chronic conditions and help them care for themselves at home.

The year at a glance:

- **77,000+** patients served
- **992** full-time employees
- **2** clinical trials
- **\$7,822,025** invested in R&D
- **\$274,422,532** total FY23 revenue

Noteworthy 2023 milestones:

- Launched a summer internship program
- Sponsored two clinical studies
- Provided more than 1,000 employee volunteer hours supporting local communities, achieving our goal
- Provided 166 medical education hours for 7,261 clinicians



Dan Reuvers
President
and CEO

A Message from Our CEO

In 2023, we continued to innovate to improve the experiences for both our customers living with chronic conditions and the clinicians who care for them. Our work is always rooted in a firm commitment to our Mission: to reveal and treat people with underserved chronic conditions and help them care for themselves at home.

We take pride in knowing the solutions we offer provide relief to patients, which in turn enhances their quality of life. In fact, we helped make a positive impact on more than 77,000 patients last year alone.

Throughout 2022 and 2023, we introduced the next generation of Flexitouch® Plus, our flagship pneumatic compression solution featuring new garments with ComfortEase™ technology designed to make the patient experience even better. We also implemented Bluetooth® technology to the Flexitouch Plus controller, enabling the system to interface with our free Kylee™ mobile app. With Kylee, patients can learn about lymphedema, view their Flexitouch Plus treatments, track their symptoms and treatment, and share progress with their healthcare team.

But that's not all. We also:

- Were recognized for the second year in a row by the Minnesota Census of Women in Corporate Leadership for having diverse representation in our executive leadership and board of directors
- Supported local communities by providing 1,130 employee volunteer hours through our company volunteer program, Tactile Crew Making a Difference (TCMD)
- Provided more than \$120,000 in value to non-profit organizations through our Grant Program to assist in philanthropic medical initiatives that further our Mission
- Sponsored clinical studies and hosted medical education programs for more than 7,200 clinicians
- Engaged independent third-party experts to educate on pending climate-related disclosure requirements, which will be key to ensuring accurate and timely reporting
- Assisted 7,282 patients experiencing financial hardship by providing devices at a reduced cost through our Patient Assistance Consideration Program
- Completed a facility upgrade within our manufacturing site that included 50% improvement in energy-efficient lighting, >30% reduction in solid waste volume, reuse of materials and the donation of furnishings.
- Launched an 11-week summer internship program, engaging a diverse group of talented college students with meaningful projects and mentorship opportunities in engineering, manufacturing, IT, and HR.

Looking ahead, we've set bold goals to guide our efforts in 2024. Key objectives include:

- Continuing to support our communities by committing to >1,000 employee volunteer service hours
- Expanding our commitment to diversity, equity, and inclusion through enhanced training and recruitment initiatives
- Working to reduce our environmental impact by identifying our first annual Environmental Management System objective and target
- Continuing to lead clinical research efforts to support the treatment of those suffering from lymphedema in the head and neck, expand payer coverage, and improve access to healthcare for more patients.

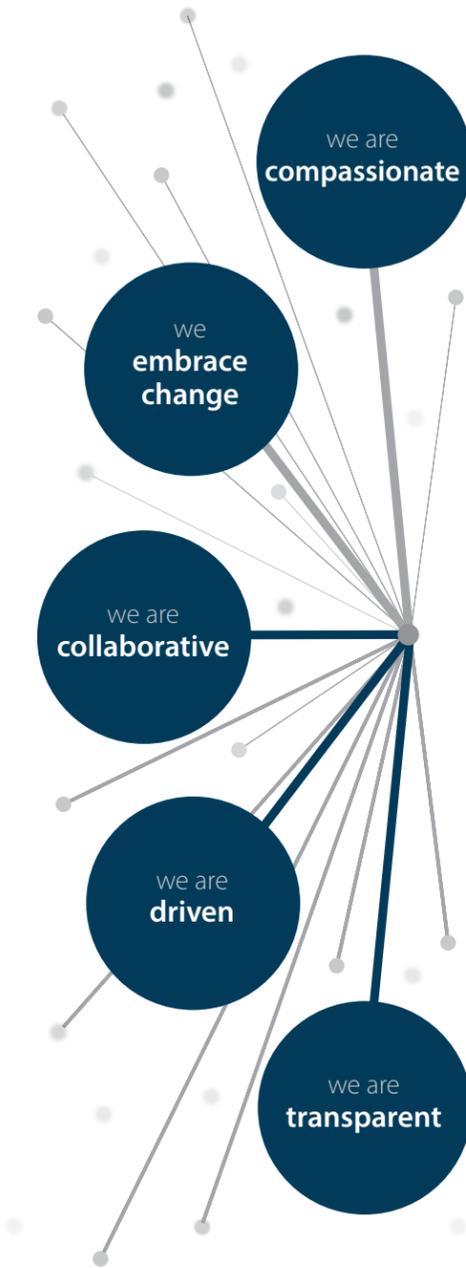
The year is already off to a great start. I'm excited to pursue new opportunities that will enable us to reach more patients while strengthening the collective spirit, passion, and expertise of our Tactile Medical team.

Sincerely,

Dan Reuvers
President and CEO

Our Core Values

Our core values are the foundation upon which we conduct our business and interactions with patients, healthcare professionals, caregivers, business partners, shareholders, communities, and one another. The work we do every day guides and influences our business aspirations, and our people take pride in the fact that:



Our Impact

"I started using the AffloVest every day. My breathing greatly improved where I started playing my horn again the way I used to before COVID. I was able to get up in the morning and make my bed, go shopping for groceries, go out with friends."

Willie A. AffloVest Use



"The pump only adds to the quality of my life. Without it ... I wouldn't be able to live my life as I wish to."

Beverly H. Entre Plus User



Making a Difference

DRIVING CLINICAL RESEARCH

We are dedicated to leading clinical research efforts. Clinical research provides valuable scientific data and can improve clinical care, healthcare delivery, cost, and quality of life. That's why we are dedicated to leading clinical research efforts by actively collaborating with medical professionals, researchers and medical societies. These efforts demonstrate our commitment to developing high-quality clinical evidence with nationally and internationally recognized clinicians and researchers.

In 2023, we sponsored two clinical studies that involved 280 subject participants and contributed to five abstract presentations and four publications in various stages of review by peer-reviewed medical journals. In addition to driving the development of new evidence and technologies, these efforts help inform clinicians and payers so that access to therapies are expanded.

One example of this is an ongoing clinical trial evaluating the effectiveness of our Flexitouch Plus system for the treatment of head and neck lymphedema, which is a frequent consequence of head and neck cancer. The American Cancer Society estimates that 430,000 people in the United States suffer from cancers of the head and neck. Our Flexitouch Plus head and neck system is the only pneumatic compression device cleared by the FDA for in home treatment for patients suffering from debilitating lymphedema in this area. This study represents the largest randomized, controlled clinical trial ever conducted for the treatment of head and neck cancer-related lymphedema. The trial consists of approximately 250 subjects enrolled at ten clinical sites and will span three years.

Clinical trials like these play a critical role in educating clinicians, regulatory bodies and insurance companies on the efficacy and necessity of our solutions, and we will continue to invest in the development of clinical outcome data to demonstrate this. Details on our active clinical trials can be found at ClinicalTrials.gov.

PATIENT-CENTRIC PRODUCT INNOVATION

We listen to our patients, clinicians, and employees to glean opportunities for product enhancement and improvements. We are involved in ongoing efforts to improve the patient experience and enhance the ease of use, durability, comfort and effectiveness of our products. This is evidenced by our 2023 redesigned Entre Plus controller. Several features improved the patient experience including:

- A new LCD screen that shows treatment status
- Faster garment deflation
- Comfort adjustments to the sensitive foot area
- Reduced number of system components

Throughout 2022 and 2023, we introduced the next generation of Flexitouch Plus, our flagship pneumatic compression solution. All garments were updated to include ComfortEase™ technology designed to make the garments easier to put on and remove. The controller now features Bluetooth, which allows treatment data to flow to the patient's mobile device. They can view their Flexitouch Plus treatments in Kylee, our free mobile app. Kylee is designed to help patients learn about lymphedema, track their symptoms and treatment, and share progress with their healthcare team. Together, these products elevate the solution of life-improving therapy we provide by further encouraging patient compliance and providing a tool to share their progress with their care team. Visit our [website](#) to learn more about Kylee.

OUR PEOPLE

As of Dec. 31, 2023, we had 992 employees with 592 field-based and remote employees located throughout the United States, 323 corporate employees, and 77 employees at our manufacturing location. This total includes part-time employees, which made up approximately 4% of our employee population in 2023.

Maintaining a strong, motivated workforce is fundamental to achieving our goals. Because our employees are our most important asset, we are committed to providing an equitable, rewarding, and safe workplace. We do this by emphasizing safety in our everyday operations, offering competitive benefits, providing an environment that fosters employee development and advancement, and encouraging community involvement.

A CULTURE OF GROWTH AND SUPPORT

We understand the importance of a robust education and training program at hire, as well as continuing training and development throughout an employee's tenure. Because of this, our education and training materials are regularly assessed for relevance, comprehensiveness and effectiveness. As our company continues to grow and evolve, we are investing in both employee and leadership development to allow employees to advance their skills and prepare for future roles.

That's why we have developed key engagement and retention strategies, objectives, and measures as part of the overall management of our business. In 2023, we implemented a number of modules within our Human Resources platform with enhanced capabilities to report, track and administer our Human Resources programs, including an updated learning management system, goal setting process, compensation planning tools, and performance management and coaching tools to encourage employee development and feedback. In addition to department and role-specific education and training, employees are required to complete a standard training curriculum upon hire and annual refresher training thereafter including:

- Workplace safety
- Emergency/disaster training
- Grievance/complaint handling
- Patient rights and responsibilities
- Cultural diversity
- Communication barriers
- Infection control
- Ethics and compliance
- Code of Business Conduct and Ethics, corporate policies, procedures

We encourage our employees' professional development. Therefore, full-time employees are eligible for tuition reimbursement. This program reimburses eligible expenses such as classes related to an employee's career, role or desired role within the company. We believe individuals who want to continue their education, in addition to performing their full-time jobs, show a commitment to improving themselves, and we work to support them in meeting their professional goals.

We also maintain a comprehensive annual performance process to foster employee growth, ongoing feedback, and professional development. Performance evaluations are based on the employee's achievement of their business and development goals along with acting in alignment with our values. To encourage honest and constructive assessments, employees and their direct supervisor evaluate the employee's achievements, strengths, areas of opportunity, and goals and aspirations. In addition, we gather peer/colleague feedback to provide broader perspective. This is followed by one of the most crucial elements of growth: open dialogue and constructive feedback.

We also launched a summer internship program in 2023 providing opportunities for students seeking to accelerate their professional experience and career trajectory. In this 11-week program, our interns spent the first three days at our corporate headquarters to learn from leaders across the organization. They were assigned meaningful projects to give them experience working through real business-related issues. Finally, they were paired with a mentor to provide additional help and support throughout their experience. We were pleased to host seven interns for the first year, who worked in engineering, manufacturing, IT, and HR. We plan to expand the program in 2024.



"There is a really great culture at Tactile Medical that just made me feel so welcome being an intern here."

Andi – Project Engineer Intern



"The accomplishment I'm most proud of would be seeing the code I've written actually appear in application and being able to affect the lives thousands of people. It's amazing."

Jacob – Software Engineer Intern

EMPLOYEE HEALTH AND WELLNESS

We offer a comprehensive and industry-competitive benefits program at an affordable cost to support the differing needs of our growing and diverse workforce. Many of our employees participate in some level of medical benefits (71% of women and 77% of men), which can include coverage for employees, spouses, and dependents. We also offer optional additional benefits such as FSA or HSA accounts, dental, vision, accidental and critical illness coverage, virtual visits, fitness rewards, and telehealth services. As part of our offerings, we have an Employee Assistance Program, which provides 24/7 support to our employees and their families on a variety of topics including but not limited to financial assistance, legal assistance, counseling, and other related services.

Flexibility and family-friendly policies are essential to cultivating an atmosphere where employees can thrive professionally while balancing their personal or family commitments. Over half of our workforce is field-based, traveling to clinics and patient homes and spending the balance working from their own homes. For our corporate employees, we offer a hybrid working environment where employees spend time in the office and have the option to work at home on other days. We offer paid time off to all employees. We also support our employees who have become new parents following the birth, adoption or foster placement of a child with paid maternity and parental leave.

We believe in offering benefit options that will provide employees with a level of comfort in their financial stability. That's why we offer a variety of benefits that include retirement savings with a company match, employee stock purchases and company-paid disability insurance. We also offer critical care insurance and voluntary life insurance for employees, their spouse and child.

We continually explore benefit offerings and work to maintain a cost-effective structure for both our employees and the organization, providing health, fitness and financial programs that support our employees' health and financial goals.

SAFETY AT TACTILE MEDICAL

We strive to ensure a safe and accident-free workplace. To achieve this, we make it clear that safety management is the responsibility of each employee and leader in clinical settings, corporate offices, or while serving patients in their home.

Our safety training helps support a safe workplace and works to eliminate hazardous conditions. Employee training occurs at the time of hire and at least annually thereafter. It covers various topics including but not limited to infection control, sanitization, safe lifting, proper operation of equipment, and emergency and disaster preparedness. This training has resulted in consistently low accident rates year over year.

Tactile Medical Accident Rates by Year

2019	0.8907%
2020	0.6355%
2021	0.3816%
2022	0%
2023	0.1941%

We have a Safety Committee comprised of designated employees from a variety of departments who meet quarterly. This committee reviews safety concerns, areas for improvement, communication, and training needs. They also facilitate annual safety evaluations of all facilities. Employees can email hr@tactilemedical.com directly with questions, concerns, or suggestions regarding workplace safety.



DIVERSITY, EQUITY, AND INCLUSION

Our diverse and inclusive workplace encourages different perspectives and ideas, which we believe enables more informed business decisions and opportunities for growth. Our policy is to provide equal employment opportunity to all employees and applicants for employment without regard to the individual's age, sex (including pregnancy, childbirth and related medical conditions), race, color, national origin, religion, creed, sexual orientation, familial status, marital status, disability, status with respect to public assistance, membership or activity in a local commission, genetic information or characteristics, military or veteran status, or any other classification protected by applicable federal, state and local laws. We comply with all applicable federal, state, and local laws and enforce policies that provide our employees with a discrimination- and harassment-free workplace. These policies apply to all aspects of the journey from recruiting, interviewing, hiring, placement, promotion, termination, layoff, recall and transfers, leaves of absence, compensation, and training. We are committed to providing equal employment opportunities for, and equal treatment of, every person employed by or seeking employment with the company.

We encourage employees to report any equal opportunity concerns immediately to a member of management or Human Resources. Anyone found to be engaging in unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

We are committed to listening to the perspectives of our employees to strengthen our corporate culture. In 2023, we conducted our annual employee survey, inviting our employees to share their views on a broad range of topics. As part of the survey, we asked employees if they felt they were treated fairly at work and if they could be themselves at work. Both of those questions received the vast majority favorable response indicating the inclusivity of our corporate culture and business practices. We continue to incorporate diversity, equity and inclusion practices into our hiring, interviewing, development, and talent processes.

We are also proud to report that we have been recognized by the [Minnesota Census of Women in Corporate Leadership](#) for having above-average diversity in our executive leadership and board of directors for the second year in a row.

64%
Women in
Workforce

58%
New hire
Women

22%
BIPOC in
Workforce

52%
Women in
Management

OUR COMMITMENT TO SERVICE, ADVOCACY AND PHILANTHROPY

We have a long history of active community engagement, including participating in blood drives, community cleanups, supporting senior centers, veterans, and similar organizations. Our volunteer program, Tactile Crew Making a Difference had a successful year. Each employee is given 16 hours of paid time off annually in support of volunteer activities, which they can use through a combination of independent activities and company group efforts. They report their volunteer activities and take pride in sharing photos of their experiences. We are pleased to have met our goal of 1,000 volunteer hours in 2023. We are maintaining this same goal in 2024 and are working to increase employee awareness and participation. We are excited to continue making direct, ongoing positive impact on our communities.

Advocating for individuals suffering from chronic conditions treated by our products is another way in which we demonstrate our commitment to positively influencing communities. Many patients with the chronic conditions treated by our devices experience significant delays in receiving an accurate diagnosis or remain undertreated. That is why we endeavor to raise awareness about these chronic conditions, the associated health, economic and quality of life burdens, treatment options, and the benefits of using our products.

As part of our focus on expanding awareness and improving access to care, our Medical Education program has taught more than 16,000 individuals since its inception in 2016. Changes related to COVID prompted us to develop and offer virtual and on-demand education, expanding our ability to reach audiences wherever they may be located. We continue to receive consistently positive feedback on the relevance and impact of these programs.

Additionally, to help alleviate the financial burden that sometimes impedes patient access to healthcare, we offer patients who are experiencing financial hardship reduced-cost equipment and/or co-pay reductions. Interested individuals must complete an application and submit proof of income consistent with policy requirements. In 2023, in addition to the 43 self-pay patients who qualified for discounted prices, we provided donated devices to 1,131 patients in need and co-pay reductions to 6,108 patients.

We also maintain an educational, charitable and research grant program that provides funding to organizations that expand knowledge, increase awareness, and benefit patients suffering from chronic conditions that can be treated with our devices. In 2023 through this program, Tactile Medical provided 25 monetary grants and in-kind donations. Some of these organizations included the Lea Marie Faraone Foundation, Susan G Komen Foundation, American Cancer Society, Cystic Fibrosis Foundation, Head & Neck Cancer Alliance, and Funding Lymphatic Education & Research Network, among others. With a value of over \$120,000 for the year, these contributions to non-profit organizations assisted in philanthropic medical initiatives consistent with our Mission to reveal and treat people with underserved chronic conditions and help them care for themselves at home.



James received an AffloVest through Tactile Medical's grant program in partnership with Miles for Cystic Fibrosis (M4CF).

Each month via our rewards and recognition platform, employees are allocated points to gift their colleagues to acknowledge and recognize their achievements, performance, and commitment to company values. These points and their associated dollar value can be "spent" on donations to non-profit organizations. In 2023, we gifted more than \$5,000 through this program, and the funds were directed to St. Jude's Children's Research Hospital, K9's for Warriors, American Red Cross, and Habitat for Humanity.



Service Day
TACTILE MEDICAL WALK-A-THON
 We walked to raise awareness and show our support for the Cystic Fibrosis Foundation and Lymphatic Education & Research Network.

Governance and Accountability

BOARD OF DIRECTORS

Ethics and compliance are engrained in our corporate culture starting at the top with our Board of Directors.

Each board member brings a varied set of skills, diverse experiences, and backgrounds and work together as an active governing body within a framework of committees: Audit, Compensation and Organization, Compliance and Reimbursement, and Nominating and Corporate Governance.

The board evaluates the company's performance and progress on environmental, social, and corporate governance objectives and provides guidance to our executive leadership team to address challenges, drive positive change, and meet company goals. In addition, our Compensation and Organization Committee and Nominating and Corporate Governance Committee have oversight and review responsibilities related to human capital management and corporate responsibility matters, respectively.

More information on the role and structure of our Board of Directors can be found in our [Corporate Governance Guidelines](#).

BUSINESS CODE

Our conduct matters. Working and living with integrity and following our Code of Business Conduct and Ethics stands side by side with our history of solid performance and consistent growth. This standard of conduct applies to all areas of our business, including how we treat each other, our customers, our shareholders, our business partners, and our community.

Each employee and representative of Tactile Medical is responsible for understanding the company Code of Conduct and Business Ethics and conducting themselves with the highest level of integrity. By living our Mission and values and upholding our code of conduct, we strive to achieve the best results, in the right way.

 <p>DANIEL REUVERS President and Chief Executive Officer, Tactile Medical Former EVP and President of Codman Specialty Surgical, a division of Integra LifeSciences</p>	 <p>WILLIAM BURKE, CHAIRMAN President, Austin Highlands Advisors, LLC Nominating and Corporate Governance Committee Member</p>
 <p>BRENT SHAFER Senior Advisor, and Chairman and CEO, Cerner Corporation CEO of Philips North America and North American division of Koninklijke, Philips</p>	 <p>SHERI DODD President, Medtronic Canada Compensation and Organization Committee Member; Nominating and Corporate Governance Committee Member</p>
 <p>RAYMOND HUGGENBERGER Former President and CEO of Inogen Compensation and Organization Committee Chair; Compliance and Reimbursement Committee Member</p>	 <p>B. VINDELL WASHINGTON Chief Clinical Officer and Director of Health Equity Center of Excellence, Verily Compliance and Reimbursement Committee Member Nominating and Corporate Governance Committee Member</p>
 <p>VALERIE ASBURY President and CEO, LifeScan Global President of Diabetes Solutions, Johnson & Johnson</p>	 <p>CARMEN VOLKART Chief Financial Officer, NatureWorks CFO and SVP of Commercialization, NxThera Global CFO, Tornier, N.V.</p>

COMPLIANCE PROGRAM

Our Compliance team is a valuable resource, maintaining an active and collaborative approach to support strong and ethical business operations consistent with our Code of Business Conduct and Ethics and corporate values.

Two of the primary ways this occurs are through our comprehensive training program and employee engagement efforts. Our annual compliance risk assessment, quarterly compliance audits of elevated risk or impact to business operations, and regular review and revisions to our training materials supports continuous partnership between business units and the Compliance team. In addition to internal assessments, we regularly engage in an external review of our compliance program and undergo accreditation review and renewal every three years.

We conduct Employee Compliance Surveys regularly. Overall, 96% of employee respondents agreed that Tactile Medical is a fair, ethical and honest company during our last survey. Other notable results reflected:

- A high-level understanding regarding the reasons and importance of maintaining a compliance program
- How to report compliance issues
- Trust in managers and support from leadership with regards to compliance

We used feedback from this survey to identify initiatives for 2023 which included enhanced trainings, increased communications, increasing visibility into day-to-day activities, and focusing on Compliance at the departmental level.

The Compliance team also assists in evaluating patient complaints, employee concerns and inquiries about company policies and procedures. We maintain an anonymous reporting hotline, which is available 24/7, and concerns are treated confidentially to the extent possible, and investigated promptly and thoroughly. We support and encourage open dialogue without fear of reprisal or retaliation.

FAIR BUSINESS

We believe in ethical and professional business practices, and we support fair competition and responsible marketing practices. We maintain policies and processes that support these beliefs and expect our employees to follow them in their work.

PRIVACY AND SECURITY

Maintaining a robust information security program is essential to our business. We conduct risk and vulnerability assessments on an annual basis to ensure our controls and processes are current and effective. We encrypt data at rest and in transit and conduct ongoing monitoring to identify security events and mitigate risk. All employees participate in ongoing Information Security Awareness training. Access to confidential information is granted on a need-to-know basis and protected by appropriate security controls. Our [Notice of Privacy Practices](#) is available on our website and provided to our patients. California residents can find additional information on privacy practices within our [California Privacy Notice](#).

CONFLICTS OF INTEREST

We maintain policies to manage and address potential or actual conflicts of interest. Employees are obligated to notify the company of a potential conflict and seek review and guidance to ensure effective oversight. These processes are intended to mitigate the negative effects of potential conflicts and avoid even the perception of impropriety.

HUMAN RIGHTS

Our commitment to dignity, respect and equality is unwavering and clearly communicated to stakeholders through our [Human Rights Policy](#). Using the Universal Declaration of Human Rights as the foundational basis, our employee training emphasizes relevancy and importance of Human Rights to our company and includes education on human trafficking and exploitation prevention. In addition to our internal practices, these commitments have been extended to our supply chain by means of our Supplier Code of Conduct.

ETHICAL SOURCING

Our [Supplier Code of Conduct](#) calls for suppliers to affirm they maintain policies and procedures that align with our ethical and humane business practices. This includes:

- Maintaining a compliance program with leadership oversight
- Committing to abide by fair business and competition standards
- Prohibiting bribery and corruption in compliance with laws and regulations
- Avoiding conflicts of interest and having policies in place to address them
- Ensuring compliance with product safety standards
- Protecting confidential information such as intellectual property, employee file data and protected health information
- Complying with international standards for a quality management system
- Cooperating with Tactile Medical during supplier audits
- Preventing human trafficking-related activities through documented policies, procedures and training
- Supporting a culture of inclusion by providing equal opportunities and treatment to employees, and prohibiting discrimination in the workplace
- Providing safe working conditions, including a prohibition on forced and child labor
- Prohibiting retaliation for reporting unlawful conduct or policy violations
- Assessing and reducing environmental impact
- Following guidance provided by the National Institute of Health regarding the use of substances of concern in business operations
- Complying with the U.S. Dodd-Frank Act, including disclosure of use of conflict minerals

These expectations have been incorporated into our supplier qualification and validation process. All of our key suppliers have affirmed adherence to our Supplier Code of Conduct.

RESPONSIBLE MARKETING AND ACCESSIBILITY

We are committed to providing truthful, accurate, and balanced information regarding our company, products and services. To assure the safety of our patients and the reputation of our brand, we maintain a robust document review process to ensure our promotional materials are consistent with our approved labeling. We give patients and their providers information regarding contraindications, product risks and safe use.

In addition to practicing responsible marketing and transparency, we continuously assess language and communication barriers and ways in which accessibility can be enhanced for our information, marketing materials and websites.

QUALITY MANAGEMENT SYSTEM

The Tactile Medical Quality Management System (QMS) contains five major elements to align with Regulatory requirements:

- Quality Management System
- Management Responsibility
- Resource Management
- Product Realization
- Measurement, Analysis and Improvement

Our QMS provides a framework of processes that ensures the delivery of quality products and services and conformity to all relevant standards and regulations every stage from design through servicing.

To ensure that our QMS is suitable and effective, we undertake the following quality management activities:

- Routine QMS reviews with senior management
- Internal audits
- Supplier audits
- Customer feedback reviews

Additionally, we have a documented process to enact a product recall, if required. All products distributed to patients and clinics are tracked as required by the FDA. To enable tracking, product records are controlled in the QMS. Though we have never had a product recall, we have extensive policies and procedures addressing:

- Removal and quarantine of suspect inventory from our warehouse
- Notification to all clients or patients having items subject to the recall
- Immediate removal of recalled products from patient-ready inventory
- The exchange or removal of recalled products in the field

BUSINESS CONTINUITY AND RESILIENCE

We have a thorough business continuity and resilience program designed to ensure our company operations can continue while minimizing impact on our patients and employees in the face of a significant challenge. Using standards developed by Disaster Recovery Institute International (DRII), we regularly conduct a business impact analysis to determine risk level, assess impact severity, and prioritize business processes based on company needs.

As part of our monitoring process, we perform tabletop exercises at least annually to test our current plans. These cross-functional exercises involve employees from multiple departments and are designed to gain perspective, collect feedback and validate plan effectiveness. We use the insights from this activity to update contingency plans for each department.

OUR ENVIRONMENTAL STEWARDSHIP COMMITMENT

We understand our responsibility to be good environmental stewards and are proactively developing and implementing actions to reduce our environmental footprint. We are proud to report that we implemented an [Environmental Policy](#) and an Environmental Management System that will enable us to:

- Use a data-centric approach to assess our current environmental impact and determine opportunities for improvement
- Incorporate environmental stewardship into business objectives and processes
- Monitor, measure, and report key activities, trends, best practices, and legal requirements
- Evaluate the effectiveness of our Environmental Management System with regular review by executive leadership and board oversight

To drive these initiatives forward, we have also completed trainings to educate employees on best practices related to collecting and reporting on greenhouse gas emissions data to ensure compliance with the SEC's pending reporting requirements.

We understand the importance of being a responsible corporate citizen and the enormous value we bring by being transparent to our employees, patients, business partners, and shareholders. That's why we are committed to continuous improvement with regard to environmental, social, and corporate governance matters.

Tactile Medical

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MEDICAL[®]
HEALING RIGHT AT HOME