

2023 Sustainability Report Update

May 2024



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About this Sustainability Report Update

We are pleased to publish our 2023 Sustainability Report Update. This report builds on our 2023 ESG Report published in December 2023, which provided data and highlights for the 2022 calendar year and partial-year data and information for the period covering January 1, 2023, through November 30, 2023. This report supplements the partial-year data and information previously provided for 2023 by providing a full update of highlights and progress Inspire has made over the course of 2023 in building our sustainability program. The data provided in this report is for the 2023 calendar year, covering January 1, 2023, through December 31, 2023, unless otherwise noted. Disclosures in this report are aligned with global standards and frameworks, including the Sustainability Accounting Standards Board (SASB). For more information about Inspire Medical Systems, Inc. please visit our website. For questions or feedback 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, 2023, which was filed with the Securities and Exchange Commission on February 9, 2024. Our filings with the Securities and Exchange Commission are available in the Investors 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 sustainability data, statistics and measures included herein, unless otherwise specifically indicated, are non-audited estimates, are 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. As our systems and sources of information evolve and improve, data presented in this report may be retrospectively adjusted in future reports. Our sustainability 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.



A Message from our CEO

We are pleased to present our 2023 Sustainability Report Update. This report builds on our 2023 ESG Report published in December 2023 by adding new data and information and key updates to our sustainability program since the publication of our last report. With this report we aim to align the publication of our annual sustainability report to be closer in time to the filing of our Annual Report on Form 10-K and Proxy Statement, through which we also communicate with our investors and other stakeholders on other matters important to Inspire.

Since the publication of our 2023 ESG Report, our team has been hard at work advancing our sustainability program and initiatives. We are pleased to highlight the adoption of our Human Rights Policy, which reflects our commitment to respecting human rights wherever we operate. We are also excited to detail in this report the results of internal work to codify our culture with an updated mission statement and core values, ensuring that they reflect our core beliefs and encompass what guides us as an organization. Our employees are critical stakeholders and vital to our success, and we believe the work we completed was a wise investment in the future of our employees and organization.

Our sustainability program and strategy continue to evolve, and we anticipate communicating significant developments in future reports. Our

near-term sustainability plans for the remainder of 2024 and into 2025 include conducting a formal materiality assessment, setting enterprise sustainable targets and goals aligned with our business strategy, developing a sustainability action plan to achieve our targets and goals, and more fully articulating our sustainability mission and strategy. We also expect to enhance our sustainability program in key areas such as supply chain and greenhouse gas emissions (GHG) tracking and disclosure.

We continue to work to improve 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 programs and initiatives that are sustainable and have real impact. We are committed to further developing our sustainability program and initiatives to enable our work to have a lasting positive impact on our patients, our people, and the planet.

Thank you for your ongoing support of Inspire.

Timothy P. Herbert
Chair, President and Chief Executive Officer

About Inspire

Inspire Medical Systems, Inc. (“Inspire”) is a medical technology company focused on the development and commercialization of innovative and minimally invasive solutions for patients with obstructive sleep apnea. We are committed to improving the quality of life for patients, and our proprietary Inspire system is the first and only FDA-approved neurostimulation technology that provides a safe and effective treatment for moderate to severe sleep apnea.

Inspire works inside your body with your natural breathing process. The system is controlled by a small handheld sleep remote, delivering mild stimulation to key airway muscles, allowing the airway to remain open during sleep. More information about the Inspire system can be found on our [FAQ page](#) or by watching our short video, How Does Inspire Work?

2023 Highlights

- Generated revenue of \$624.8 million in FY 2023, a 53% increase over FY 2022
- Reported first quarter with operating income in Q4 of FY 2023
- FDA approval for certain pediatric patients with Down syndrome
- Received countrywide reimbursement approval in Belgium
- FDA approval for Apnea Hypopnea Index indication expansion and increased Body Mass Index labeling
- FDA approval for SleepSync™ programmer
- Submitted Inspire V neurostimulator application to the FDA
- Surpassed 60,000 patients treated with Inspire therapy

The Inspire Way



In 2023, we undertook a thorough process to refresh our mission statement and core values, ensuring that they reflect our core beliefs and encompass what guides us as an organization. At Inspire, these values are the principles that drive our decisions and actions forward each day.

Our Mission

Inspire Medical Systems is committed to enhancing patients' lives through sleep innovation. We are steadfast in our commitment to prioritize patient outcomes, act with integrity, and lead with respect. With positive persistence at our core, we are committed to all those we serve.

Core Values

Our core values not only guide our business decisions but also form the foundation of our sustainability approach. By aligning our sustainability efforts with our broader business strategy and objectives, we help ensure that our sustainability initiatives contribute not only to the well-being of our patients, our people, and the planet but also to the long-term health and resilience of our company. We believe this integrated approach fosters innovation, drives efficiency, and reinforces our commitment to driving long-term stakeholder value and making a positive impact that extends beyond our operations.

Focused on Outcomes

We put the patient first.

We create positive experiences for patients and physicians by driving successful outcomes.

Leading with Respect

We lift every voice.

We value differing viewpoints by actively listening, candidly communicating, and thoughtfully delivering constructive feedback.

Fueled by Innovation

We champion the possible.

We relentlessly create ways, both big and small, to improve the lives of our patients and reduce complexity for our customers.

Grounded in Integrity

We do the right thing.

We have an unmatched accountability to each other, our partners, and the patients we serve.

Committed to Compliance

We understand compliance is not a choice.

We embrace the rules and leverage them as the foundation in everything we do.

Positively Persistent

We can.

We are confident about today and tomorrow and are never complacent in our quest to build an enduring company.



Our Sustainability Approach

Our mission and core values are the foundation of Inspire's business and sustainability approach. These philosophies propel everyday decision-making at our company and enable us to positively impact the lives of patients and our employees and ensure the long-term success of our business. We aim to understand the impacts of our products and operations as well as potential risks and opportunities to our business, and to prioritize our material environmental, social, and governance topics.



Our People

Inspire places an unwavering emphasis on its people because we recognize that their dedication and well-being are paramount to our success. We aim to foster a supportive, safe, and inclusive workplace where employees thrive. Our focus on human capital management, including training and development, benefits, and wellness initiatives, not only enables us to attract and retain top talent but also ensures that our people are motivated, engaged, and driven to deliver the highest quality solutions for the patients we serve. By promoting diversity, equity, and inclusion across our organization, we also gain access to a wide range of perspectives and opinions that help drive innovation forward.



Our Patients

Our patients are at the core of everything we do. Our approach to sustainability revolves around an unwavering commitment to provide safe, effective, reliable, and affordable treatment of obstructive sleep apnea. We prioritize patient safety and positive outcomes by applying a rigorous quality management system to the design, commercialization, and distribution of our products. By maintaining rigorous ethical standards and engaging with suppliers and health care customers, we aim to ensure responsible and effective development and use of our products.



The Planet

We are striving to understand the impact of our products and services and plan to work towards implementing more sustainable product design, production, and lifecycle management practices in collaboration with our supply chain partners. We will also work to identify, manage, and disclose our climate-related risks and opportunities in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

Our Policies



[Code of Business Conduct and Ethics](#)

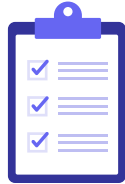


[Human Rights Policy](#)



[UK Modern Slavery Act Statement](#)

Sustainability Highlights



Engagement Survey

In early 2023, we launched our first comprehensive employee engagement survey as part of the Gallup Leadership programs. In fall 2023, we conducted our second of these semiannual surveys and saw an increase in participation from 76% to 93%.



Program Launch

In 2022, we successfully launched our “Humanity is our Superpower” program to provide employees and managers with the training and tools to create a harassment-free work environment where inclusion prospers. All leaders were provided additional, in-depth training on harassment prevention and creating a safe working environment.



System Implementation

By 2026, 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 management system.



Community Outreach

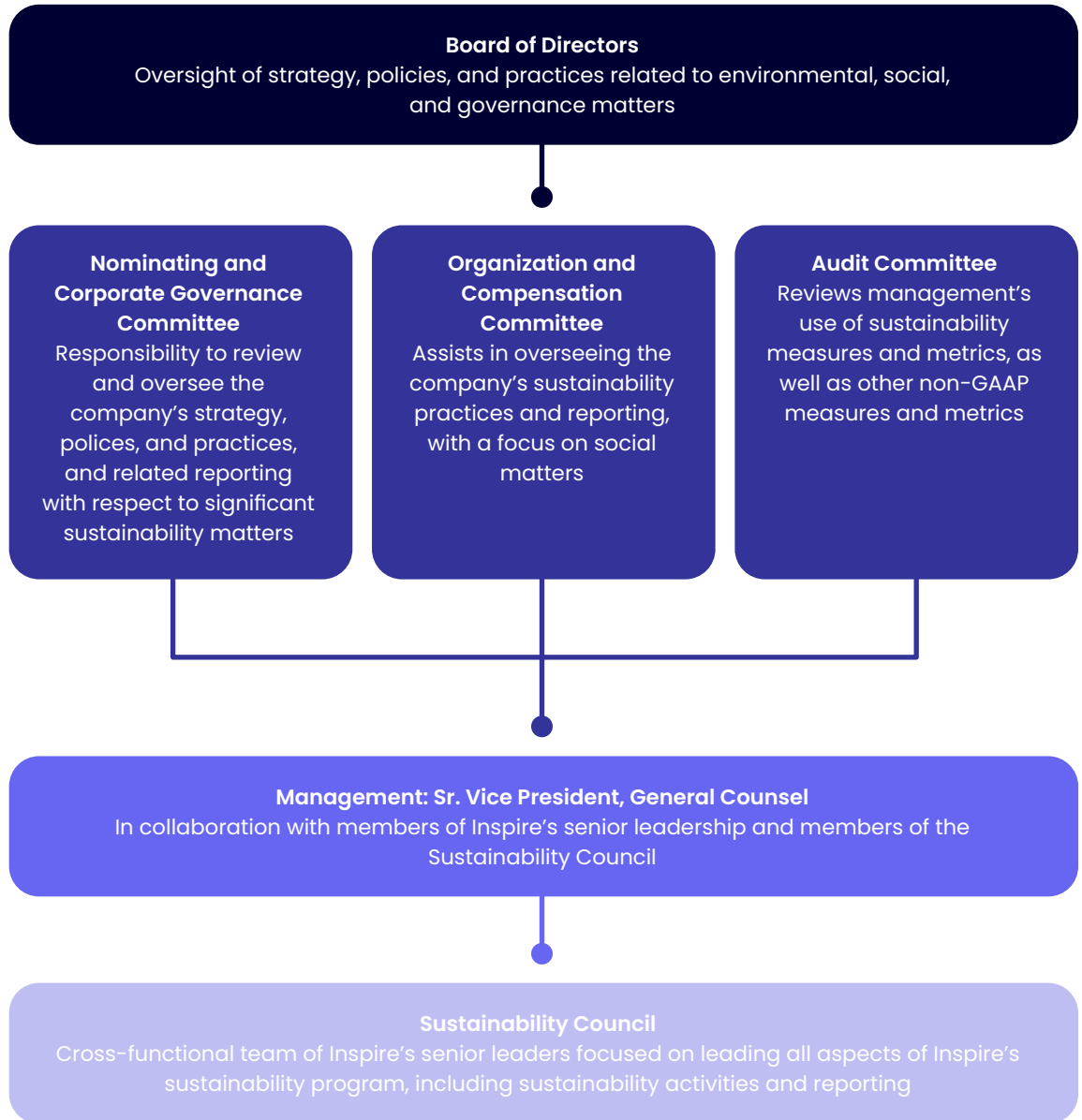
We are thrilled to enhance our philanthropic efforts through the launch of InspireGives, Inspire’s community outreach program aimed at serving the communities in which we live and operate through financial donations and volunteerism. In 2023, we donated \$84,642 to 15 local and national organizations.

Sustainability Oversight

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 (the "Board") and leadership team recognize the impact of our business on the patients and customers we serve and are responsible for overseeing and managing relevant sustainability risks, including supply chain, product quality and safety, data privacy, and climate related risks among others. Inspire's strategy, policies, and practices related to sustainability matters are overseen by our Board. The Board receives formal updates regarding sustainability matters on at least an annual basis.

While the full Board has overall responsibility for sustainability and risk oversight, our committees oversee specific areas of our sustainability program. These responsibilities are outlined in the respective charters for each committee.

We are in the process of creating a Sustainability Council to establish more robust governance, oversight, and coordination of our sustainability program and sustainability activities and reporting. The council's executive sponsor will be our SVP, General Counsel, and it will be comprised of a cross-functional group of leaders and subject matter experts in product development, information security, finance, legal, compliance, human resources, investor relations, supply chain, and quality.

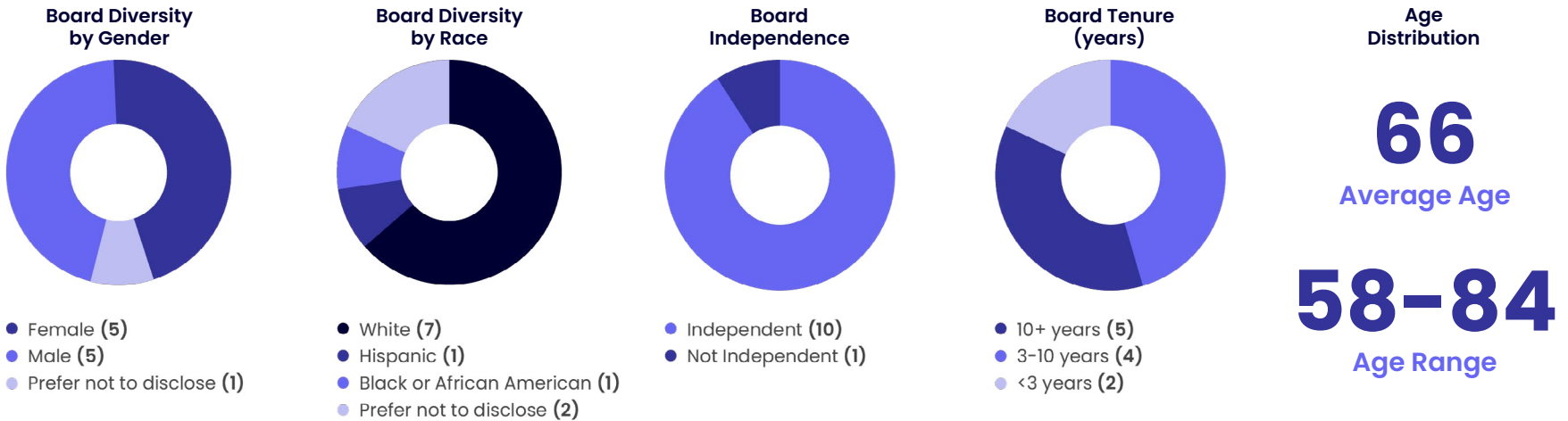


Governance

Board Composition

We believe that our directors bring a diversity of experiences, qualifications, attributes, and skills that support our business and structure and a board of directors that is effective, collegial, and responsive to the needs of our company and that can represent the interests of all our stakeholders. Our Nominating and Corporate Governance Committee is responsible for recommending candidates to serve on the Board and its committees. The committee considers candidates who have a high level of personal and professional integrity, strong ethics and values, and the ability to make mature business judgments. Our board of directors is committed to fostering diversity, expertise, and independence to effectively oversee our business strategy and operations. We consider diversity, such as gender, race, and ethnicity, in identifying director nominees.

For more detailed information on our Board, including biographical details of our directors, their qualifications, and committee assignments, please refer to our 2024 proxy statement.



Information as of December 31, 2023.

Ethical Business Practices & 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 our company’s culture. All employees and individual contractors are expected to certify annually that they understand and will comply with the expectations contained in the Code of Conduct. Over 99% of our active full-time employees and individual contractors completed the 2023 Code of Conduct certification. We maintain an anonymous hotline for employees to report concerns regarding violations of the Code of Conduct and a whistleblower policy addressing our policies and processes to protect the confidential anonymous reporting of concerns regarding accounting or auditing matters.

In addition, our employees complete training and education upon hire on our Code of Conduct and on a range of important topics related to 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
- Product 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 Conduct 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;
- Prohibition on gifts by employees to health care professions or health care organizations;
- Ethical business practices, including prohibiting interference with a health care professional’s judgment;
- Prohibition of promoting “off-label” use (i.e., any unapproved use) for our products consistent with applicable laws and regulations; and
- Marketing content requirements, directing that content must be on-label, truthful, substantiated and not misleading.

All product messages and promotional materials must be strictly on-label prior to their use in communication with persons outside Inspire. Corrective action, including termination, may be taken should an employee fail to comply with our policies.

Anti-Corruption

We expect our employees to conduct business ethically and in compliance with all applicable anti-corruption laws. Our Code of Conduct prohibits company employees from giving or receiving bribes, kickbacks, or other inducements in order to obtain an improper business advantage, including through an intermediary. Employees certify annually to our Code of Conduct, including our anti-corruption policies contained therein.

Privacy & Data Security

At Inspire, we recognize our data privacy responsibilities for managing employee data, customer data, and 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 personal information, protected health information, and other confidential data (together referred to as “sensitive data”) that we collect and use in connection with our business, and the importance of assessing, identifying, and managing various cybersecurity risks that may impact our business.

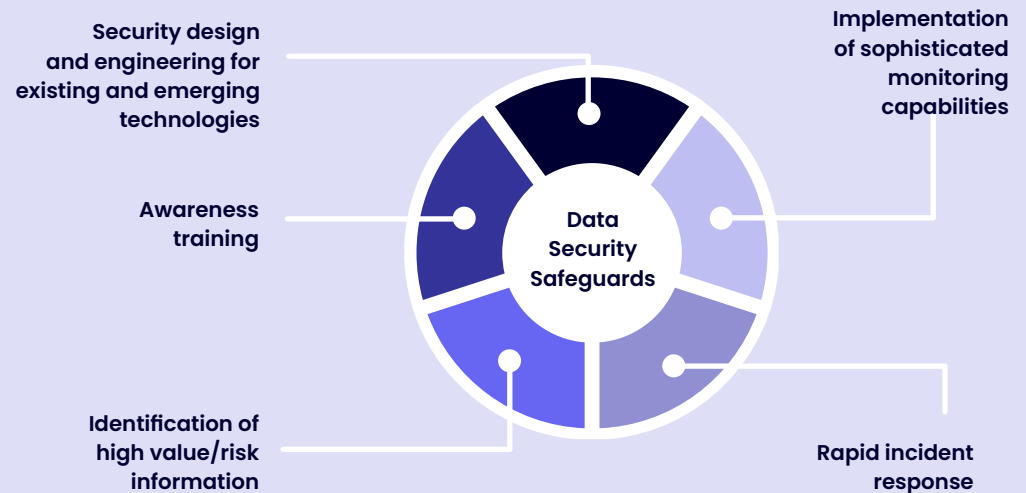
Our data protection efforts include:

- Implementing practices that help ensure the security of personal information;
- Taking measures to help protect the information against loss or theft; and
- Working to safeguard the information from unauthorized access, disclosure, copying, use, or modification.

Inspire has established an incident response process that helps ensure that should a data breach occur, we will assess the materiality of the incident and address any required reporting obligations. In addition, the company will notify all affected parties and individuals whose sensitive data may have been compromised in accordance with applicable law. On our website, we provide transparency on what data we collect and how that data is used. As part of our enterprise risk management process, we assess the various cybersecurity risks that may impact our business and implement plans and initiatives intended to mitigate those risks.

Commitment to Implement Leading Data Security Safeguards

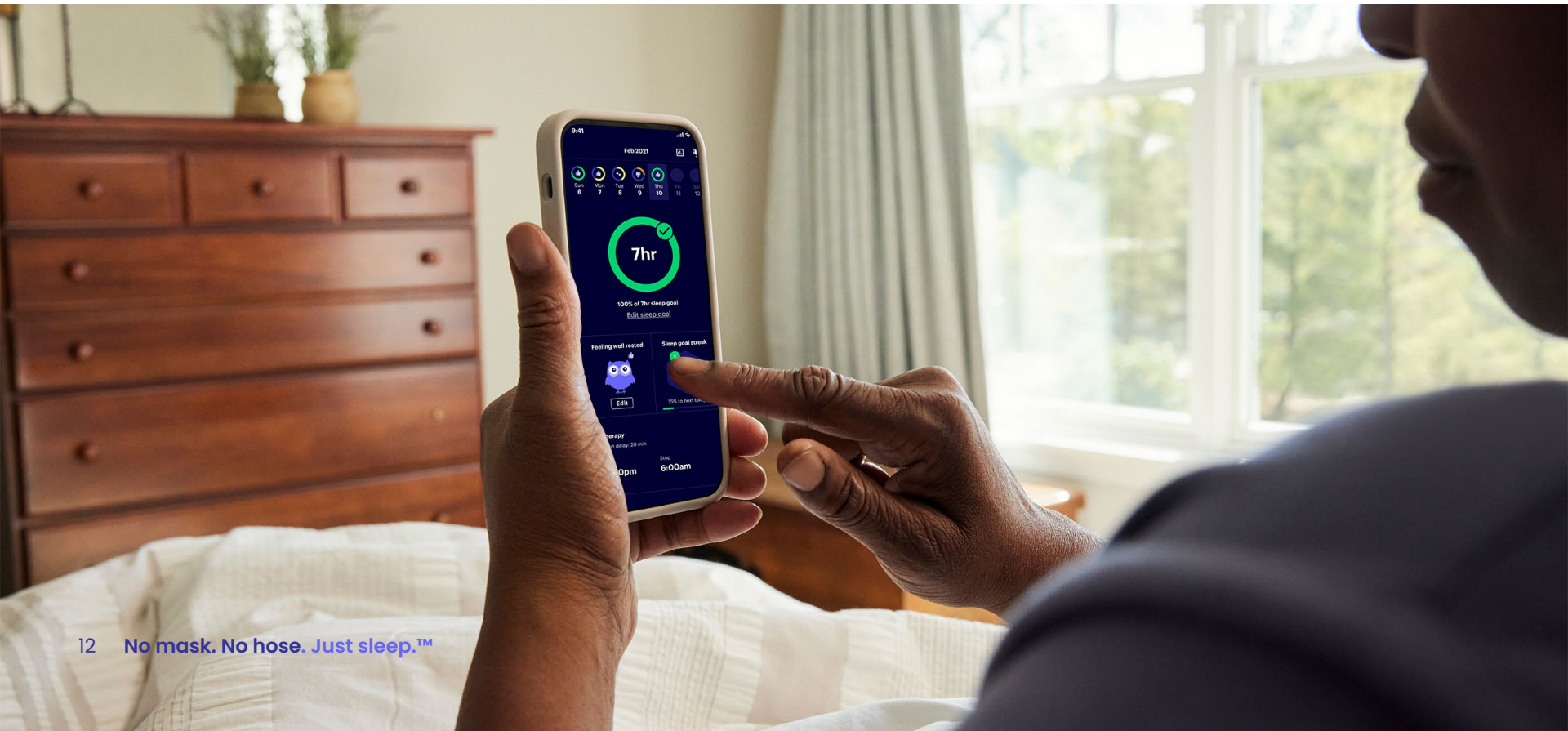
Inspire has implemented cybersecurity measures intended to prevent, detect, and respond to malicious cyber activities that could adversely affect the confidentiality, integrity, or availability of Inspire’s, or our customers’ information or information systems. For more information about our cybersecurity risk management, strategy and governance please see our most recent Annual Report on Form 10-K.



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. Our Code of Conduct directs employees to 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. Under our Code of Conduct, 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.

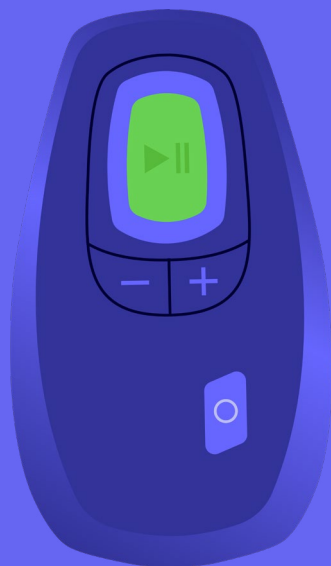
Inspire requires all employees to adhere to its policies and procedures concerning political and lobbying activities and contributions, as well as to all applicable federal, state, and local laws. Our Code of Conduct prohibits the use of any company funds or assets to make a political contribution, unless prior approval is given by our Chief Executive Officer or Chief Compliance Officer, and any political contribution made with such approval will be reported to the company's Board. In 2023 the company did not make any political contributions.



Our Patients

Product

Our proprietary Inspire system is the first and only FDA-approved neurostimulation technology that provides a safe and effective treatment for moderate to severe obstructive sleep apnea. We have developed a novel, closed-loop solution that continuously monitors a patient's breathing and delivers mild hypoglossal nerve stimulation to maintain an open airway.



Product Safety & Quality

Product safety and quality are of the utmost importance at Inspire.

Our approach to product quality is founded on three main principles:

- Relentlessly pursue safe, effective, and reliable treatment of obstructive sleep apnea.
- Strive to consistently improve the quality of life of our patients and exceed customer expectations.
- Maintain rigorous processes that ensure compliance with applicable global laws and requirements.

We have established a quality management system (QMS) designed to carry out our quality policy and help ensure compliance with applicable standards and regulations. The objectives of our QMS include helping to ensure that procedures and processes are established, documented, implemented, maintained, and effective in designing, developing and delivering products of high reliability and that our products are safe and meet or exceed customer expectations. Our QMS seeks to ensure we meet or exceed international regulatory requirements and standards, and maintains an International Organization for Standardization (ISO) 13485 certification for medical device companies.

A risk-based approach is applied to control the processes of our QMS and 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 our product risk management and development to help ensure safe and effective products. Additionally, our QMS requirements include reporting and communication with regulators to monitor and help support the safety and effectiveness of our products. All employees are trained on our QMS and associated product safety measures upon hire.

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

Patient Experience Report

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.

Product Recalls

The safety of our patients and the quality of our products is at the core of what we do, and we have a strong track record of product safety. Over its history, Inspire has issued two recalls, neither of which involved patient safety concerns. In 2014, we issued an FDA Class III recall on 7 units of our Model 3032 patient sleep remote control due to labeling issues, and, in 2018, we issued an FDA Class II recall on 148 units of our Model 3024 implantable pulse generator due to labeling issues.

We experienced difficulty with the manufacturing of our Model 4063 silicone stimulation lead, which was launched in the United States in late 2022. In response, in early 2023, Inspire initiated a non-patient safety related, voluntary market withdrawal to remove 353 silicone stimulation leads from various health care facilities. Inspire subsequently improved the manufacturing process for this product through the corrective and preventive action process outlined in our QMS. As a result, the performance of this product now meets Inspire's high expectations for manufacturing and quality measures.

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 help protect the safety and quality of our products, Inspire monitors the performance of its manufacturing partners and other suppliers throughout the value chain. Inspire (as well as our contract distribution centers) maintains traceability of our distributed medical products. We also comply with the 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 exercise 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 ongoing vendor management.

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, well-being and engagement, and robust training and development programs.

As of December 31, 2023, we employed 1,011 people worldwide. Approximately 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 Japan and Europe, including in Germany, France, Austria, Switzerland, the Netherlands, the United Kingdom, and the Czech Republic.

Human Capital Management Talent Acquisition

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. We develop and set an annual hiring plan to understand and plan for the organization's talent recruitment and pipeline developed needs.

Inspire's growth has required several strategies to attract talent and meet our growth plans, including a strong internal referral network. We also work with search partners, who meet with our talent acquisition team on a quarterly basis to review and provide 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.

We follow a defined and consistent interview process for open positions, whether internal or external. In our recruitment process we emphasize the importance for both a diverse candidate slate and diverse interview team. Supporting our talent attraction efforts we partner externally with organizations, universities and colleges to assist with identifying talented pipelines. Internally we continue to build and train hiring leaders on a structured interview process to attract talent.



Talent Management

We closely monitor our internal metrics to ensure employees have equitable opportunity for advancement. We review our pay practices twice per year for all employees to help support equitable application and address any identified gaps. We're establishing training and development programs focused on decency, dignity and respect in the workplace.

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 assist new employees after they join our organization, we have established a new hire mentorship program available to newly hired employees. Through this program, managers have the option to assign peer-level mentors to newly hired employees. The mentor and new hire meet every two weeks for the first 6 months of employment to assist with the transition at Inspire and in their new role.

Support for new leaders is critical to the flourishing of our employee base. To support newly promoted leaders, we use a leadership program from Gallup called "Boss to Coach," which is designed to help new leaders 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.

Career Advancement

Inspire offers reimbursement (up to \$10,000 per calendar year) for tuition and related expenses. In addition to annual training across business functions, Inspire makes "Learning Line," an online hub for learning and development, available to employees. Learning Line includes a comprehensive course catalog and an assignment dashboard for tracking progress towards development goals and milestones.

Employee Engagement

Our employees are critical stakeholders and vital to our success. To help ensure we are proactively addressing employee inclusion and engagement we conduct semi-annual employee engagement surveys. In early 2023, we launched the first of these engagement surveys. In fall 2023, we conducted our second engagement survey and saw an increase in participation from 76% to 93%. We plan to continue to conduct employee engagement surveys on a semi-annual basis.

Compensation and Benefits

We strive to pay competitive salaries and maintain a comprehensive benefits package that helps our employees and their families maintain health and well-being—both physically and financially. 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 engages an independent consulting firm to assess the market competitiveness of our compensation programs and offerings.

Inspire most recently completed a pay equity analysis in 2023. We are pleased to share that through our diligent compensation efforts we did not show statistically significant pay equity discrepancies in our organization. We expect to continue to review pay equity on a regular basis.

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. All U.S. employees are also eligible to elect to participate in our employee stock purchase program.

Our standard employee benefits package is available to all full-time employees (except for variations required by state or country-specific laws). Standard employee benefits available to all full-time employees include medical, dental, and vision insurance, identity protection, disability insurance, life and AD&D insurance, and paid holidays. Beginning in 2022, we also incorporated a 401(k)-employer match for all U.S.-based employees. Additionally, we recognize that Inspire employees have diverse needs for time off from work and maintain a flexible time off ("FTO") policy, which provides all full-time employees the opportunity to take time off as needed without the need to accrue a specific amount of paid time off each year. Our FTO policy allows employees to take time off for any reason, including vacation, personal time, volunteering, school commitments, and religious holidays not observed by our paid holiday calendar.



Charitable Giving

As a medical technology company, we are committed to enhancing the lives of patients through innovation. In 2023, we launched InspireGives, Inspire's community outreach program aimed at serving the communities in which we live and operate through financial donations and volunteerism. Our contributions seek to provide crucial assistance to charitable organizations striving to treat critical illnesses, combat poverty and homelessness, ease hardship for people affected by disasters, eliminate barriers to equal opportunity, and support underserved communities to address inequities in health outcomes.

Our employees are passionate about improving the lives of others so we provide channels for our team members to identify opportunities to engage with new organizations and events in our communities. In 2023, we contributed nearly \$85,000 to 15 local and national charitable organizations including health care charities and charitable organizations addressing other related causes.



American Heart Association

We are 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 \$282K in support of this cause.

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% of donations go directly to providing toys, books, and other gifts to less fortunate children.

American Red Cross

In 2023, wildfires in Maui, Hawaii devastated thousands of homes and businesses, leaving thousands of people in need of immediate assistance. In 2023, Inspire teamed up with the American Red Cross to help communities affected by the wildfires by matching up to \$10,000 in donations to contribute to the relief efforts. These donations helped provide shelter, food and health services to the many Maui residents impacted by the disaster.

St. Jude Children's Hospital

Inspire was proud to sponsor St. Jude Children's Hospital inaugural Moments of Courage Gala in our home city of Minneapolis in 2023. This event raised more than \$400,000 to benefit the lifesaving mission of St. Jude Children's Research Hospital.

Sleep in Heavenly Peace

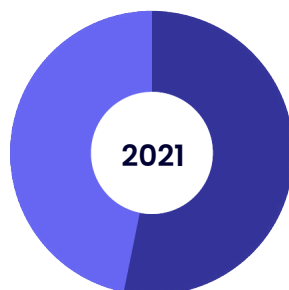
Sleep in Heavenly Peace has over 270 chapters in communities across the United States dedicated to building, assembling, and delivering top-notch bunk beds to children and families in need. In 2023, over 30 Inspire employees participated in this program, building 20 beds for children in need in the Twin Cities.

Diversity & Inclusion

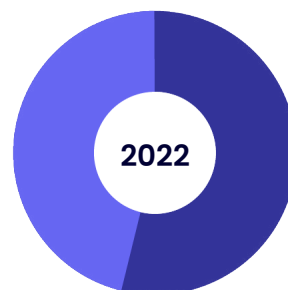
We strive to create a culture in which all employees feel heard, respected, and valued. All new employees participate in training focused on appropriate, respectful, and inclusive workplace behavior. In 2020, we created a training initiative for all employees which encourages awareness of unconscious bias and microaggressions. The goals of the training 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.

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 recruiting 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.

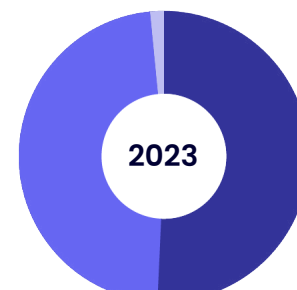
Workforce Demographic Data by Gender (all employees)



- Male (53.2%)
- Female (46.8%)

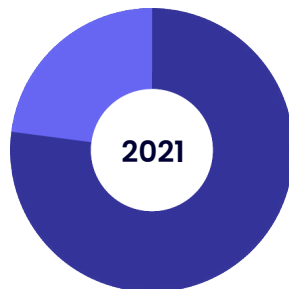


- Male (53.7%)
- Female (46.3%)

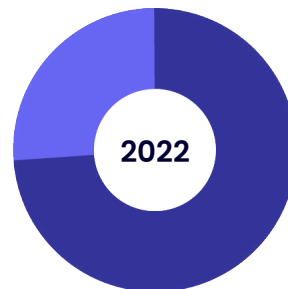


- Male (50.7%)
- Female (47.8%)
- Non-Binary (1.5%)

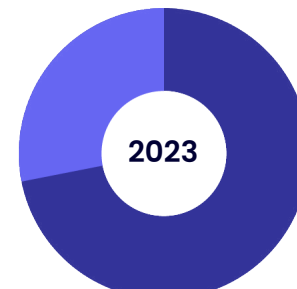
Workforce Demographic Data by Gender (at the Senior Management Level)



- Male (77.1%)
- Female (22.9%)



- Male (73.9%)
- Female (26.1%)



- Male (71.9%)
- Female (28.1%)

Anti-Discrimination and Anti-Harassment

As reflected in our Code of Conduct, Human Rights Policy, and employee handbook, we are committed to providing equal employment opportunities and prohibit any form of discrimination or harassment based on race, color, religion, creed, gender (including gender identity, expression, and status as a transgender or transsexual individual), sex (including pregnancy and pregnancy-related disability), national origin (including ancestry), age, physical or mental disability, medical condition, marital status, familial status, sexual orientation, status with regard to public assistance, membership or activity in a local commission, military or veteran status, genetic information, or any other status protected by applicable federal, state and local laws. This commitment applies to all aspects of the employment relationship.

All employees receive virtual harassment training at hire, and then are retrained every two years (or more frequently if states require otherwise). Beginning in April of 2023, we provided virtual harassment and bias re-training to all global employees. All leaders were provided additional, in-depth training on harassment prevention and creating a safe working environment. We expect to continue regular harassment training of all employees.

Human Rights

We recently adopted a new Human Rights Policy, which reflects our commitment to respecting human rights wherever we operate. The policy is based on internationally recognized human rights standards, including the United Nations Guiding Principles on Business and Human Rights, International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Together with our Code of Conduct and other related policies, our Human Rights Policy demonstrates our commitment to conducting business in accordance with the highest ethical standards and applicable laws. The policy addresses our commitments to respect freedom of association and collective bargaining, prohibit child and forced labor, fair wages, equal opportunity and non-discrimination, diversity, equity, and inclusion, and maintain a safe and healthy workplace. For more information, please see our Human Rights Policy and U.K. Modern Slavery Act Statement posted on our website.

Health and Safety

We are committed to providing a safe and healthy working environment for our employees, and complying with all relevant health and safety laws. All employees are required to comply with all applicable health and safety laws, regulations and policies. We require that all employees follow safe operating procedures and protect their own and coworkers' health and safety.

To prevent workplace injuries to employees and contractors who may be exposed to bloodborne pathogens ("BBP") and ensure compliance with applicable regulatory requirements, we maintain a BBP exposure plan and conduct safety and compliance training for all employees and contractors who have a potential risk of exposure to BBP when performing their job duties. Our BBP plan addresses implementation of Inspire's BBP compliance procedures and standards, including determinations of employee exposure, exposure control, Hepatitis B vaccination expectations, post-exposure evaluation and follow-up, employee training and communication, recordkeeping, and procedures for evaluating an exposure incident. In 2023 we did not experience any BBP exposure incidents.

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 consider impacts throughout the value chain and evaluate the environmental policies and responsibilities of our suppliers as part of our vendor selection process. We intend to identify our climate-related risks and opportunities in line with the Task Force on Climate-Related Financial Disclosures (TCFD), and work toward disclosing in line with the TCFD recommendations.

Environmental Risk Management

Inspire's Board of Directors and executive 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 sustainability 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 2026, we aim to implement a formal environmental quality management system ("EMS") in line with ISO 14001 standards to mitigate climate risks. We expect our EMS will be embedded within Inspire's quality management system.

Climate and Greenhouse Gas Emissions

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 a carbon reduction plan to achieve this objective in our operations by 2045. As a first step, we plan to develop our Scope 1, 2 and 3 GHG emissions inventory later this year.

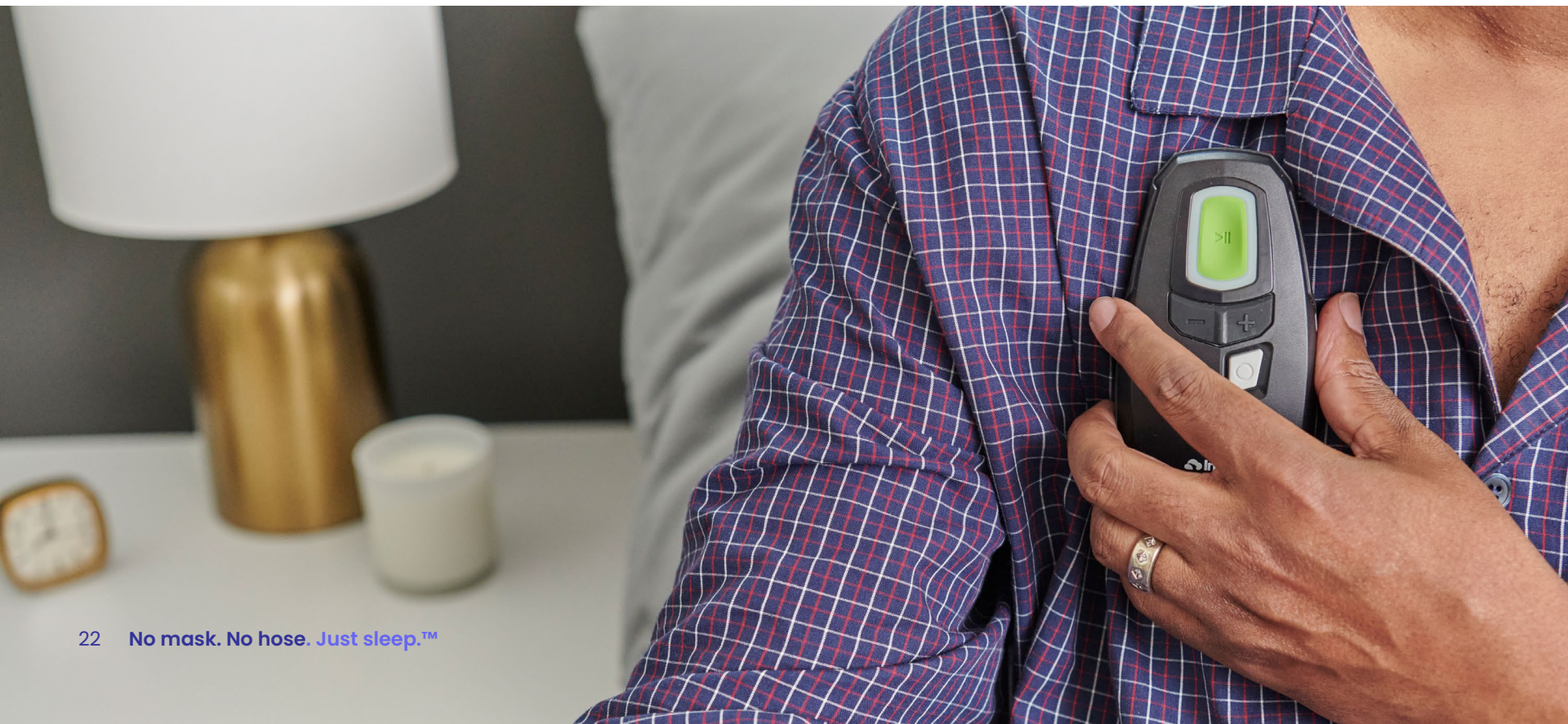


Energy, Waste, and Water

Inspire is exploring several strategic areas aimed at reducing our carbon footprint and enhancing our environmental stewardship. Although we intend to reevaluate our focus areas with respect to energy, waste, and water in connection with a forthcoming materiality assessment, we have preliminarily identified four key areas where we might aim to develop our initiatives and drive progress:

- Energy reductions and efficiencies, within our own operations and throughout the value chain,
- Waste and resource management, including reduction of paper, plastic, and water, and increasing recycling efforts,
- Use of recyclable materials and efficient designs in product packaging,
- Deployment of new technologies in our products and manufacturing processes.

By 2025 and following completion of our materiality assessment and identification of our enterprise sustainability targets and goals, we plan to evaluate establishing targets and action plans across these key areas. We are committed to driving ongoing progress in our environmental initiatives and will continue to share updates as more actions are implemented.



Governance

	2021	2022	2023	2024 ¹
Board Diversity				
Board Members	9	11	10	11
Percentage of Women Board Members	33%	45%	40%	45%
Percentage of Racially and Ethnically Diverse Board Members	0%	18%	10%	18%
Independent Directors	8	10	9	10
Average Age	-	-	64.9	66.8
Privacy and Data Security				
Number of Data Breaches	0	0	0	0
Customers Affected by Data Breaches	0	0	0	0

Social

	2020	2021	2022	2023
Turnover				
Average Headcount (Rolling 12 months)	298	417	631	909
Voluntary Turnover Rate	2.9%	6.2%	8.0%	5.2%
Involuntary Turnover Rate	3.4%	4.3%	2.9%	2.3%
Employee Engagement				
Participation Rate	-	-	-	93% ²
Employee Satisfaction Level	-	-	-	4.19 ³
Training & Development				
Total Number of Hours of Training Provided	-	-	32,100	32,384
Workforce Demographic Data by Gender (All Employees - Global)				
Male	59.1%	53.2%	53.7%	50.7%
Female	40.9%	46.8%	46.3%	47.8%
Non-Binary	-	-	-	1.5%

Social (continued)

	2020	2021	2022	2023
Workforce Demographic Data by Race & Ethnicity (All Employees - U.S. Only)				
Hispanic or Latino	2.8%	4.1%	3.9%	4.4%
American Indian or Native Alaskan	0.6%	0.7%	0.4%	0.3%
Asian	5.0%	4.4%	4.4%	4.4%
Black or African American	3.4%	3.3%	3.0%	3.1%
Native Hawaiian or Other Pacific Islander	0.6%	0.4%	0.6%	0.4%
Two or More Races (Not Hispanic or Latino)	2.5%	2.2%	2.2%	2.3%
White	85.0%	85.0%	85.5%	85.1%
Workforce Demographic Data by Gender (Senior Management⁴ - Global)				
Male	80.6%	73.4%	73.9%	71.9%
Female	19.4%	21.6%	26.1%	28.1%
Workforce Demographic Data by Race & Ethnicity (Senior Management⁴ - U.S. Only)				
Hispanic or Latino	-	-	-	1.7%
American Indian or Native Alaskan	-	2.9%	2.4%	1.7%
Asian	6.9%	5.7%	2.4%	3.4%
Black or African American	10.3%	14.3%	14.6%	12.1%
Native Hawaiian or Other Pacific Islander	-	-	-	-
Two or more races (Not Hispanic or Latino)	-	-	-	-
White	82.8%	77.1%	80.5%	81.0%
Age				
21-30	-	-	-	11.3%
31-40	-	-	-	33.1%
41-50	-	-	-	35.1%
51-60	-	-	-	17.4%
61-64	-	-	-	2.6%
65+	-	-	-	0.5%
Total workforce				1,011

¹ Data for 2024 is as of March 19, 2024 in line with the filing of our 2024 Proxy Statement.

² Inspire conducted two organization-wide employee engagement surveys in 2023, one in the spring and one in the fall. This figure reflects the participation rate on our more recent fall 2023 engagement survey. This was an increase over our spring 2023 survey, which had a participation rate of 76%.

³ Out of a possible 5 rating. Total satisfaction remained consistent at this level from our spring 2023 engagement survey to our fall 2023 engagement survey.

⁴ Senior management is defined as employees at the Director level or above.

	ACCOUNTING METRIC	SASB CODE	DESCRIPTION
Affordability & Pricing	Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index	HC-MS-240a.1	There were no price increases for all products in 2023. In 2022, we announced a 4.7% system price increase, 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 (over Inspire's history)	HC-MS-250a.1	TOTAL: 2, Class I: 0, Class II: 1, Class III: 1 ⁶
	Total units recalled (over Inspire's history)	HC-MS-250a.1	TOTAL: 155, Class I: 0, Class II: 148, Class III: 7 ⁷
	List of products listed in 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 product as reported in the FDA Manufacturer and User Facility Device Experience	HC-MS-250a.3	Two MDR reportable events; 2022 event – patient expired 6 days after receiving Inspire therapy due to surgical complications related to a spontaneous formation of a chest hematoma; 2023 event – patient expired 3 days after receiving Inspire therapy. Post mortem autopsy revealed a pulmonary embolism.
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type (over Inspire's history)	HC-MS-250a.4	1. Form 483s: One (2018) 2. Warning Letters: 0 3. Seizures: 0 4. Recalls: 2 2014 – Model 3032 patient sleep remote control, 7 units recalled due to labeling issues (Class III) 2018 – Model 3024 implantable pulse generator, 148 units recalled due to labeling issues (FDA Class II) 5. Consent decrees: 0

⁶ Class I and Class III unit data has been corrected as compared with the data reported in our 2023 ESG report published in December 2023. Recalled Class I units should have been reflected here as Class III units.

⁷ Class I and Class III unit data has been corrected as compared with the data reported in our 2023 ESG Report published in December 2023. Recalled Class I units should have been reflected here as Class III units.

	ACCOUNTING METRIC	SASB CODE	DESCRIPTION
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. Employees are prohibited from promoting "off-label" use (i.e., any unapproved use) of products consistent with applicable laws and regulations. These expectations are also outlined in our Code of Conduct, which all employees and individual contractors are required to read and certify they understand and will comply with the standards.
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 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.
	Total amount of products accepted for take-back and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	HCM-MS-410a.2	<ol style="list-style-type: none"> 1. Devices & Equipment: 0.13 metric tons of recycled medical devices from obsolesce⁷ 2. Supplies: 0 metric tons
Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier 1 suppliers' facilities participating in third-party audit programs for manufacturing and product quality	HC-MS-430a.1	<p>100%</p> <ol style="list-style-type: none"> 1. Total no. of entity's facilities: 1 2. Total no. of entity's facilities participated in third-party audit/certification: 1 3. Total no. of Tier 1 suppliers' facilities: 3 4. Total no. of Tier 1 suppliers' facilities participated 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 13-14.
	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 13-14.

⁷ Recycled devices and equipment data was previously reported as 0.41 metric tons in our 2023 ESG Report published in December 2023, and has been corrected in this report.

	ACCOUNTING METRIC	SASB CODE	DESCRIPTION
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	HC-MS-510a.1	\$0
	Description of code of ethics governing interactions with health care professionals	HC-MS-510a.2	Our Code of Conduct 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 10.
Activity Metrics	Number of units sold by product category	Quantitative	<ol style="list-style-type: none"> 1. Implantable Pulse Generator: 25,517 2. Stimulation Lead: 26,212 3. Sense Lead: 25,504 4. Patient Remote: 27,068 5. Physician Programmers: 1,043



No mask.
No hose.
Just sleep.TM