

2022 Environmental, Social, and Governance Report



December 2022



A Message from our CEO

We are pleased to present our inaugural Environmental, Social, and Governance (ESG) Summary Report, in which our aim is to address the diverse interests of our multiple stakeholders. We are dedicated to providing transparent reporting that demonstrates where we are today and strive to expand upon this achievement in future reporting in the years ahead. As part of our commitment to deliver information to our stakeholders on the topics that are most relevant to our industry and our company, we are aligning with the Sustainability Accounting Standards Board (SASB) reporting standards.

Our company's success is built on our enduring commitment to quality and patient outcomes. Dr. Glen Nelson, former Chairman of the Inspire Board of Directors, once said, "Put the patient first and we will never lose our way." This simple, but powerful, foundational principle has guided each and every one of our employees in our

pursuit to enhance the quality of life for patients struggling with obstructive sleep apnea (OSA).

As a leading medical technology company, we are also committed to improving the economic, social, and environmental impacts that our business has on the communities in which we operate, as well as our customers, business partners, suppliers, employees, and stockholders. We understand our responsibilities as a corporate citizen and are focused on developing ESG programs and initiatives that are sustainable and have real impact.

We express our profound gratitude to each of you for your continued support of Inspire.

A handwritten signature in blue ink, which appears to read "Timothy P. Herbert". The signature is fluid and cursive.

Timothy P. Herbert
President and Chief Executive Officer

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About this ESG Summary

This document contains disclosure of relevant ESG metrics relating to Inspire's business, as well as those included in the Sustainability Accounting Standards Boards (SASB) standard for the Medical Equipment & Supplies industry. This summary discloses ESG data for the 2021 calendar year, covering January 1, 2021, through December 31, 2021, unless otherwise noted.

To provide feedback or with questions concerning this report, please contact sustainability@inspiresleep.com.



FORWARD-LOOKING STATEMENTS / DISCLAIMERS All statements other than statements of historical facts included in this report that address activities, events, or developments that we expect, believe, or anticipate will or may occur in the future are forward-looking statements. Although we believe that we have a reasonable basis for the forward-looking statements contained herein, we caution you that they are based on current business aspirations and expectations about future events affecting us and are subject to risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that may cause our actual results to differ materially from those expressed or implied by forward-looking statements in this report. These risks, uncertainties, and factors related to Inspire, and our business are described in detail under the caption "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the Securities and Exchange Commission on February 15, 2022. Our filings with the Securities and Exchange Commission are available in the Investor Section of our website at www.inspiresleep.com or at www.sec.gov. In addition, information about the risks and benefits of our products is available on our website at www.inspiresleep.com. Readers are cautioned not to place undue reliance on any estimate, aspirational targets or forward-looking statement contained herein, which speak only as of the date made. We do not undertake any obligation to update, amend or clarify the statements set forth herein, whether as a result of new information, future events or otherwise, except as may be required under applicable securities law. In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. Additionally, the ESG data, statistics and measures included herein, unless otherwise specifically indicated, are non-audited estimates, were not presented in accordance with U.S. generally accepted accounting principles, have not been externally assured, and may be based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees. Our ESG reporting may also use certain terms, including those that the SASB and other reporting frameworks refer to as "material" topics to reflect the issues of importance to us and our stakeholders. However, the information included in, and any issues identified as material for purposes of, this document may not be considered material for SEC reporting purposes. In the context of this disclosure, the term "material" is distinct from, and should not be confused with, such term as defined for SEC reporting purposes.

About Inspire

Inspire Medical Systems, Inc. is a medical technology company based in Minneapolis, MN, dedicated to elevating and redefining the standard of care for OSA.

At Inspire, we are 100% committed to our patients. We believe in building strong relationships with doctors and health care professionals so that we can directly support and advocate for the lives of our patients as they work alongside their care team to find the best treatment option. We have a deep understanding of the complexities and struggles that come with having OSA, and we always strive to make sure every patient gets the help they need.

Our revolutionary technology is the first and only U.S. Food and Drug Administration (FDA) approved OSA therapy that treats the root cause

of sleep apnea by working inside the body with the patient's natural breathing process. Safe and proven effective, our technology improves quality of life by giving those struggling with their current OSA treatment life-changing sleep.

Inspire was founded in 2007, and its therapy system received premarket approval from the FDA in April 2014 and has been commercially available in certain European markets since November 2011.

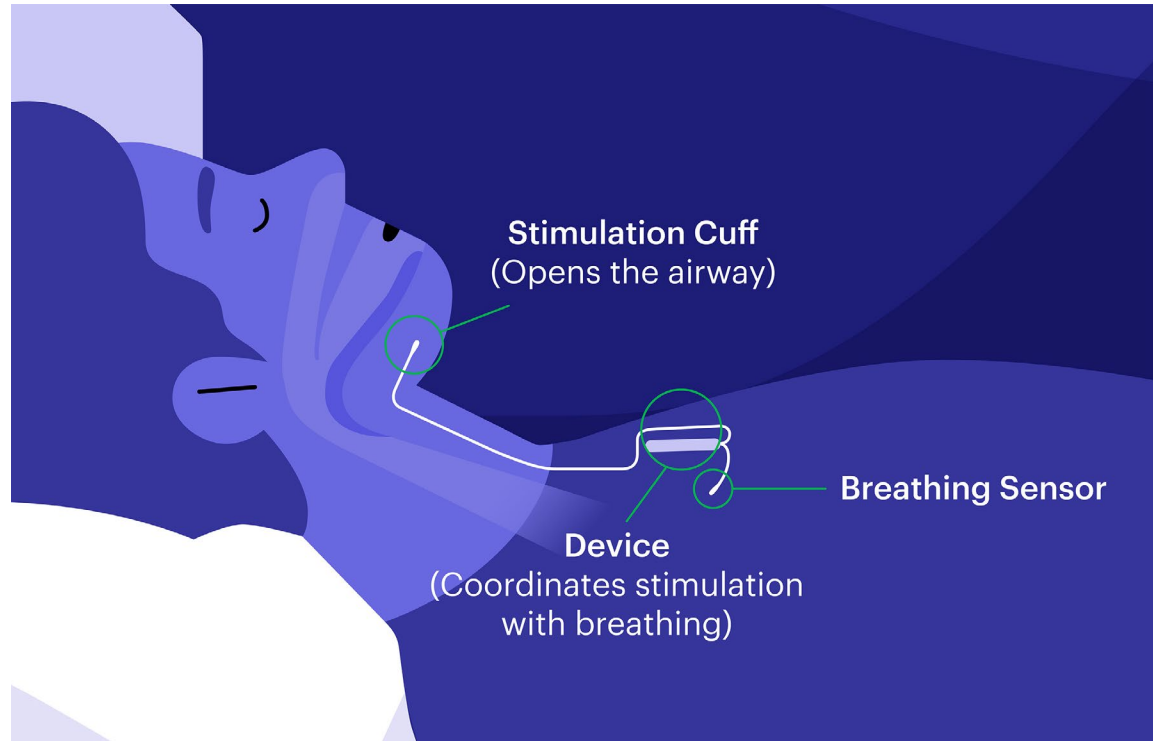


Overview of Inspire Therapy

The Inspire system works completely inside a patient's body with their natural breathing process to treat OSA. The system consists of three components: a neurostimulation device, a breathing sensor, and a stimulation cuff.

While the patient is sleeping, the neurostimulation device delivers mild stimulation to key airway muscles, allowing the airway to remain open to sleep. A handheld sleep remote allows the patient to turn the therapy on and off, adjust stimulation strength, and pause stimulation during the night, if needed.

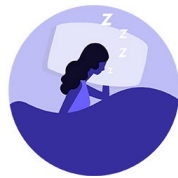
The system is implanted during a short outpatient procedure. Patients can return to their regular diet and most activities of daily living shortly after the procedure.



Inspire is safe with a strong track record of positive clinical outcomes



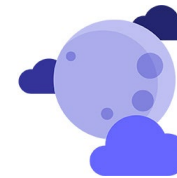
90%
of bed partners
report no snoring
or soft snoring.¹



79%
reduction in sleep
apnea events.¹



91%
of patients are
satisfied with
Inspire.²



94%
of Inspire patients
say Inspire is better
than CPAP & would
recommend Inspire
to others.²

ESG at Inspire

Embedded in our business is a core set of principles and philosophies that propels everyday decision-making at our company, strengthens our company culture, delivers positive outcomes to our patients, and creates long-term value for our stockholders.

Our Board of Directors believes good corporate governance is essential to ensuring the long-term benefit of our stakeholders. We understand our responsibilities as a corporate citizen and are focused on developing ESG programs and initiatives that have real impacts on the communities in which we operate, as well as our customers, team members, and other stakeholders.

Oversight of ESG

Inspire is dedicated to corporate governance practices that are transparent, responsive to the interests of our stakeholders, and compliant with applicable laws and regulations. Our Board of Directors and leadership team recognize the impact of our business on the patients and customers we serve and are responsible for overseeing and managing relevant ESG risks, including supply chain, product quality and safety, and data privacy, among others.

Inspire's strategy, policies, and practices related to ESG matters are overseen by its Board of Directors. The Board receives formal updates regarding ESG-related matters on at least an annual basis.

The Nominating and Corporate Governance Committee and Organization and Compensation Committee jointly oversee ESG-related risks. To ensure adequate oversight and ultimate accountability by the Board relating to ESG issues, during 2021, the Board amended the

charter of the Nominating and Corporate Governance Committee to expand its authority and responsibility for ESG matters. In particular, the Nominating and Corporate Governance Committee will review and oversee the company's strategy, policies, and practices and related reporting with respect to significant ESG matters. The Organization and Compensation Committee assists in overseeing the company's ESG practices and reporting, with a focus on social matters. The Audit Committee reviews management's use of ESG measures and metrics, as well as other non-GAAP measures and metrics, and reviews in particular how these measures are used to evaluate performance, whether they are consistently prepared and presented, what disclosure controls and procedures relating to these measures are in place, and how such measures are disclosed.

These responsibilities are outlined in the respective charters for each committee.

Oversight: Board of Directors
Audit, Compensation, Nominating and Corporate Governance Committees

Management: Sr. Vice President, General Counsel
In collaboration with members of Inspire's senior leadership team, including the CEO, CFO, and COO

Program Implementation
Cross-functional team of subject matter experts, chaired by the General Counsel

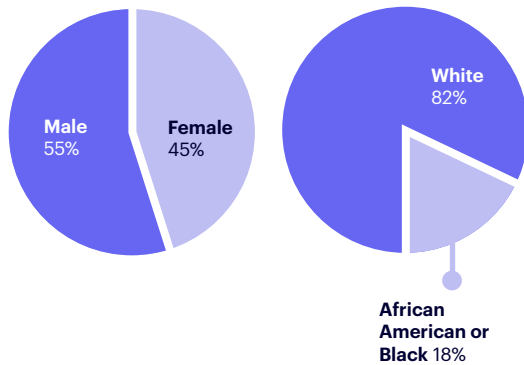


Board Governance and Diversity

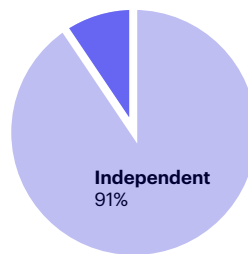
Over the last several years, we have been focused on refreshing and building a best-in-class Board with diverse viewpoints and perspectives to strengthen the Board's ability to provide governance and oversight of our business. With a sharpened focus on refreshment, diversity, and succession planning, since 2019, we have achieved several significant accomplishments, including the election of four new directors, which has resulted in an increase in the Board's gender diversity from 11% to 36%. In 2022, we recruited two new directors to our Board, both of whom are African American. The changes in the composition of our Board have been undertaken carefully with the objective of assembling a cohesive group collectively possessing a range of qualifications, skills, and experiences that align with our long-term strategy and business needs. As of November 30, 2022, the composition of our Board is reflected in the following:

Board Diversity

By Gender and Race



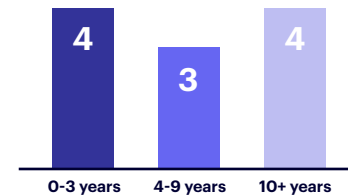
Board Independence



Number of Independent Directors
10 out of 11

Board Tenure

Number of Directors Serving on Board



Average Tenure
7.2 years

Age Distribution

64.9
Average Age

Age Range
57-83

Governance

At Inspire, we are passionate about serving our patients, supporting our employees, and conducting business ethically, while minimizing our environmental impact.



Ethical Business Practices and Marketing

Inspire is committed to conducting business in accordance with the highest ethical standards and applicable laws. We maintain, and all of our employees are expected to adhere to our Code of Business Conduct and Ethics (the “Code of Conduct”), which serves as the foundation of Inspire’s core values that drive our company’s culture. All employees must certify they understand and comply with the expectations contained in the Code of Conduct. We also maintain an anonymous hotline for employees to report concerns regarding violations of the Code of Conduct. In addition, our employees complete training and education at least annually on a range of important topics related to our Code of Conduct and their roles within the company, such as:

- Information security and cyber-risk awareness
- Workplace diversity and inclusion
- Prevention of discrimination and harassment
- Prevention of insider trading
- Workplace safety
- Quality
- Data protection

We strive to maintain beneficial relationships with our health care customers while also providing high-quality training and education to help ensure that health care professionals can safely and effectively use our products. Our Code of Ethics and various other corporate policies outline standards for responsible marketing and provide employees with guidance on the following:

- Limits on the amount that an employee may spend on meals while meeting with a health care professional;
- Ethical business practices, including no interference with a health care professional’s judgement; and
- Prohibition of promoting “off-label” use (i.e., any unapproved use) for our products consistent with applicable laws and regulations.

The only product message and promotional materials that are acceptable for use in communication with persons outside Inspire are those that are strictly on-label, which are specifically approved by our Regulatory Affairs team. Corrective action, including termination, may be taken should an employee fail to comply with our policies.

Engaging with Governments

Inspire conducts business with the U.S. government, state and local governments, and the governments of other countries. We are committed to conducting our business with all governments and their representatives with the highest standards of business ethics and in compliance with all applicable laws and regulations. We apply special requirements to communication with governmental bodies that may have regulatory authority over our products and operations such as government contracts and government transactions. Our employees whose work activities require communication with a member or employee of a legislative body or with any government official or employee must first obtain approval from our Chief Executive Officer or Chief Compliance Officer before engaging in such activities.

Inspire requires all employees to adhere to its policies and procedures concerning political and lobbying activities and contributions, as well as to all applicable federal, state, and local laws. All company political contributions require the approval of our Chief Executive Officer or Chief Compliance Officer, and any political contribution made with such approval will be reported to the company’s Board. We have not made corporate political contributions in the past.

Privacy and Data Security

At Inspire, we recognize our data privacy responsibilities for managing employee data, customer data, as well as data collected when prospective patients and others visit our websites or call one of our call centers, including our Advisor Care Program. We recognize the need to maintain the security and confidentiality of personally identifiable information, protected health information, and other protected data under applicable laws and regulations (together referred to as “sensitive data”) that we collect and use in connection with our business.

Internally, Inspire protects data by:

- Implementing practices that ensure the security of personal information;
- Protecting the information against loss or theft; and
- Safeguarding the information from unauthorized access, disclosure, copying, use, or modification

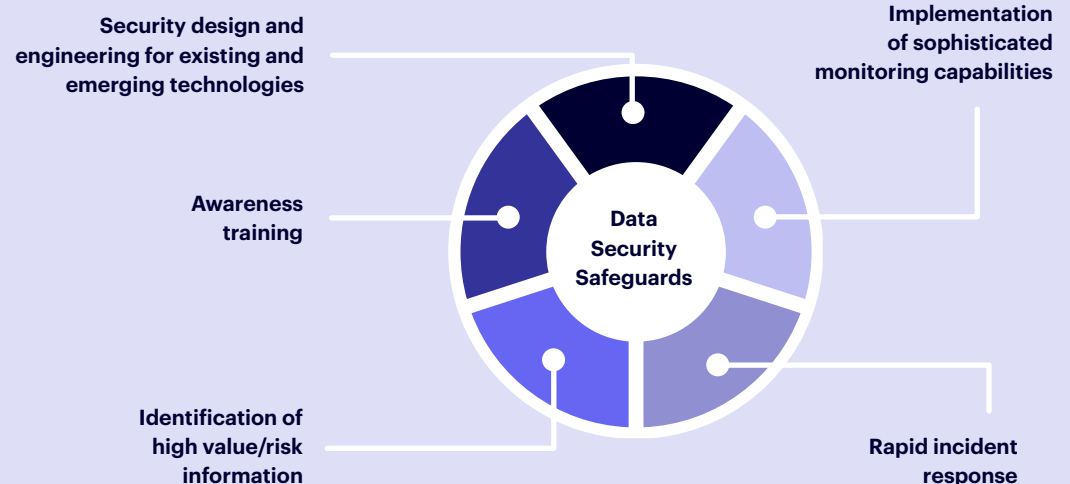
Inspire has established an incident response process that ensures should a data breach occur, the company will notify all affected parties and individuals whose sensitive data may have been compromised. The notice will be accompanied by a description of actions being taken to mitigate any damage as a result of the data breach. Notices will be provided as expeditiously as possible. On our website, we provide transparency on what data we collect and how that data is used. A data breach is an incident where information is stolen, taken, or accidentally disclosed from a system without the knowledge or authorization of the system’s owner.

As part of our enterprise risk management process, we assess the various cybersecurity risks that may impact our business and implement plans and initiatives that are intended to mitigate those risks.

Commitment to Implement Leading Data Security Safeguards

Inspire has implemented cybersecurity measures intended to prevent, detect, and respond to malicious cyber activities that could adversely affect the confidentiality, integrity, or availability of Inspire’s, or our customers’ information or information systems.

	As of 11/30/22
Data breaches in the last 36 months	0
Customers affected in the last 36 months	0



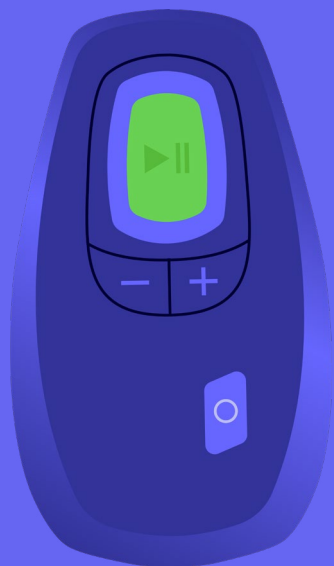
Product

Our technology improves quality of life by giving those struggling with their current obstructive sleep apnea treatment life-changing sleep.



Product

Our revolutionary technology is the first and only FDA-approved obstructive sleep apnea therapy that treats the root cause of sleep apnea by working inside the body with the patient's natural breathing process. Product safety and quality are of the utmost importance at Inspire. We have established processes that aim to ensure our quality management system meets or exceeds international regulatory requirements and standards.



Product Quality

A risk-based approach is applied to control the processes of our quality management system and is applied throughout the product lifecycle, from design through commercialization and distribution. Continuous monitoring of product performance and safety in the field is a fundamental part of product risk management and development to ensure safe and effective products. Additionally, our quality management system requirements include reporting and communication with regulators to monitor and ensure the safety and effectiveness of our products.

The effectiveness of our quality management system is evaluated and improved through our quality policy, quality objectives, internal and external audits, identifying corrective and preventive actions, and analysis of data, including data collected during the manufacturing process, quality inspection, and post-market product surveillance.

These inputs into the quality management system are then evaluated by senior management as needed, but at a minimum, in semi-annual meetings. The goal of these meetings is to ensure that quality objectives are being met, that product risks are appropriately mitigated, and that the quality management system is effective in controlling product quality, safety, and effectiveness. Additionally, these meetings evaluate the effectiveness of our quality management system to support regulatory requirements.

The [Inspire Patient Experience Report](#), which we have issued annually since 2021, summarizes, among other things, the post-market surveillance system that we utilize to collect and analyze experiences about our products, patient satisfaction data, quality of life and compliance data, and surgical revision and device explant data.

Over its history, Inspire has issued two recalls: (a) 2014 recall of 7 units of our Model 3032 patient sleep remote control due to labeling issues, and (b) 2018 FDA Class II recall of 148 units of Model 3024 implantable pulse generator due to labeling issues. Neither involved patient safety concerns.

Product Design & Lifecycle Management

Our product development protocol requires a review of international standards as well as geography specific requirements as it relates to medical device products. Inspire aligns with requirements for sustainable products within the European Union's Waste from Electrical and Electronic Equipment (WEEE) directive in order to manage environmental considerations associated with products. We also utilize e-labeling versus paper labeling where feasible.

Supply Chain Management

To ensure the safety and quality of our products, Inspire has implemented a number of measures to monitor the performance of its manufacturing partners and other suppliers throughout the value chain. To maintain traceability within the distribution chain, Inspire (as well as our contract distribution centers) is required to maintain traceability of distributed medical products. Inspire also complies with FDA's Unique Device Identification requirements, publishing product identification and trace information within required geographic databases.

Inspire's devices utilize critical materials, which require Inspire to maintain strong oversight of its suppliers. We manage critical vendors, and critical materials, in accordance with standard operating procedures. These procedures require specifications, purchasing controls, verification, identification, traceability, audit, and on-going vendor management.



Social

At Inspire, our corporate culture defines who we are and how we act, and our diverse employee base, who embody our culture, is the driving force behind our success.



Our People

We pride ourselves on our innovative and collaborative work environment, which we believe has driven our success and which we seek to uphold through a diverse workforce, generous compensation and benefits, open communication, a focus on employee health, wellbeing and engagement, and robust training and development programs.

As of December 1, 2022, we employed 738 people worldwide. Over 95% of our employees work in the United States, a significant number of whom are at our headquarters in Minneapolis, Minnesota. We also have a substantial sales organization working remotely across the country. Internationally, we also have employees based in Europe, including in Germany, France, Austria, Switzerland, Netherlands, the United Kingdom, and Czech Republic, and Japan.

Compensation & Benefits

Our human capital strategies, initiatives, and outcomes are reviewed on a regular basis with our Board's Organization and Compensation Committee to ensure alignment with the company's overall business strategies. The Committee has engaged an independent consulting firm to assess the market competitiveness of our compensation programs and offerings. We believe strongly in providing employees with the opportunity to participate as owners of the company. All of our full-time employees are eligible to receive annual grants of stock awards, which may include stock options, restricted stock units, or performance share units, and can elect to participate in our employee stock purchase program. Additionally, beginning in 2022, we have incorporated a 401(k)-employer match for all U.S.-based employees.

We complete a pay equity analysis every other year at the request of the Organization and Compensation Committee. The Committee reviews the detailed analysis with the outside consulting firm and reports the results to the full Board. Based on the results of the 2021 analysis, we believe our compensation programs are fair and equitable. The next analysis will be completed in 2023.

Career Advancement

Inspire offers reimbursement (up to \$10,000 per calendar year) for tuition and related expenses. In 2022, approximately 3.5% of our employees utilized this benefit to further their education. In addition to annual training across business functions, Inspire launched "Learning Line," an online hub for learning and development, including a comprehensive course catalog and an assignment dashboard for tracking progress towards development goals and milestones.



Talent Management

With our aggressive growth objectives, it is imperative that we continue to hire exceptional talent and invest in the growth and development of our existing employees. Inspire's growth has required several strategies to attract talent and meet our headcount plans. We have a strong internal referral network in which between 50-60% of all hires are internal referrals. This is supplemented with search partners, who meet with our talent acquisition team on a quarterly basis to review and provide the most up-to-date public information to ensure potential candidates fully understand the potential Inspire can offer. Our search firms' partners include U.S. veteran, women-owned, and minority-owned organizations.

Even with aggressive headcount growth, our global attrition rate remains under 11%.

	2019	2020	2021	2022*
Avg Headcount (Rolling 12 months)	201	298	417	620
Voluntary Turnover Rate	2.5%	2.9%	6.2%	7.7%
Involuntary Turnover Rate	5.0%	3.4%	4.3%	2.7%

* Data for 2022 is as of November 30, 2022.

We seek to foster a culture where learning is continuous. We believe in our people and their ability to accept new responsibilities and challenges, and to grow with us to contribute to our success. Growth is fostered through professional development and learning programs, as well as practical experience leading projects or teams. To support newly promoted leaders, we have implemented a leadership program entitled, "Boss to Coach," which is specially designed to help them succeed in their expanded roles. Additionally, we provide leadership coaching opportunities through external partners. On an annual basis, our leadership team participates in a talent review and succession planning exercise to identify organizational needs, development opportunities, and potential future leaders. This enables us to identify the resources and skill sets needed to meet our growth objectives.

Over 50% of our leadership promotions are from within. In 2022, we launched tools that support individual managers as they seek to enhance their leadership skills and deepen their team's engagement.

Charitable Giving

Our employees are passionate about improving the lives of others. This passion is at the core of our various philanthropic initiatives that our company and employees support (a few of which are described at right), through which, we have had significant positive impact on our community over the years. As our business continues to grow and expand geographically, we intend to build upon that impact by expanding these initiatives in ways that are aligned with our community giving goals.

American Heart Association

We are also a sponsor of the American Heart Association® Twin Cities Heart Walk, which supports lifesaving efforts to fight deadly heart disease and stroke. Since 2019, we have raised over \$160K in support of this cause. In 2022, we were recognized as an Outstanding Fundraiser, ranking #4 out of 65 participating companies.

Toys for Tots

Every holiday season, Inspire employees donate toys for distribution to less fortunate children. Toys for Tots was started in 1947 by Marine Corps Reserve Major Bill Hendricks. As a top-rated charity, more than 97 percent of donations go directly to providing toys, books, and other gifts to less fortunate children. Since 2019, we have increased the total value of our donations by greater than 40%.

Hurricane Ian Relief

Hurricane Ian devastated portions of Florida's western coast, bringing intense winds, heavy rainfall, and catastrophic storm surge. In response to the needs of impacted communities, we contributed over \$20K to support relief efforts in the aftermath of the storm.

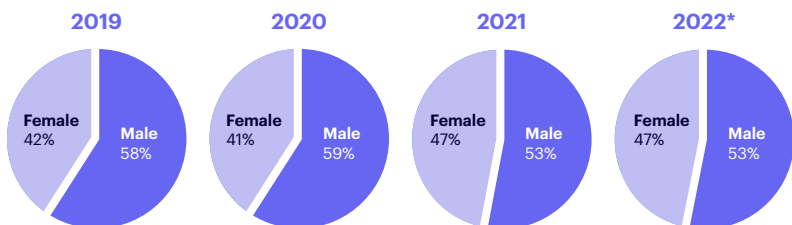
Diversity, Equity, & Inclusion

We strive to create a culture in which all employees feel heard, respected, and valued. All new employees participate in training focused on appropriate, respectful, and inclusive workplace behavior. In 2020, we created an engaging training initiative for all employees which encourages awareness of unconscious bias and microaggressions. Building on our 2020 program, during 2021, we implemented sessions specifically for Inspire leaders to create respectful culture within their teams. The goals of these programs are to encourage broad and diverse viewpoints to achieve the best outcomes for our patients, customers, and employees, and to build awareness of how our own behaviors impact our colleagues.

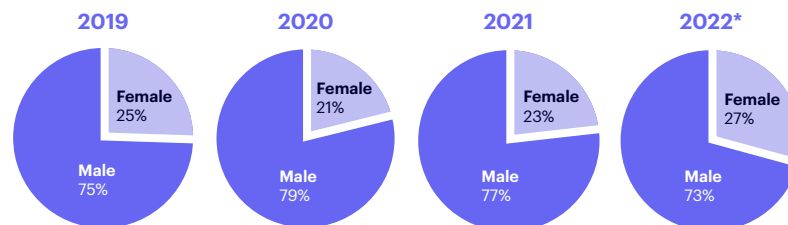
In addition to new employee training focused on creating a harassment-free work environment, annually, all managers participate in facilitator-led training, focused on the importance of inclusivity and diversity of thought. Leaders are provided information and tools that allow them, with the assistance of our Human Resources team, to investigate and address issues. The program, entitled “Humanity is our Superpower,” was launched in 2022. Following the program, leaders meet as a team and review ideas for creating an environment where inclusion prospers.

During talent acquisition, our recruiting team reinforces with hiring managers the importance of seeking and engaging with diverse candidates. To develop a more diverse talent pool, we actively seek diverse candidates to participate in our Internship Program and routinely host activation events at college campus career fairs. We also partner with four external agencies, including veteran and women-owned organizations, to supplement field hiring with a focus on diverse candidate slates.

Workforce Demographic Data by Gender (all employees)



Workforce Demographic Data by Gender (at the Senior Management Level*)



Workforce Demographic Data By Race (all employees)

	2019	2020	2021	2022*
Hispanic or Latino	3.2%	2.8%	4.1%	3.8%
Asian	5.0%	5.0%	4.4%	4.6%
Black or African American	2.7%	3.4%	3.3%	3.1%
White	86.0%	85.0%	85.0%	85.3%
Other	3.1%	3.8%	3.2%	3.2%

Workforce Demographic Data by Race (at the Senior Management Level*)

	2019	2020	2021	2022*
Hispanic or Latino	0%	0%	0%	0%
Asian	4.2%	6.9%	5.7%	2.4%
Black or African American	12.5%	10.3%	14.3%	14.6%
White	83.3%	82.8%	77.1%	80.5%
Other	0%	0%	2.9%	2.5%

* Data for 2022 is as of November 30, 2022. Sr. Management is defined as employees at the Director level or above.

Environmental

Inspire is committed to operating our business responsibly and minimizing our impact on the environment wherever possible.



Environmental

Our products are single-use sterile devices. To reduce our environmental impact, we seek to utilize product packaging that incorporates recyclable materials and efficient design. In addition, we aim to minimize our electrical consumption, as well as recycle, reuse, and reduce our use of resources such as paper, metal, wood products, and electrical cabling. We also look to consider impacts throughout the value chain and evaluate the environmental policies and responsibilities of our suppliers as part of our vendor selection process.

We have begun to identify our climate-related risks and opportunities in line with Task Force on Climate-Related Financial Disclosures (TCFD). We will continue to work toward disclosing in line with the TCFD recommendations.

Environmental Risk Management

Inspire's Board of Directors and officers are responsible for oversight, identification, and communication of all climate-related risks and opportunities. The Nominating and Corporate Governance Committee oversees the company's strategy, policies, and practices related to significant ESG matters, including climate change.

The Inspire Enterprise Risk Management process enables the organization to formally track, measure, and report on environmental-related risks to our Board. By 2025, we aim to implement a formal environmental quality management system in line with International Organization for Standardization (ISO) 14001 standards to mitigate climate-related risks. This environmental management system (EMS) will be embedded within Inspire's quality risk management system.

We are also working toward establishing a sustainability policy that will be approved by the Board of Directors and will serve as the vision and mission for all climate-related commitments company wide.



Environmental Impact Work Plan

We recognize the risk that climate change poses to people and our planet. Inspire desires to support a net-zero carbon future and is working toward developing an environmental impact work plan, which contains a climate action plan to achieve this objective by 2045. Our climate plan will quantify short term (1-3 years), medium term (3-5 years), and long term (5+ years) risks and opportunities related to climate, and establish metrics, timelines, and strategies for achieving our goals. As a first step, we are currently working toward calculating our greenhouse gas (GHG) emissions and developing a carbon reduction strategy.

In the medium- and longer-term we are aiming to reduce the emissions throughout our supply chain, specifically by optimizing the transportation of our goods and reducing company travel. We will also continue to monitor and manage the environmental impacts of our operations by working toward implementing a formal environmental quality management system in line with ISO 14001 standards to mitigate climate-related risks.

By implementing these measures, Inspire expects to have new opportunities, such as participation in contracts and purchasing tenders that are currently unattainable. This is especially true in Europe where environmental-related requirements are already in effect, and Inspire also expects that other countries around the globe will implement similar requirements. Today, sales in Europe make up approximately 3% of Inspire's revenue, and we believe implementation of these activities will drive meaningful revenue growth in Europe in the future.

Energy, Waste, and Water

Inspire has identified four specific target areas related to reducing our carbon footprint and overall environmental impact. One of those four is total energy usage, primarily electricity, both internal to Inspire as well as throughout the value chain.

The energy reduction plan that we are developing will be contained within the environmental impact work plan and includes:

- A global review of Inspire's energy policies
- Training and engagement with employees on small energy usage, such as shutdown policies on lights, etc.
- A full review of the lighting and energy efficiency ratings and requirements of our leased office space
- Review of current energy suppliers to best understand current and future plans relative to renewable energy options

Additionally, Inspire has launched and plans to continue to launch new technologies for its customers that are designed to aide in their energy and carbon footprint reduction plans, which includes but is not limited to:

- The 2-incision surgical procedure (reduces total operating room time and energy needs)
- InspireV implantable pulse generator (IPG) (removal of 1 of 2 leads resulting in shorter operating room times and energy needs)
- Connected and remote programming (reduces energy consumption through the use of virtual patient visits vs. in-person clinical visits)

We also view waste and resource management as another key priority. In operating our business, we consider the recycling, reuse, and reduction of resources such as paper, water, and plastic. By 2024, we will establish a reduction target for our generation of office waste. We also aim to utilize product packaging that incorporates recyclable materials and efficient design.

Primary SICS Sector: Healthcare | Primary SICS Industry: Medical Equipment & Supplies

	ACCOUNTING METRIC	SASB CODE	DESCRIPTION
Affordability & Pricing	Ratio of weighted average rate of net price increases (for all products) to the annual	HC-MS-240a.1	We announced a 4.7% system price increase in 2022. This was our first increase since 2018. Over the last 5 years, our price increases have significantly lagged CPI growth for the same period.
	Description of how price information for each product is disclosed to customers or to their agents	HC-MS-240a.2	Inspire discloses pricing to all customers via the price sheet in our mutually agreed upon contract. The terms of our contracts dictate the notice period we will provide for any increases in pricing, but we maintain consistent pricing across our customer base.
Product Safety	Number of recalls issued <i>(Total over Inspire's history)</i>	HC-MS-250a.1	TOTAL: 2, Class I: 0, Class II: 1, Class III: 0, Market withdrawals: 1
	Total units recalled <i>(Total over Inspire's history)</i>	HC-MS-250a.1	TOTAL: 155, Class I: 0, Class II: 148, Class III: 0, Market withdrawals: 7
	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	HC-MS-250a.2	All Inspire medical devices are subject to the MAUDE database. [Models 2500, 2580, 3032, 3024, 3028, 4323, 4340, 4063, & 2740].
	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience <i>(Total over Inspire's history)</i>	HC-MS-250a.3	One MDR reportable event (2022) - patient expired 6 days after receiving Inspire therapy due to surgical complications related to a spontaneous formation of a chest hematoma.
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type <i>(Total over Inspire's history)</i>	HC-MS-250a.4	1. Form 483s: 1 (2018 - Late MDR reporting) 2. Warning letters: 0 3. Seizures: 0 4. Recalls: 2 5. Consent decrees: 0
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims <i>(Total over Inspire's history)</i>	HC-MS-270a.1	\$0
	Description of code of ethics governing promotion of off-label use of products	HC-MS-270a.2	Inspire has developed an Off-Label Promotion Policy that sets standards and expectations for employee conduct. For more information, see page 9.

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	ACCOUNTING METRIC	SASB CODE	DESCRIPTION
Product Design & Lifecycle Management	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	HC-MS-410a.1	Our product development protocol considers sustainability requirements and opportunities. For more information, see page 13.
	Total amount of products accepted for take-back and reused, recycled, or donated <i>(Total over Inspire's history)</i>	HCM-MS-410a.2	<ol style="list-style-type: none"> Devices & Equipment: 0.41 metric tons of recycled implantable pulse generators (IPGs) from Field Corrective Actions and obsolesce Supplies: 0 metric tons
Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality <i>(Total over Inspire's history)</i>	HC-MS-430a.1	<p>100%</p> <ol style="list-style-type: none"> Total number of Inspire's facilities: 1 <ol style="list-style-type: none"> Total number of Inspire's facilities participating in third-party audit/certification: 1 Total number of Tier 1 suppliers' facilities: 3 <ol style="list-style-type: none"> Total number of Tier 1 suppliers' facilities participating in third-party audit/certification: 3
	Description of efforts to maintain traceability within the distribution chain	HC-MS-430a.2	Inspire has implemented a number of measures to monitor partners throughout our distribution chain. For more information, see page 13.
	Description of the management of risks associated with the use of critical materials	HC-MS-430a.3	Inspire's devices utilize critical materials so we have established standards and oversight to manage risks associated with their use. For more information, see page 13.
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption <i>(Total over Inspire's history)</i>	HC-MS-510a.1	\$0
	Description of code of ethics governing interactions with health care professionals	HC-MS-510a.2	Our Code of Business Conduct and Ethics outlines expectations for our employees' interactions with professional organizations and health care trade associations. Each employee is obligated to adhere to these standards and comply with all laws, rules, and regulations applicable to the company's operations, including transparency regarding payment or other items of value provided to health care professionals. For more information, see page 9.

No mask.
No hose.
Just sleep.TM