

# Report on People, Products, Governance and Environmental Issues

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## A Note from the CEO

Penumbra is a global healthcare company focused on innovative therapies. Since our founding in 2004, Penumbra's vision has been to build a business that focuses on bringing new treatments to help as many people as possible. For us, that means typically finding an area that no other company is in, or has succeeded in, and working tirelessly to innovate for years to perfect the treatment.

We have built a purposeful structure and culture at Penumbra that allows us to do this over and over and in a way that can scale as we grow. For Penumbra, Healthcare is not a sector or an industry – it is a calling where we want to help patients and their families suffering from serious medical conditions and at the same time try to reduce costs to relieve the financial burden on our society. I am incredibly proud that our company has positively impacted hundreds of thousands of patients and countless more family members during this same time frame.

Here are a few facts about the approximately 3,300 diverse people who work at Penumbra:

- More than half of our employees are female;
- Almost half of our Senior Management team are female;
- More than 75% of our employee population in the U.S. are from a minority background.

Employee diversity has been pivotal to our company's success. Working with people who are different from us broadens our perspectives and sharpens innovative thinking. Every day I see Penumbra employees working together to overcome hurdles that many others could not overcome. This is a result of an incredible environment where people are highly motivated to creatively solve problems. We care deeply about our employees and recognize that they are our greatest asset.

We are proud of our achievements to date and excited for our future. We shall continue to strive to positively impact as many people as possible. I firmly believe that our best years are ahead of us.

**Adam Elsesser**  
**President, Chairman and Chief Executive Officer**

## People

Penumbra, Inc. (“Penumbra,” the “company,” “we,” “us” or “our”) is changing the treatment paradigm of some of the world’s most challenging diseases. We recognize that our success begins with our people. Our company values a positive attitude, admission of mistakes, creativity and the ability to get things done. We pride ourselves on our innovative and collaborative work environment, which we believe has fueled 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.

### Our Workforce

We employ approximately 3,300 people worldwide.<sup>1</sup> Over 90%<sup>2</sup> of our employees work in the United States, the majority at our headquarters in Alameda, California. We have additional company facilities in the United States in Livermore, California; Roseville, California and Salt Lake City, Utah. We also have employees working remotely in 42<sup>3</sup> other States.

Internationally, Penumbra has employees working in company facilities in Berlin, Germany; Torino and Milan, Italy; Sydney, Australia and San Paulo, Brazil. We also have employees working remotely in another 27<sup>4</sup> countries.

### Diversity and Inclusion

Penumbra is proud to be an equal opportunity employer and to have an incredibly diverse employee population and leadership team. Some key statistics of our diversity are:

1. Over 50% of our employees are female;<sup>5</sup>
2. Almost half of our Senior Management team are female;<sup>6</sup>
3. More than 75% of our employee population in the U.S. are from a minority background;<sup>7</sup>

In 2018, the Center for Investigative Reporting, an independent, non-profit, investigative journalism organization, ranked Penumbra #1 for gender diversity out of almost 200 companies in Silicon Valley, as reported on the Reveal radio program on NPR.

Penumbra recognizes that diversity and inclusion in the workplace enhance employee engagement and stimulate innovation. We believe that people in diverse groups work better, share information more broadly and consider a wider range of views. We strive to foster an atmosphere where employees openly share ideas and where people are treated with dignity and respect. We do not tolerate harassment and have a clear Policy against Harassment, Discrimination and Retaliation, which confirms this commitment and describes our reporting and complaint procedures. Our goal is to provide a productive working environment based on mutual respect and the highest level of ethical and lawful conduct. Managers and employees in the United States are required to take harassment prevention training, and company employees worldwide are required to take implicit bias training.

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<sup>1</sup> Annual Report on Form 10-K, filed February 23, 2021.

<sup>2</sup> As of December 31, 2020.

<sup>3</sup> As of December 31, 2020.

<sup>4</sup> As of December 31, 2020.

<sup>5</sup> Annual Report on Form 10-K, filed February 23, 2021.

<sup>6</sup> Annual Report on Form 10-K, filed February 23, 2021.

<sup>7</sup> Annual Report on Form 10-K, filed February 23, 2021.

In response to the national discussion on racial injustice in the U.S. in 2020, Penumbra had a renewed focus on diversity, equity and inclusion. Many of our employees expressed a strong desire to engage in a constructive conversation to channel the collective anger, frustration, and distress. That energy led to the development of a company-wide approach that included opportunities for individual education and effort, specific internal company initiatives, as well as external initiatives and community outreach.

We pride ourselves on our diverse workforce, which we believe has been and will continue to be a major contributor to our growth and innovation, and intend to continue to make diversity and inclusion a cornerstone of our company.

### Hiring Policies

Penumbra's hiring policies are merit based. Employees are hired based on their experience and qualifications for the job and applicants go through an interview process. New employees at Penumbra undertake an orientation program, which aims to provide a broad introduction to the company, including Penumbra's values, culture and Quality Policy. Penumbra seeks to attract a diverse slate of candidates, including from historically underrepresented groups.

### Employee Communication

Penumbra aims to maintain an "open door" culture, and encourages employees to participate in decisions affecting them and their daily responsibilities. Penumbra encourages employees to voice their concerns, questions, suggestions and comments with their supervisor, Department Head, Human Resources and Senior Management. We have also established a confidential, anonymous hotline for employees to report suspected violations of law, accounting rules or our internal company policies (see below under "Governance-Whistleblower Policy"). In addition, Penumbra communicates more formally with employees across a variety of platforms, including the company intranet, company email and meetings.

### Compensation and Benefits

We pay our employees a competitive wage that is aimed to allow them to meet the standard cost of living in their region. We are continuously evaluating our compensation programs to ensure that our employees are paid fairly for the valuable work they are doing and we are rewarding outstanding performance. We are also committed to achieving internal pay equity. Unlike industry peers, Penumbra does not generally award annual monetary or stock grant bonuses. We find that incentivizing employees through a bonus scheme detracts from career development and teamwork performance, because the individual may focus on competition with colleagues rather than on the development of skills and the best interests of the overall business.

We offer our employees competitive benefits that follow applicable country standards. For example, our U.S. employees are offered medical, dental, vision and life insurance; a 401(k) match; and an Employee Stock Purchase Program. Additional voluntary insurance and other benefits are available for U.S. employees, and include critical illness insurance, legal services and more. New employees are eligible for benefits from the first day of employment.

We also support employees and their families with paid time-off. In the United States, Penumbra offers paid company holidays each year. Additionally, full-time employees in the U.S. get a minimum of three weeks of vacation, which increases commensurate to length of service, as well as paid sick leave each year. Employees are also allocated paid time off for bereavement leave. Penumbra encourages managers to offer employees flexibility for unexpected emergencies and other personal situations. Penumbra also

encourages employees to fulfill their civic responsibility by voting in official public elections and participating in jury duty. For example, Election Day 2020 was a paid company holiday for Penumbra's U.S. employees. Penumbra did this in recognition of the fact that COVID-19 might cause challenges to vote, and wanted its employees to be able to fulfil their civic responsibility without concern.

Penumbra offers parental leave benefits that are in line with or more generous than applicable country law. For example in the U.S., Penumbra provides base pay continuation at 100% to employees for 12 weeks for the purpose of bonding with a newborn child or a child recently placed with the employee for adoption or foster care. We also provide onsite facilities for nursing mothers.

We provide free car parking for employees at our U.S. facilities. Penumbra also offers tax free commuter benefits to employees in the U.S., and a transportation subsidy to employees in our Berlin facility, to encourage employees to use public transport. Our Alameda campus has access to a free shuttle bus to take employees to the nearest train station and ferry terminal. Penumbra's Alameda campus also has a purpose-built bicycle storage facility for those employees who choose to cycle to work.

### Working Environment

Penumbra's facilities are designed to support a collaborative and interactive work environment. Our Alameda campus currently has employees working across seven buildings and like functions are interspersed in open cubicles to encourage collaboration across departments. Employees are provided sit/stand desks and ergonomic process improvement services are available to reduce the risk of injury at work. Additionally, Penumbra makes all reasonable accommodations to enable employees with a disability to perform their jobs.

### Health and Wellbeing

We recognize the benefits of a healthy workforce. Penumbra's Alameda campus has an on-site restaurant that offers fresh food at discounted pricing for employees.

There is a fitness center located on the Alameda campus which is available free of charge for employee use and is open widely to ensure all employees have opportunity to use the facility. Penumbra engages qualified fitness instructors to offer exercise classes to its employees. Employees in the U.S. are also eligible for a gym discount at a commercial fitness chain.

Penumbra also supports the mental health of its employees by offering an Employee Assistance Program for employees and their families in the U.S., that provides free counseling sessions and offers other resources for employees.

*Healthy Penumbra* is a cross-functional, employee-initiated group, who volunteer their time providing opportunities to employees to encourage and support healthy lifestyles. For example, Healthy Penumbra organizes the Company's sponsorship of the Alameda Running Festival, organizes Mindfulness Sessions and an Annual Employee Walking Challenge. During the COVID-19 pandemic, Healthy Penumbra organized online exercise classes and meditation sessions.

We will continue to look for additional ways to support the health and wellbeing of our employees, whom we view as our most important asset.

## Employee Tenure and Turnover

Penumbra is proud to have loyal tenure among its employees. Over 4% of our U.S. workforce has been with Penumbra for more than ten years<sup>8</sup> and over 20% of our U.S. workforce has been with Penumbra for more than five years.<sup>9</sup> We are particularly proud of this, given that our company was only established in 2004 and had modest employee headcount for many years.

Penumbra's turnover has historically been lower than data reflecting industry market trends, including other companies in the U.S. Life Sciences Industry and the U.S. Technology Industry.<sup>10</sup> We believe that our lower turnover rate is evidence of the success of our culture based on cooperation and the satisfaction of our employees, which helps drive innovation and growth at our company through the long-term development of skills and experience among our workforce.

## Career Development and Learning

At Penumbra, we aim to foster a culture where learning is continuous, and strive to promote from within. We believe in our people and their ability to accept new responsibilities and challenges and to grow with us to contribute to Penumbra's success. Growth is fostered through professional development and learning programs, as well as practical experience leading projects or teams. We are proud to say that some of our most senior employees started at Penumbra in junior roles and have grown with the company. In addition to many department and role-specific trainings, we also offer more formalized opportunities for professional development and learning. Penumbra has a Training team that organizes learning opportunities for employees such as:

1. American Production and Inventory Control Society (APICS) certification;
2. Microsoft Office skills training;
3. English as Second Language classes; and
4. Management Coaching Programs.

Managers are encouraged to provide employee feedback on a regular basis and we are constantly seeking methods to improve the feedback loop. Employee performance reviews are generally scheduled for the employee's hire anniversary or milestone achievements. This is purposeful so that employees focus on their own progress instead of peer competition.

## Health and Safety

Penumbra prioritizes the health and safety of its employees. Guided by a strategic plan that is regularly reviewed, we have a dedicated Employee Health and Safety ("EH&S") team, who seek to prevent and reduce workplace risks and injuries through various programs, projects, services, and assistance, such as ergonomic evaluation, hazard reporting, risk assessment, and first aid training. Employees act to ensure that work areas are kept safe and free of hazardous conditions, and are conscientious about workplace safety including proper operating methods and identifying dangerous conditions or hazards. Penumbra employee safety is also supported by an access control system at all facilities and a dedicated 24/7 Security team on the Alameda and Roseville campuses.

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<sup>8</sup> As of December 31, 2020.

<sup>9</sup> As of December 31, 2020.

<sup>10</sup> Annual Report on Form 10-K, filed February 23, 2021.

Penumbra requires work-related injuries or illnesses to be reported, regardless of how minor an injury may appear. This information is reviewed monthly by Penumbra’s Safety Committee for analysis and trending.

We are committed to maintaining and improving the safety of our employees and our workplace. For example, we have taken a number of steps to address the impact of the COVID-19 pandemic on our employees, including continuing to pay employees impacted by the pandemic, avoiding layoffs, and implementing changes to how we manufacture our products and to other processes in order to prioritize the health and safety of our employees and to operate under the protocols mandated by local and state authorities, with measures such as changes to shift schedules, physical distancing, contact tracing, symptom assessments and other safety measures. We will continue to assess, identify and implement measures to support the health and safety of our employees during the pandemic.

## Community Outreach

Penumbra recognizes the value of investing time and resources to give back to the local community. Some examples of our community involvement include:

1. Grants and donations through Penumbra’s Health Care Compliance committee for research and industry efforts;
2. Strong employee volunteerism; and
3. Local community involvement.

*Penumbra Cares* is a cross-functional, employee-initiated group, who plan fundraising events and volunteer activities in the community. Examples of the activities of Penumbra Cares include:

1. Organizing an annual Food Fundraiser, where employees can purchase lunch prepared and donated by other employees, with all proceeds raised benefitting local organizations. Penumbra matches proceeds raised to increase the donation;
2. Coordinating employee volunteer opportunities at community events;
3. Fundraising activities for disaster relief; and
4. Coordinating Penumbra’s participation in an annual holiday toy drive for a local Children’s Hospital.

Penumbra is proud to partner with the Red Cross to offer bi-annual blood drives on our Alameda campus.

Penumbra also offers internship opportunities for high school and university students at our Alameda campus. Penumbra is committed to helping young adults in our community, especially those from underrepresented backgrounds, obtain the skills needed to achieve success.

## Our Products

We are proud of the products we manufacture, and are committed to producing innovative products that drive improved clinical outcomes for patients while maintaining the highest manufacturing and quality standards in compliance with applicable regulatory requirements.

## Research and Development

Our research and development team (“R&D team”) has a track record of product innovation and significant product improvements. Since our IPO in 2015, we have launched over 22 new products. We

pride ourselves on often being first to market with new technology, and aim to design products that positively impact as many patients as possible. Our design process is a continuous cycle and our employees tackle the same clinical problem from multiple dimensions and embrace growth and learning. Our culture empowers employees in our research and development efforts to believe anything is possible. Our R&D team is representative of our diverse employee population and this gives us a broad range of perspectives from which we can draw.

## Manufacturing

Penumbra's manufacturing facilities are located in Alameda and Roseville, California and we produce substantially all of our products in-house. We are committed to producing our products in the United States. The close proximity of our manufacturing facilities to our corporate headquarters is purposeful to enable fast and efficient collaboration and give us the ability to quickly iterate products.

Our manufacturing facilities are International Organization for Standardization ("ISO") 13485 compliant. We received ISO 13485:2016 certification of our Alameda facility in 2018 and successfully completed our most recent annual surveillance review in 2020. We received ISO 13485:2016 certification of our Roseville facility in 2020. In 2007, our Quality Management System was first audited to the European Union's Medical Device Directive in support of product CE marking, and we successfully completed our most recent annual surveillance review in 2020. We have elected to participate in the Medical Device Single Audit Program ("MDSAP") which allows for certification and review of compliance to standards and regulations required in the United States, Canada, Brazil, Australia, and Japan by a single auditing organization. We received our first MDSAP certification in 2018 and successfully completed our most recent annual surveillance review in 2020.

## Product Safety

Product safety and quality are priorities at Penumbra. We have established processes that aim to ensure our quality management system meets or exceeds international regulatory requirements and standards. A risk-based approach is applied to control the processes of our quality management system and is applied throughout the product life-cycle, 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 system requirements include reporting and communication with regulators to monitor and ensure the safety and effectiveness of our products.

## Quality Management System

The effectiveness of our quality management system is evaluated and improved through the establishment of the quality policy and 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 at meetings held as needed, but at a minimum, at least semi-annually. The goal of these meetings is to ensure that quality objectives are being met, that product risk is acceptable 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.

Penumbra's post-market product surveillance system requires the collection of product feedback related to any alleged deficiency or safety concern with the product. All Penumbra employees are required to report product feedback and are trained on Penumbra's complaint handling system. Product feedback is investigated and trended to detect potential safety or product performance issues. This trending is presented cross-functionally to discuss any product feedback and to inform our product risk management system.

Quality management system processes are internally audited at least annually on a continuous rolling cycle. Internal audits are performed to evaluate and determine the effectiveness of Penumbra's quality management system. Additionally, we have implemented internal staff training and education programs to ensure the competency of staff performing activities related to the quality management system.

## Supplier Quality

Penumbra is committed to conducting business with suppliers who adhere to ethical business practices and abide by applicable laws. We have established a risk-based assessment criteria for the selection and evaluation of suppliers. Product related suppliers are selected based on their compliance with ISO 13485.

We expect our suppliers to comply with environmental, health and safety laws and regulations; engage in sustainable practices, including with respect to manufacturing, transport, use and disposal of products; reduce negative impact on the environment; treat their employees fairly and with respect; provide a workplace free of harassment; comply with applicable laws related to minimum wage and working hours and provide employees with a living wage; uphold human rights; fight forced labor and human trafficking; comply with trade, antitrust and fair competition laws; prohibit bribery and corruption; and comply with applicable privacy laws.

Once a supplier is selected, we continue to re-evaluate it on a regular basis through periodic communication and audits as needed. We utilize long-term supply contracts to help maintain continuity of supply and manage the risk of price increases. Where possible, we seek second source suppliers or suppliers that have alternate manufacturing sites at which they could manufacture our parts.

As set forth in our Conflict Minerals Statement of Policy, we support responsible supply chain management and efforts to eliminate the use of tin, tantalum, tungsten, and/or gold from sources that could promote environmental and human rights abuses in the Democratic Republic of the Congo and adjoining countries. We expect our suppliers to undertake reasonable due diligence to avoid the use of such materials in the raw materials and components that they supply to Penumbra, and we work with our suppliers by, among other things, seeking conflict minerals declarations regarding the origin of the materials in order to promote responsible business practices, respect human rights and ensure that our products do not contribute to conflict.

## Governance

Penumbra is dedicated to corporate governance procedures and practices that are transparent, responsive to the interests of our stakeholders and compliant with applicable laws and regulations. Penumbra's standards for corporate governance are established by law, regulation and internal corporate documents and policies. Our corporate governance documents include:

1. Amended and Restated Bylaws;
2. Corporate Governance Guidelines;

3. Code of Business Conduct and Ethics;
4. Whistleblower Policy; and
5. Related Person Transaction Policy;

Copies of all documents listed above can be found on the Investors page of our company website, [www.penumbrainc.com](http://www.penumbrainc.com), under “Governance—Corporate Governance.”

### Penumbra Board

Penumbra is governed by a Board of Directors. A majority of our Board is comprised of directors who meet the independence requirements of the New York Stock Exchange (“NYSE”) as required by NYSE rules.

The Board meets in person at least once each quarter and holds other meetings as needed. Penumbra’s current Board is comprised of the following directors, including three female directors and three non-white directors:

1. Adam Elsesser – Director since June 2004 and Chairman of the Board since January 2015.
2. Arani Bose – Director since June 2004.
3. Don Kassing - Director since February 2008 and Presiding Director since August 2015.
4. Harpreet Grewal - Director since April 2015.
5. Tom Wilder - Director since January 2017.
6. Bridget O’Rourke - Director since April 2017.
7. Janet Leeds - Director since January 2019.
8. Surbhi Sarna – Director since July 2019.

Each of our directors was purposefully nominated and appointed by the Board, including consideration of diversity in backgrounds and experience, and is subject to re-election by our stockholders every 3 years. We believe that our Board members, in the aggregate, possess the skills, experience and backgrounds to support the needs of our company, our stockholders and our other stakeholders. In addition, the variance in tenure of our Board members enables them to balance familiarity with fresh perspectives.

While our Chief Executive Officer also serves as our Board chair, Penumbra does not designate a lead director, as it recognizes that all directors are elected by stockholders and should have an equal voice. The Board also designates a Presiding Director to lead the meetings of the independent directors.

### Board Remuneration

We believe that Penumbra’s non-employee directors should hold meaningful equity ownership positions to align their interests with those of our stockholders and foster a long-term outlook. Penumbra has stock ownership guidelines requiring each non-employee director to hold a minimum number of shares of Penumbra’s common stock. Each non-employee director also receives a standard annual cash retainer.

### Committees

Penumbra’s Board has an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee (the “NCG Committee”). Each of these Committees operates pursuant to its own written charter, which set forth the purpose, goals and responsibilities of the particular committee, the procedures for committee member appointment and removal and committee structure and operations. The charters also require an annual evaluation of each committee’s performance. Each committee is comprised solely of independent directors.

## Audit Committee

The Audit Committee is responsible for overseeing the integrity of Penumbra’s financial statements, the performance of its independent auditor and internal audit function, complaints submitted through the company’s whistleblower hotline (see below under “Whistleblower Policy”), and compliance by Penumbra with legal and regulatory requirements. Pursuant to NYSE rules, at least one member of the Audit Committee is a financial expert and has accounting or financial management expertise.

## Compensation Committee

The Compensation Committee is responsible for overseeing Penumbra’s executive compensation and benefits programs and policies, evaluating executive officer performance and compensation, reviewing and assessing risks arising from the company’s employee compensation policies and practices, and reviewing its management succession plan.

## Nominating and Corporate Governance Committee

The NCG Committee is responsible for identifying qualified Board candidates, recommending director nominees and appointments to Board committees, evaluating Board performance, reviewing and approving director compensation and overseeing compliance with Penumbra’s Corporate Governance Guidelines and Code of Business Conduct and Ethics. At least once each year, the NCG Committee undertakes:

1. Leading the Board in a self-evaluation to determine whether the Board and its committees are functioning effectively; and
2. Reviewing and reassessing the adequacy of our Corporate Governance Guidelines and Code of Business Conduct and Ethics and recommending any proposed changes to the Board.

## Corporate Governance Guidelines

Penumbra has adopted Corporate Governance Guidelines regarding the size, composition and operation of our Board that are overseen by the NCG Committee. The Corporate Governance Guidelines help ensure that our Board functions effectively to meet the needs of our company, our stockholders and our other stakeholders. The Corporate Governance Guidelines require the NCG Committee to periodically review the size and composition of the Board and to review outside activities of our directors to prevent any conflicts of interest or other situations that could negatively impact the functioning of the Board. The Corporate Governance Guidelines also set forth expectations regarding Board conduct, including preparation for and participation in Board meetings, the setting of Board meeting agendas, the role of the Board chair and Chief Executive Officer, meetings of the independent directors, the functioning of Board committees, Board access to management and independent advisers, director education, and Board communications with stockholders and other third parties.

## Code of Business Conduct and Ethics

Penumbra has adopted a Code of Business Conduct and Ethics (the “Code”) that sets forth key principles that govern the conduct of our employees, including officers, and directors. Penumbra strives to foster a culture of honesty, integrity and accountability. We are committed to the highest level of ethical conduct, which we aim to achieve in all our business activities including interactions and relationships with employees, customers, suppliers, competitors, the government, the public, and our stockholders. All employees, including officers and directors, are provided training on the requirements and expectations set forth in the Code and are expected to comply with all provisions of the Code.

## Healthcare Compliance Program

Penumbra's Code of Business Conduct and Ethics states, "No bribes, kickbacks or other similar payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action." To support this important obligation and meet its other healthcare compliance obligations, Penumbra has implemented a robust compliance program to ensure adherence to applicable statutes, regulations, directives and other sources of industry guidance domestically and internationally. Penumbra's compliance program includes, but is not limited to, the following elements:

1. Healthcare Compliance Committee ("HCC"): The HCC reviews and approves transactions involving healthcare professionals and/or healthcare organizations. The HCC objectively evaluates requests related to grants, sponsorships of third-party congresses and medical education programs based on legitimate need, educational content and scientific research. This committee is comprised of senior executive management members, including Penumbra's General Counsel, and operates independently from the commercial part of the organization.
2. Transparency reporting: Penumbra monitors and tracks applicable transfers of value to health care professionals and teaching hospitals in the U.S. pursuant to the Physician Payments Sunshine Act. This data is reported annually to the Centers for Medicare & Medicaid Services ("CMS") and becomes available to the public through the CMS Open Payments database. Penumbra also reports transfers of value in accordance with applicable global transparency requirements such as the French Sunshine Act generally known as Loi Bertrand.
3. Anti-bribery and anti-corruption ("ABAC") compliance: Penumbra conducts thorough due diligence for all distributor partners and regulatory agents partnering with Penumbra outside of the U.S. Appropriate internal controls and training programs are in place to help provide ABAC compliance program oversight and visibility. Employees are informed that bribes, kickbacks, or other similar conduct are subject the employee to disciplinary action as well as potential civil or criminal liability for violation of Penumbra's policies and applicable law.

## Whistleblower Policy

Penumbra has adopted a policy for reporting concerns related to accounting, auditing, and ethical violations (the "Whistleblower Policy"). The policy sets forth the procedures for the submission (including on a confidential or anonymous basis through a hotline) and oversight of these concerns by the Audit Committee and the company's General Counsel. The hotline also functions as a way for employees to give anonymous feedback on any matter, not just those listed in the Whistleblower Policy. Any complaints made to the hotline or otherwise under the Whistleblower Policy are shared with the Audit Committee at each quarterly meeting.

## Related Person Transaction Policy

Penumbra has adopted a policy for the reporting and review of all transactions in which our company is a party and in which one of our officers, directors or major stockholders has a direct or indirect material interest. The policy sets forth the procedures for the reporting to, and review and approval of any such proposed transactions by, the NCG Committee. Penumbra is committed to ensuring that all transactions undertaken by the company are on arm's-length terms and in the best interests of our stockholders, and to publicly disclose any related party transactions as required by applicable securities laws.

## Compensation Recoupment Policy

We maintain a formal policy stating that, in the event that the company is required to prepare an accounting restatement due to the material noncompliance with any financial reporting requirement under the securities laws, we will recover from any current or former executive officer who received incentive-based compensation (cash or stock subject to performance-based vesting) during the three-year period preceding the date on which we are required to prepare an accounting restatement, based on the erroneous data, the excess of what would have been paid to the executive officer under the accounting restatement. We believe this reduces incentives for our executive officers to engage in short-term decision-making which may have negative consequences over the long term.

## Securities Trading Policy

Penumbra is committed to complying with laws and regulations concerning trading in the company's securities, and has adopted a Statement of Policy Concerning Trading in Company Securities (the "Securities Trading Policy"). The Securities Trading Policy sets forth rules and procedures regarding trading in the company's securities by employees, including officers, and directors, including a prohibition on trading while in possession of material inside information (or providing such information or recommendations to buy or sell company securities to others) and a requirement that all proposed trades must be reviewed and approved by the company's General Counsel or designee. The Securities Trading Policy also includes a prohibition on engaging in any transactions that are designed to hedge or speculate on any change in the market value of the company's securities.

## Regulation FD Disclosure Policy

We believe that it is important for our company to disclose important information in a manner that complies with all applicable securities laws, including Regulation FD. Therefore, we have adopted a policy setting forth procedures aimed to ensure that such information is disclosed in a manner that is reasonably designed to provide broad, non-exclusionary distribution to the public in compliance with Regulation FD.

## Environment

Penumbra is committed to conducting its business in compliance with all applicable environmental laws and regulations and to reducing its impact on the environment wherever possible. Penumbra products are typically single-use sterile devices and Penumbra is committed to manufacturing our products in the United States. Both these factors naturally limit our ability to completely reduce our environmental footprint. Notwithstanding this, in furtherance of our commitment to the environment, we have adopted an Environmental Policy, pursuant to which we have committed to, among other things:

- Minimize our electrical consumption;
- Recycle, reuse and reduce our use of resources such as paper, metal, gloves, wood and electrical cabling;
- Manage our hazardous wastes and emissions from operations;
- Utilize product packaging that incorporates recyclable materials and efficient design;
- Evaluate the environmental policies and responsibilities of vendors and suppliers as part of our selection process;

- Implement and reinforce our environmental policies through training programs and educational efforts to increase employee awareness; and
- Monitor our progress through regular assessments.

We have not received any regulatory notices regarding material environmental issues in our history, nor are we aware of any regulatory notices or complaints raised regarding environmental matters against any of our suppliers in respect of the products we manufacture.

### Product Packaging

The boxes in which our products are packaged are made from 100% natural wood fiber and are 100% recyclable. The inks used are vegetable based and the coating is water based, allowing the box to be entirely compostable.

In addition, we ship our products in boxes and packaging produced with recyclable materials. When possible and when patient need is not compromised, we ship products together to reduce the overall environmental impact of both shipping materials and transportation.

### Campus Improvements

We have a dedicated in-house Facilities team that regularly reviews our campuses and makes improvements where needed. We recently undertook an effort to upgrade our Alameda campus to have energy efficient LED lighting. We have installed LED lighting inside all common areas, in all outdoor spaces and are currently in the process of installing all LED lighting in our clean room production spaces in Alameda. Our facility in Salt Lake City is fitted with LED lighting and our manufacturing facility in Roseville uses improved, energy efficient HEPA filter technology.

Penumbra has further affirmed its commitment to the environment by installing electrical vehicle chargers at our Alameda and Roseville campuses for employee use.

### Recycling

Penumbra complies with all local and state laws regarding recycling. In addition to its regular garbage service at our Alameda campus, Penumbra has an organics and recycling collection service. All waste is sorted for recycling: food scraps, compostable paper and plant debris are placed in organics collection containers and paper products, food and beverage containers and plastic bottles are sorted for recycling.

Penumbra also has a robust recycling program for both office and manufacturing functions.

1. Glove Recycling program: Gloves used in our manufacturing process are recycled through the Kimberly-Clark Professional RightCycle program. This Program is focused on taking used, personal, protective equipment, such as gloves, and converting such equipment into new products such as plastic outdoor furniture and planter boxes. In 2019, Penumbra recycled 20,162 lbs. of gloves using this program. The program was suspended by the vendor during the COVID-19 pandemic, and Penumbra intends to participate again once the program recommences.
2. Recycling of scrap materials: As much as possible, Penumbra recycles all excess raw materials used in our manufacturing process. For example, all scrap platinum and silver-plated copper used in Penumbra's production process is collected and sent to a vendor to be melted down and recycled.
3. Recycling of office materials: Printer toner is recycled through our office supplier and obsolete printing and documents are shredded and sent to a vendor for recycling.

4. Since 2018, Penumbra has invited its employees to recycle their personal e-waste and documents from their homes. This collection has traditionally been conducted as part of a company celebration of Earth Day. All collected e-waste is shipped to an authorized recycling company.

### Disposal of Hazardous Waste

Penumbra is committed to, and has a detailed process for, the proper handling and disposal of hazardous waste. Only properly trained employees wearing the appropriate personal protective equipment are permitted to handle hazardous waste. All hazardous waste must be segregated and collected in properly sealed containers, which are labelled with the exact chemical contents of all ingredients in the mixture; the estimated chemical concentrations of waste in the container; and the date the waste chemical was initially placed in the container.

Once hazardous waste is collected at a Penumbra facility, it is stored in a secure area before being collected by our authorized hazardous waste vendor. All hazardous waste liquids are stored in approved containers with secondary containment to prevent environmental contamination in the event of a leakage or spill.

### Modernizing with Technology

As part of its constant process of iteration, Penumbra's increasing use of technology has also demonstrated its commitment to work in an environmentally friendly way. For example, Penumbra has recently reduced the amount of paper used in our manufacturing process by moving to record all device manufacturing history electronically. Similarly, improved use of communication technology and electronic signature capability has led to a reduction in printing and reduction in the need to transport employees between facilities.