TransMedics®

Environmental, Social & Governance

2022 Report

About this report

This report includes disclosures that are informed by the Sustainability Accounting Standards Board (SASB) standard for the Medical Equipment & Supplies industry. All financial information is reported in U.S. dollars, and unless otherwise stated, this reporting covers fiscal years 2020, 2021, and 2022, as well as some key activities that occurred in 2023.

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Forward-Looking Statements

This report contains forward-looking statements with respect to, among other things, increasing the number of organ transplants worldwide and improving outcomes for transplant patients; the OCS and the National OCS Program becoming the new standard of care for solid organ preservation; our ability to improve reimbursement coverage, payor designations, and the overall financial profile of transplant programs; developing a formal DE&I policy, establishing various vehicles to support employees of diverse backgrounds, and conducting DE&I-focused training sessions; our workplace safety goals; implementing additional targeted training opportunities to raise employee awareness and build competency around specific compliance topics; completing a third-party audit of our cybersecurity capabilities next year; maintaining sufficient levels of inventory to mitigate against potential supply disruptions; developing innovative ways to further reduce the size, weight, and power consumption of our consoles; and reducing the size of our perfusion sets and their respective packaging. These forward-looking statements are subject to a number of risks and uncertainties. Our management cannot predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in or implied by any forward-looking statements we may make. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this report may not occur and actual results could differ materially and adversely from those anticipated in or implied by the forward-looking statements. Factors that could cause actual results to differ materially include: our ability to attract and retain key personnel; our ability to expand access to OCS through the National OCS Program; our ability to scale our manufacturing capabilities; our ability to improve the OCS platform; our ability to maintain regulatory approvals or clearances for our OCS products in the United States and the European Union; performance of our third-party suppliers and manufacturers; our manufacturing, sales, marketing and clinical support capabilities and strategy; supply chain disruptions; attacks against our information technology infrastructure; the economic, political and other risks associated with the locations in which we conduct operations; regulatory developments in the United States, European Union and other jurisdictions; the impact of any product recalls or improper use of our products; and other factors described in our filings with the Securities and Exchange Commission (the "SEC"), including under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 27, 2023, and comparable disclosure in our subsequent filings with the SEC. We will make additional information available in our annual and quarterly reports and other filings with the SEC. The forward-looking statements in this document speak only as of the date of this report. Factors or events that could cause our actual results to differ may emerge from time to time, and we are not able to predict all of them. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by applicable law.

TransMedics

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A Message from our Founder, President, and CEO

TransMedics was founded in 1998 to address the growing need for more and healthier organs for transplantation. Today, donor organs are significantly underutilized in the U.S., preventing thousands of patients suffering from end-stage heart, lung, and liver failure from receiving potentially life-saving transplant therapy. We believe that transplant volumes have been significantly restricted by the limitations of the decades-old standard of care – cold storage. Many of us at TransMedics have dedicated our professional careers to changing this picture.

During my surgical training, I recognized during my first heart transplant procedure that the donor heart – the organ I had planned to dedicate a decade of training to protect during cardiac surgery procedure – would be placed in the equivalent of a plastic freezer bag and placed into a simple picnic cooler. At that moment, I realized that there had to be better, more physiologic ways to preserve organs for transplantation.

Our revolutionary technology – the Organ Care System (OCS™) platform – is designed to overcome the limitations of cold storage by keeping donor organs in a functioning, living state outside of the human body. This process allows for protection from injury that occurs during cold storage and allows physicians to assess donor organs before transplant procedures. As a result, the OCS platform increases organ utilization, improves patient outcomes, and reduces transplant costs. By enabling more organ transplant procedures to occur, the OCS platform is helping to increase the number of available organs so that patients suffering from end-stage organ failure can be given a new life.

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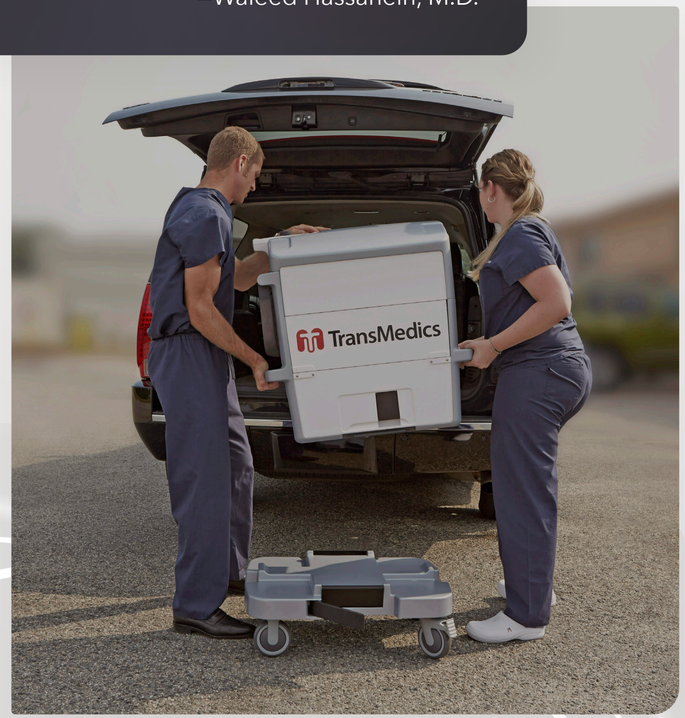
We believe that transplant volumes have been significantly restricted by the limitations of the decades-old standard of care – cold storage. We are committed to changing that.

–Waleed Hassanein, M.D.



Transplantation has always been a collaborative effort. Successful organ transplant procedures require significant coordination and contributions from multiple parties, including donors, their families, skilled surgeons, technology systems and other healthcare providers. To further support transplant patients and other stakeholders, we developed a national program to facilitate the use of our OCS™ platform to help increase utilization of donor organs for transplantation. The program enables us to standardize the clinical quality of donor organ surgical procurement, management of the organ on the OCS technology, and organize the complex logistics required to move organs from donors to intended recipients. This process ensures the delivery of best-in-class clinical services, which leads to better clinical outcomes because transplant centers are able to focus exclusively on recipient care.

As we bring organ transplantation into the future and expand our business, we will never lose sight of the organ donors and their families, whose selflessness makes our work possible and enables our transplant recipients to receive better care. This focus on our stakeholders is inherent in our mission and forms the basis for our approach to Environmental, Social, and Governance (ESG). We strive to continuously improve the supply and post-transplant clinical outcomes for organ transplant patients, and we want to do so by operating responsibly and sustainably. Our Board of Directors, management team and employees recognize the importance of key ESG issues that drive the long-term sustainability of our business for the benefit of all our stakeholders. We continue to make significant investments in the capabilities of our workforce, which has nearly doubled in size over the past few years. We have also taken measures to evaluate the environmental footprint of our products with the goal of optimizing and extending their lifecycle. Our ESG journey is ongoing. This inaugural report is part of that journey as we continue to enhance our performance in the years ahead.

Our success is driven by working together with physicians, surgeons, and innovators to provide the best possible outcomes to those in need of organ transplantation. As we continue to push the boundaries of what is humanly possible, we look forward to providing further updates on our progress.

Sincerely,

Waleed Hassanein, M.D.

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Environmental, Social & Governance (ESG) at TransMedics

Over the past several years, we have taken steps to formalize our approach to ESG. In February 2022, the Nominating and Corporate Governance (N&CG) Committee updated its charter to reflect its oversight of the company's policies and practices regarding corporate social responsibility and environmental sustainability. We also established executive level accountability for our ESG program, which at present is dually managed by our Chief Financial Officer and Vice President of Human Resources, who provide regular reports to the N&CG Committee about the status of ESG matters relevant to our business.

In developing this inaugural report, we systematically identified our highest priority ESG issues, assessed our performance across these areas, and began developing a roadmap for ongoing enhancement. Our reporting was guided by leading ESG reporting standards, in particular the Sustainability Accounting Standards Board (SASB) standard for our industry, and supplemented by analysis of third-party rating agency reports, peer benchmarking, and input from key stakeholders, such as investors and employees.

Over time, we intend to increase our transparency about our ESG initiatives and look forward to gathering feedback from our stakeholders as our ESG journey continues.

Transforming Organ Transplantation Therapy Worldwide

Mission and Vision

At TransMedics, our mission is to be the trusted partner of transplant stakeholders worldwide and deliver the highest quality technology, services, and clinical care to save patients' lives. We were founded to address the unmet need for more and better organs for transplantation, with a specific focus on heart, lung, and liver transplants.

Every organ wasted is a life not saved. We believe the complete solution combining the Organ Care System (OCS™) multi-organ platform along with our National OCS Program (NOP) provides a great opportunity to increase the number of organ transplants worldwide and improve outcomes for transplant patients. Our vision is that the OCS and the NOP will become the new standard of care for solid organ preservation to expand access of the life-saving transplant therapy for patients suffering from end-stage organ failure.

To help save more patients' lives, by becoming the trusted partner to transplant stakeholders worldwide and delivering the highest quality technology, service and clinical care.

To increase the number of organ transplant procedures and expand access to the life-saving transplant therapy for patients suffering from end-stage organ failure, by establishing the Organ Care System (OCS™) as the new standard of care for solid organ preservation worldwide.

INTEGRITY: We hold ourselves and our partners to the highest level of integrity and ethical standards

PATIENT-CENTERED: Everything we do is laser focused on the best interest of our patients and saving their lives

GRIT: We are tenacious, resilient and unrelenting even in the face of the most daunting challenges

RESPECT: We respect each other and our community – our diversity is one of our greatest strengths

TEAMWORK: We are all One Team "TMDX Team"

PIONEERS: We do things that few thought possible

Transforming the Standard of Care for Organ Transplantation

We aim to develop solutions that will improve patient outcomes and significantly increase donor organ utilization, thus increasing equity and accessibility to life-saving transplant therapy and saving costs for the healthcare system. We developed the FDA-approved OCS platform to replace the decades-old static cold storage standard of care that significantly limits access to transplant therapy for hundreds of thousands of patients worldwide. The majority of organs available for donation are not utilized for transplantation due to the limitations of cold storage preservation, which entails putting organs on ice in a cooler. The use of cold static storage for donor organs limits their preservation in three ways:

Cold Ischemia

Cold storage deprives the organs from oxygen, resulting in time dependent injury (ischemia). Organs that are maintained in this ischemic state, with no blood supply, for an extended period of time can result in permanent organ damage. This restricts the viable time for organ procurement and transplantation, limiting the number of transplant procedures performed annually.

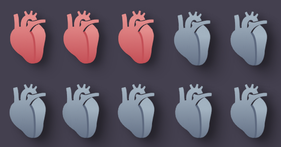
No Organ Assessment

Because organs placed in cold storage are neither functional nor metabolically active, they cannot be assessed for their viability for transplantation. For this reason, surgeons reject a majority of the organs that are available and only accept organs they are confident are suitable and safe to transplant.

Lack of Organ Optimization

While donor organs require some form of optimization to replenish depleted levels of substrates, hormones, and electrolytes that are significantly altered or used up during the donation process, cold storage does not allow for any therapeutic interventions to optimize the condition of the donor organs.

Every organ wasted is a life not saved



With cold storage, **only 3 out of every 10** donated hearts are used for transplant

Source: OPTN Scientific Registry of Transplant Recipients (SRTR)

Lung failure

>12 mil AMERICANS

are diagnosed with COPD[1]

Heart failure

~650 k AMERICANS

are diagnosed with CHF[2]

Liver failure

~2.8 mil PATIENTS

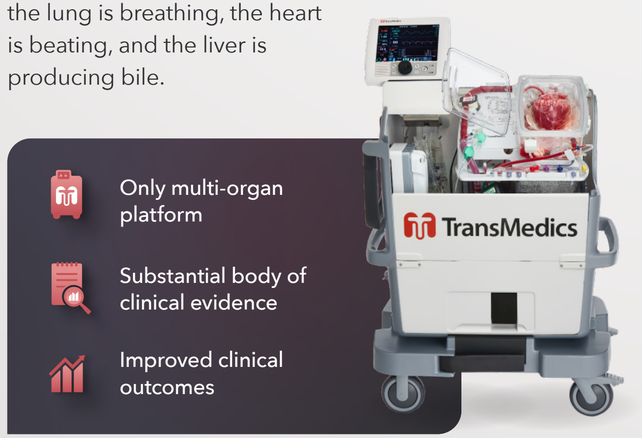
are diagnosed with Liver Cirrhosis[3]

[1] Chronic Obstructive Pulmonary Disease. NIH, 2010

[2] Congestive Heart Failure. Mancini et al. JACC, 2015

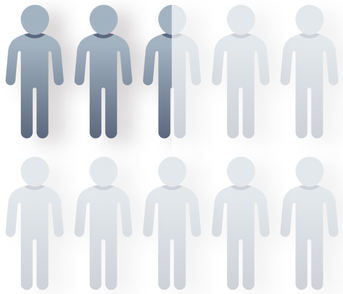
[3] Global Burden of Disease Study. Lancet

We developed the OCS platform to comprehensively address the major limitations of cold storage for organ preservation, creating a dynamic environment that enables new capabilities for transplantation. The OCS is a portable organ perfusion, optimization, and monitoring system that utilizes our proprietary technology to replicate near-physiologic conditions for donor organs outside of the human body. The OCS was designed to perfuse donor organs with warm, oxygenated, and nutrient-enriched blood, while maintaining the organs in a living, functioning state; the lung is breathing, the heart is beating, and the liver is producing bile.



Our platform maximizes organ utilization by decreasing time and distance limitations on organ transport and significantly reducing ischemia. The OCS also enables optimization and clinical assessment of the donor organ viability for transplantation to maximize clinical confidence to transplant organs to recipients in need. This revolutionary technology allows physicians and institutions to maximize the potential of donor hearts, lungs, and livers while monitoring each organ throughout the entire process, ensuring transplant teams can preserve organs in an optimal condition.

With Cold Storage



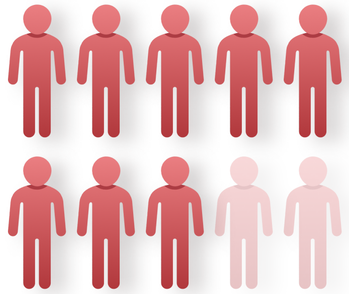
Only 2-3 out of 10 donated thoracic organs are able to be used for transplant[1]

- Severe time-dependent injury (ischemia)
- No organ optimization capabilities
- No assessment of organ viability
- 30-35% post-transplant complications[2]

[1] 2021 U.S. Organ Procurement and Transplant Network (OPTN)

[2] The Lancet Respiratory Medicine Journal; Results of OCS Lung INSPIRE Trial; Singh et al.; ISHLT Primary graft dysfunction Incidence, Risk factors and Outcomes ; Transplantation 2019; Vol 103, No.2 336-343.

With OCS Technology



OCS can help deliver a significant increase in organ utilization

- Significant reduction in ischemia
- Enables organ optimization outside of the human body
- Allows for organ viability assessment
- Significant improvement of clinical outcomes*

*The Lancet Respiratory Medicine Journal; Results of OCS Lung INSPIRE Trial; Results of OCS Heart EXPAND Trial

The OCS represents a paradigm shift in organ preservation that allows more organs to remain usable for longer and reach patients in better condition, increasing utilization of donor organs and improving post-transplant outcomes. In 2021, according to the Organ Procurement and Transplantation Network (OPTN), there were 13,863 deceased donors in the U.S. that agreed to donate their organs for transplant, of which, only 3,817 hearts, 2,524 lungs, and 9,236 livers were transplanted. This left the majority of deceased donor organs unutilized for transplantation due to limitations of the historical cold storage technique. This severe underutilization of deceased donor organs is devastating and limits the access of the most effective therapy for chronic end-stage organ failure. Furthermore, the waiting list for patients in need of heart, lung, and liver transplantation is growing on an annual basis as population demographics shift.

In our clinical trials, we have been able to achieve 80% to 90% utilization of donor organs using the OCS compared to the 20% to 30% utilization rate for cold storage. As a result, OCS enables donor organs that were previously considered “marginal” or “extended criteria” to be transplanted to patients in need and with excellent post-transplant clinical outcomes. These clinical trials showed that donor organs transplanted using OCS are associated with a 40% to 65% reduction in severe post-transplant complications.

OCS™ Impact on Post-Transplant Clinical Outcomes

OCS™ Lung Clinical Outcomes

87%

Utilization of unused lungs from DBD & DCD donors – good outcomes

50%

Reduction of severe post-transplant complications

OCS™ Heart Clinical Outcomes

81%

Utilization of unused hearts from DBD donors – good outcomes

65%

Lower severe post-transplant complications

95%

Patient survival after DCD donor heart transplant

OCS™ Liver Clinical Outcomes

2x

Rate of DCD donor liver utilization

43%

Reduction of severe post-transplant complications

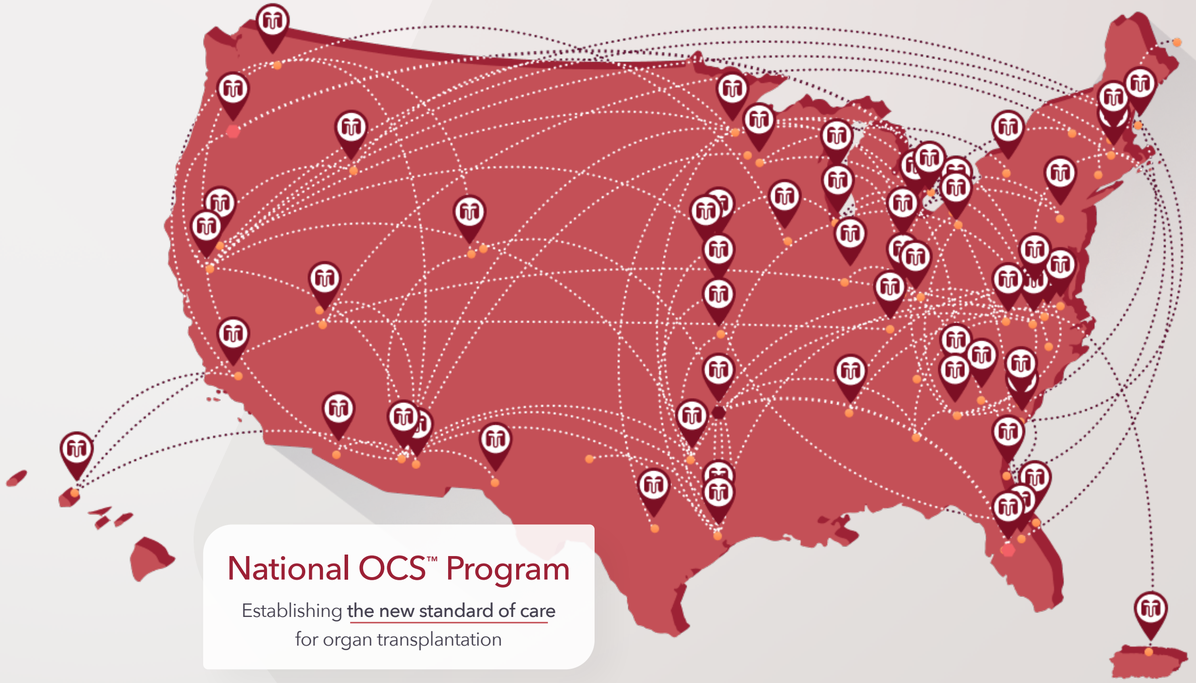
84%

Reduction in long-term biliary complications

Increasing Access to Transplant Therapy

A key aspect of the limited access to transplantation today is the shortage of available organs. Since organs are not always readily available, healthcare providers need to make difficult decisions about which patients may receive organs. Due to this limited supply, organs may go to recipients who have greater resources or a greater ability to follow post-transplant regimens. Every year, about 20% of patients die on the waiting list awaiting an organ transplant, and an even larger number of patients never get to the waiting list because their chances of receiving an organ transplant are very low.

We believe that increasing the number of available organs will allow organs to be more fairly allocated and distributed to the patients who need them most. To support this objective, we created the NOP, a first of its kind integrated model to maximize organ utilization in the U.S. The NOP provides end-to-end technology and expert clinical services to maximize transplant volume, enhance clinical outcomes, and reduce learning curves on new centers adopting the OCS. This allows transplant centers to better manage their human capital and overall clinical resources.



The NOP is a turnkey solution for transplant centers that provides outsourced organ retrieval and organ management, creating a more efficient process that reduces logistical barriers associated with transplantation.

The NOP also resolves the problem of allocating organs on a regional basis because the OCS perfusion technology enables national access to recovered hearts, lungs, and livers.

We aspire to become a national clinical service provider of organ retrieval and perfusion service to transplant centers throughout the U.S. We have achieved broad geographical coverage for the NOP through dedicated launch points across the country and collaboration with leading transplant programs and Organ Procurement Organizations (OPOs) nationwide. We believe this program has the potential to accelerate adoption of the OCS as the new standard of care, maximize utilization of donor organs for transplantation, and deliver better clinical outcomes.

Value to Patients, Providers, and Payors

All stakeholders – patients, healthcare providers, and payors – benefit from more transplants, and the OCS platform provides significant benefits across the transplant continuum. By increasing organ utilization and enabling more transplants to be performed, we are creating value for health systems. Transplantation is the most economical treatment for patients with end-stage organ failure because it increases life expectancy and quality of life. Patients who do not receive a transplant usually live much shorter, more challenging, and often very expensive lives at the end-of-life stage. Transplant patients who receive organs preserved with OCS also have fewer complications, resulting in shorter hospital stays and fewer expensive interventions. Moreover, improvements in clinical outcomes for patients through the OCS could enable providers to improve their post-transplant survival metrics and other measurements of quality for their transplant program. Improvements on these metrics could improve reimbursement coverage, payor designations, and the overall financial profile of transplant programs.

To date, the use of the OCS has resulted in more than 3,000 organs transplanted. As we strive to establish the OCS as the standard of care, we hope to see the number of transplants using OCS grow significantly over the next several years.

Transplant patients who receive organs preserved with OCS also have fewer complications, resulting in shorter hospital stays and fewer expensive interventions.

Research and Development

We have a long history and broad experience in developing new innovations for organ preservation, and we continue to add technological enhancements to our devices. We have initiated the development of the next generation multi-organ platform to improve usability, incorporate new technology and automation, and facilitate the use of the OCS in our NOP.

Policy and Advocacy

We recognize that transplantation has always been a collaborative effort. Successful organ transplantation requires significant coordination and contribution from multiple parties, including donors, their families, skilled surgeons and transplant programs, technology systems, OPOs, the Organ Procurement and Transplantation Network (OPTN) run by the United Network for Organ Sharing (UNOS), and many other healthcare providers. We are committed to working with all current U.S. transplant stakeholders to develop and provide the best possible outcomes to those in need of organ transplantation.

We have engaged organizations such as the Centers for Medicare and Medicaid Services (CMS) regarding the current state of the heart, lung, and liver transplant ecosystem. We have pointed out structural issues to CMS regarding transplant funding, which is predominantly focused on kidney transplants. We have called on CMS to modernize the current transplant system by creating a new, nationwide paradigm specializing in non-renal organs (heart, lung, and liver) that leverages the latest FDA-approved technologies. We believe CMS has an incredible opportunity to increase transplantation, save government and healthcare costs, and improve patient outcomes in the coming years, as well as maximize access for patients across the U.S. to life-saving transplant procedures.

Pricing

Our pricing is standard throughout the U.S. market. We charge the same price to all customers for the same product and service and do not accept “most favored nation” clauses in customer contracts. Customers purchase our products directly from TransMedics and do not go through third parties or intermediaries. Outside of the U.S., pricing may be influenced by national healthcare system funding models, particularly in the E.U.

Corporate Philanthropy in Support of Organ Transplantation

We focus our charitable activity on providing financial support to groups involved in the many areas of transplantation. Among these are patient groups such as the Heart Brothers, which consists of heart transplant survivors and advocates. We also support annual transplantation fundraising events such as Transplant Rocks, which supports the Cleveland Clinic Transplant Patient Assistance Fund.

We provide research grants to educational institutions studying the use of machine perfusion for organ transplants. These institutions include:

1. Mass General Brigham
2. Duke University Medical Center
3. Baylor St. Luke’s Medical Center
4. The International Society for Heart and Lung Transplantation (ISHLT) Foundation
5. University of Texas Southwestern Medical Center

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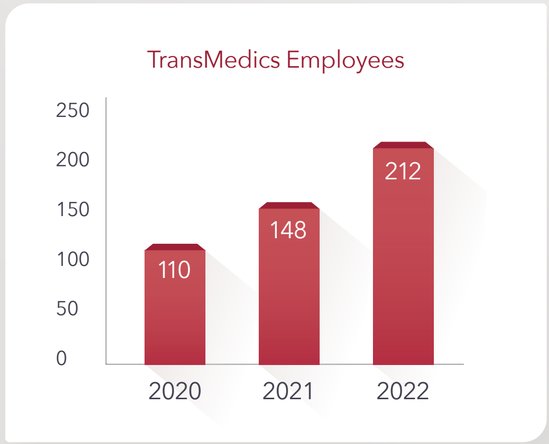
People

Our Culture and Values

We are revolutionizing what is possible in organ transplant through innovation, collaboration, and commitment. Our Mission, Vision, and Values guide our actions as we work together to make a difference for transplant patients.

We strive to foster an inclusive, engaging, and safe work environment where employees want to grow their careers. Over the past three years, we have nearly doubled the number of employees at TransMedics to support our ambitious growth plans.



Compensation and Benefits

Our compensation and benefits programs are designed to enable us to attract, retain, and motivate the best talent, and recognize and reward our employees that go above and beyond to contribute to the success of the company.

Our compensation strategy is focused on long-term success and continued growth. We reward results and the demonstrated behaviors that lead to company and individual success. Our compensation framework includes market competitive base pay, performance based short-term incentives in the form of cash bonuses, and long-term equity incentives for defined roles within the company based on performance. We utilize benchmarking on a regular basis to evaluate the competitiveness of our programs.

Our benefits strategy encompasses a six category portfolio of offerings to eligible employees and their dependents to make them feel cared for physically, financially, and emotionally across various life stages. We review our benefits offerings every year taking into consideration the needs of our diverse employee population.

Our portfolio of offerings by category includes the following:

Health and Wellness

- PPO Medical Insurance with 100% Company Paid Deductible
  - Zero co-pays for 8 categories of health maintenance medications
  - Mind and Body Program – reimbursement for holistic therapies
- Dental & Vision Insurance
- Medical Flexible Spending Account
- Fitness benefit, including a free on-site fitness center at our corporate headquarters

Financial Wellness

- 401(k) Retirement Plan – traditional and Roth deferrals, with 4% employer match
- Retirement and financial education sessions (remote and on-site)
- Employee Stock Purchase Plan for U.S.-based employees

Life Event Protections

- Employee Life Insurance & AD&D
- Spouse & Child Life Insurance
- Short-Term & Long-Term Disability Insurance
- Accident & Critical Illness Insurance

Emotional & Family Support

- EAP – Employee Assistance Program
- Dependent Care Spending Account
- Four Weeks of Paid Parental Leave

Time Off

- 15 Accrued vacation days a year, with an additional 5 days at 5-year anniversary
- 3 Personal days
- 9 Paid Company Holidays

Voluntary Offerings

- Discounted Pet Insurance
- Identity Theft Protection Packages

Recruitment and Talent Attraction

Attracting, engaging, and retaining diverse employees across all functions is critical to the continued growth of our company. We continually seek exceptionally talented and dedicated people to join our team to help shape both our future and the future of transplant medicine. In recent years, the primary focus of our recruitment efforts has been centered on finding talent for the National OCS Program (NOP) and our engineering, manufacturing, and supply chain functions. We source top-notch talent using a multi-pronged approach to recruitment, utilizing both internal and external resources. We aim to hire people with the right skill set, growth mindset, and work ethic to drive business results and help us achieve our goals.

To support our recruitment efforts, we have also partnered with local universities and colleges to hire student co-ops/interns to work at our headquarters, complementing their in-class learning. These programs provide young talent an opportunity to gain work experience and allows existing employees to gain valuable management experience. Institutions that we have partnered with include Northeastern University, Providence College, Merrimack College, University of Virginia, University of New Hampshire, University of Connecticut, and Boston University.

We continually seek exceptionally talented and dedicated people to join our team to help shape both our future and the future of transplant medicine.

Engaging our Employees

We promote understanding of our Mission, Vision, and Values and seek to create strong relationships with our employees through various engagement and career development initiatives, some of which are discussed below. To help all employees feel welcomed, valued, and appreciated, we aim to take deliberate strides on improving employee engagement and satisfaction. We hold quarterly Town Hall meetings with all employees to share business updates, provide them with an open forum to ask questions, voice any concerns, and provide input on our corporate goals and vision for the future. We also host in-person events at our headquarters in Andover, Massachusetts, and invite employees from around the world to participate so that our dispersed workforce can feel more integrated into our corporate culture.

Employee Performance Management, Career Development, and Training

Our work environment promotes continued learning and development among our employees. Each employee is assigned individual goals that are derived from our overall corporate goals. We have enhanced our onboarding processes in recent years and require all new hires to go through our orientation program, which is designed to welcome, connect, and integrate new employees into the TransMedics team. The program also supports new employees by helping them identify and access resources and key personnel that will be critical to their success in their new position.

We have a well-established annual performance review process that assesses how employees perform relative to their individual goals as well as the goals of their department and the overall organization. Employees are also able to reflect on their career goals for the upcoming year and develop specific action plans. The annual performance review process is critical to supporting career growth within the company, including identifying opportunities to promote employees internally to new positions.

All employees collaborate with their managers to create career development plans and determine general and targeted training curricula based on their roles. We also provide skill development courses, manager training, and opportunities for managers and non-managers to develop their leadership skills.

We also conduct sales-specific training for our commercial team, in which employees learn how to strategically approach the processes for managing key accounts and identifying customer needs. Moreover, our clinical team receives specific trainings which are overseen by our NOP Research and Training Surgeon and Clinical Training Manager.

We provide skill development courses, manager training, and opportunities for managers and non-managers to develop their leadership skills.

Specific courses for managers include:

- Situational Leadership
- Leadership Fundamentals for First-Time Managers
- Coaching for Success and Improvement
- Targeted Selection and Interviewing Skills
- Performance Management and Goal Setting
- Engaging and Retaining Talent
- Accelerating Business Decisions

Our non-managerial talent development programs include:

- Effective Communication Skills
- Conflict Management
- Working as a High Performing Team
- Time Management
- Self-Leadership
- Effective Presentation Skills

Diversity, Equity, and Inclusion (DE&I)

The keystone of our diversity strategy is mutual respect – we want everyone to feel welcome and comfortable at TransMedics. Our workforce consists of individuals from countries all over the world, representing many different faiths, languages, backgrounds, and cultures. We believe that our diversity is one of our greatest strengths. We are committed to creating and maintaining an inclusive workplace in which all employees have an opportunity to contribute to the success of the business. This commitment is embedded in our company policies and human capital management practices. For example, we offer three personal days to provide each employee time away from work to use for any purpose, such as observing holidays that are meaningful to them. We also added June 19th (Juneteenth) to our corporate holiday schedule.

*As of December 31, 2022, **50%** of our employees in the U.S. were women, including three out of eight members of our executive leadership team*

Going forward, we aim to enhance our DE&I efforts, including developing a formal DE&I policy, establishing various vehicles to support employees of diverse backgrounds, and conducting DE&I-focused training sessions.

Health and Safety

We are committed to maintaining compliance with laws and regulations surrounding the health and safety of our employees and strive to follow best practices in our operations. We have designated a General Safety Officer that is responsible for overseeing and maintaining our safety program. We expect all employees to abide by our health and safety procedures and follow safe practices in their duties. We require relevant employees to complete workplace safety training before performing any job duties that entail potential health hazards, such as trainings for employees who handle hazardous chemicals and biohazardous materials. We continually strive for zero work-related safety incidents. In 2022, we only recorded one employee injury.

Anti-Harassment

We strive to create and maintain a work environment in which people are treated with dignity, decency, and respect. We do not tolerate unlawful discrimination or harassment of any kind and prohibit all forms of intimidation, oppression, and exploitation. It is a violation of our policy to discriminate against colleagues, applicants, or third parties on the basis of personal characteristics such as race, color, national origin, age, religion, disability status, gender, gender identity or expression, sexual orientation, genetic information, marital status, pregnancy, medical condition, military service or veteran status, or any other protected status or characteristic as directed by law.

All employees, regardless of their positions, are covered by and are expected to comply with our anti-harassment policy and take appropriate measures to ensure that prohibited conduct does not occur. No reprisal, retaliation, or other adverse action will be taken against an employee for making a complaint or report of discrimination or harassment or for assisting in the investigation of any such complaint or report. Harassment prevention training is provided to all employees to help them develop an understanding of what inappropriate behavior looks like and lay a foundation for our anti-harassment policy.

Ethics & Compliance

Our ability to act with integrity as a company requires the commitment, leadership, example, and courage of all our employees, officers, directors, and business associates. This means doing the right thing, even when it's difficult. We are each responsible for cultivating a culture of integrity and high standards for ethical behavior, and for demonstrating these qualities in every aspect of our business.

A key element of TransMedics' ethics and compliance program, our Global Code of Business Conduct and Ethics (the Code), reflects our commitment to conducting business with integrity, honesty, high ethical standards, and in compliance with all applicable laws, rules and regulations.

Each TransMedics employee is required to read the Code and formally sign a statement of understanding.

Accountability and Oversight

Our Chief Financial Officer, Vice President of Human Resources, and Vice President of Global Regulatory Affairs have been designated to oversee compliance with the Code. The Audit Committee of TransMedics' Board of Directors oversees the Company's ethics and compliance functions, including matters related to the Code and other procedures established regarding ethical behavior. At least annually, management provides the Audit Committee a summary of TransMedics' programs and controls for compliance with legal and regulatory requirements, as well as guidelines and policies governing risk assessment and risk management. Our Code is reviewed by management and the Audit Committee annually and updated as needed.

Ethical Interactions

We engage with healthcare professionals in connection with many of our business activities. Such professionals may include doctors, nurses, pharmacies, formulary or benefit administrators, and any other healthcare professional who may administer, recommend, purchase, reimburse, authorize, or supply one of our products. The interactions that we have with healthcare professionals are highly regulated by government authorities and are subject to strict scrutiny because of the role that healthcare professionals can have in selecting or recommending the use of our products. It is important to our success that our interactions with healthcare professionals meet the highest level of ethical standards, and that we comply with all legal requirements and internal policies that apply to those interactions. As stipulated by our Code, TransMedics and its employees, officers, directors, business associates, and vendors must not improperly influence healthcare professionals in their purchase, lease, recommendation, or use of our products. To that end, employees, officers, directors, business associates and vendors are instructed to ensure that any items of value offered or provided to healthcare professionals comply with applicable laws regarding remuneration of healthcare professionals. Additionally, TransMedics does not condition the offer or reward of any financial incentive on the purchase, lease, recommendation, or use of our products and we have policies and procedures in place to be compliant with the CMS Open Payments Program and the Physician Payments Sunshine Act.

As a medical device manufacturer, we also have policies and procedures in place to comply with extensive regulations by the FDA and other governmental authorities both in the United States and abroad. These regulations include requirements relating to premarket clearance and approval, labeling, manufacturing, quality, safety, effectiveness, and all other applicable requirements enforced by government agencies. We have systems and procedures in place to ensure our compliance with applicable laws and regulations. We are committed to fostering a professional and productive relationship with regulators on issues relating to product submissions and regulatory compliance.

Anti-bribery and Anti-corruption

Many countries in which we are doing business, or plan to do business, have laws that prohibit bribery. We define bribery as the offering, promising, or providing of anything of value with the intent to improperly influence a person or gain an unfair business advantage. For example, the U.S. Foreign Corrupt Practices Act (FCPA) makes it illegal for U.S. companies, non-U.S. companies listed on a U.S. stock exchange, and their employees to directly or indirectly give or promise anything of value to a non-U.S. government official to obtain any business advantage. Certain other anti-corruption laws apply more broadly. For example, the UK Bribery Act prohibits both the offer/payment and the request/receipt of anything of value. In addition, the UK Bribery Act prohibits not only improper payments involving government officials but also private sector bribery.

We prohibit bribery in all its forms and are committed to complying with the FCPA, the UK Bribery Act, and other applicable anti-bribery and anti-corruption laws, and we take steps to ensure that our vendors do the same. Even beyond these laws, TransMedics will not tolerate attempts to improperly influence public or private individuals to secure a favorable advantage. TransMedics has not incurred any monetary losses as a result of legal proceedings associated with bribery or corruption.

Ethical Promotion and Advertising of our Products

We adhere to the various laws and regulations that apply to the advertising and marketing of medical devices. We promote our devices in accordance with these regulatory requirements and have put in place policies and procedures to ensure the lawful, truthful, and non-misleading promotion of our products. Our employees are instructed to always provide accurate descriptions of our medical devices and we require that all our promotional statements, including product claims, are consistent with the product labeling. Since our approvals differ by country, we adhere to the specific requirements for advertising and promoting our devices in each country. TransMedics has not incurred any monetary losses as a result of legal proceedings associated with false marketing claims.

Reporting Ethics & Compliance Concerns

TransMedics employees have numerous mechanisms to seek advice on an ethics-related issue or report a potential violation. Concerns can be raised with a supervisor, the Compliance Officer, the President and CEO, or any member of the senior management team. Employees may also report concerns through an anonymous, confidential hotline available by phone and on our website. All concerns submitted through the hotline shall initially be reviewed and investigated by the Chairperson of the Audit Committee or the Chairperson's designee. When reporting suspected violations of the Code, employees have the option to remain anonymous. TransMedics expressly forbids any retaliation against any person who, acting in good faith, reports suspected misconduct whether or not the misconduct is confirmed by subsequent investigation. Any person who participates in retaliation is subject to disciplinary action, including possible termination.

Employees may report concerns through an anonymous, confidential hotline available by phone and on our website.

Lobbying and Public Policy

We interact with public policy advisors who engage in lobbying on our behalf, specifically with respect to organ transplant law and policy. In 2022, our corporate lobbying expenditures totaled $170,000. Our lobbying positions are aligned with the Company's strategic goals and public policy positions. For example, in 2022, we replied to a request for information from Centers for Medicare and Medicaid Services to share our views about organ transplant programs in the United States.

Information Security and Privacy

TransMedics recognizes the importance of having effective and meaningful information security and privacy protections in place as a key element of our overarching compliance program. The Audit Committee of TransMedics' Board of Directors oversees the integrity of the Company's information technology (IT) systems, processes, and data, and reviews and assesses with management at least annually the adequacy of information security controls, and contingency plans. Additionally, cybersecurity topics are assessed as part of TransMedics' Enterprise Risk Management (ERM) process.

TransMedics has a history of strong fundamental IT protections, including tools and policies to manage the IT environment in partnership with a top-tier Managed Service Provider. We follow internationally recognized industry standards for information security, in particular the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). Aligning our cybersecurity profile to the NIST CSF provides a standardized means of qualifying and expressing the state of TransMedics' cybersecurity capabilities so we can periodically assess risks and adjust policies and tools as appropriate. In 2021, we engaged a leading cyber risk management firm to evaluate our information security program in the context of the NIST CSF. Results of the assessment indicated a strong foundational control environment and identified some areas for improvement, [many of which were subsequently implemented]. TransMedics hired a Director of IT at the end of 2021 to further enable continuous improvement.

We attempt to mitigate information security risks by employing a number of measures, including employee training and maintenance of protective systems. We also maintain an information security liability insurance policy to protect against potential financial losses. To date, to our knowledge, we have not experienced any data breaches.

Although we believe that we currently are neither a "covered entity" nor a "business associate" directly under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), HIPAA may affect our interactions with customers who are covered entities or their business associates. Therefore we strive to follow HIPAA provisions by implementing appropriate safeguards and controls in order to proactively mitigate privacy risks.

We follow internationally recognized industry standards for information security, in particular the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF).

Looking Ahead

We continuously seek to identify improvement opportunities as we monitor our ethics and compliance program and related policies and procedures. One area of focus that we identified is to implement additional targeted training opportunities to raise employee awareness and build competency around specific compliance topics. As such, we are currently evaluating ways to enhance our compliance training program.

With respect to information security, we have established a roadmap to conduct a third-party audit of our cybersecurity capabilities based on the NIST CSF, which we expect to complete in the next year.

Corporate Governance

The TransMedics leadership team brings a wealth of experience in the fields of organ transplantation, clinical research, medical devices, and many others to our goal of improving the lives of transplant patients and their families around the world. Our Board of Directors recognizes that it is important to ensure the independent oversight of management as the company continues to grow. To create an optimal board leadership structure, we have separated the roles of Chief Executive Officer and Chairman of the Board, who is independent. Moreover, the Chair of each Board committee is also independent. We believe this separation of responsibilities provides a balanced approach to managing our Board and overseeing the company.

Our Board has an active role, as a whole and also at the committee level, in overseeing the management of our risks and opportunities, including ESG risks and opportunities. While each committee is responsible for evaluating certain matters and overseeing the management of such matters, the entire Board is regularly informed through discussions from committee members.

For more information, please refer to our most recent proxy statement and the respective charters of our three board committees:

- Audit Committee
- Compensation Committee
- Nominating and Corporate Governance Committee

Board Diversity

We look for a Board that represents diversity as to experience, thought, gender, and ethnicity/race, including by reflecting a range of talents, ages, skills, viewpoints, professional experiences, geographies, and educational backgrounds. Our Nominating and Corporate Governance Committee takes into consideration each candidate's ability, judgment, and experience and the overall diversity and composition of our Board when recommending director nominees. We value the many kinds of diversity reflected in our board.

2 out of 8 Board members self-identify as gender or ethnically diverse

Product Quality & Safety

It is essential for TransMedics to develop and produce products with the highest level of quality so that the end users – patients – can receive the very best outcomes from organ transplant therapy. This serves as the basis for our quality policy. TransMedics is committed to:

- Providing our customers with Organ Care Systems (OCS) and related services of the highest quality
- Operating in accordance with global regulations for medical device companies
- Maintaining the effectiveness of the quality management system by meeting and exceeding the established quality objectives

We take pride in the fact that our products are produced on site. Prior to releasing any product to the market, we dedicate significant time and effort to assuring that our quality metrics have been achieved.

Product quality and safety is overseen by TransMedics' Senior Director, Quality Assurance and the TransMedics Board of Directors receives periodic briefings on the Quality Management System (QMS) and applicable regulatory requirements.

Quality Management System

TransMedics has implemented a robust Quality Management System (QMS) in support of our global market strategy. In the U.S., as a manufacturer of medical devices, we are required to demonstrate and maintain compliance with the FDA's Quality System Regulation (QSR). The QSR is a complex regulatory scheme that covers the methods and documentation of the design, testing, control, manufacturing, labeling, quality assurance, packaging, storage, and shipping of medical devices. The FDA enforces the QSR through periodic announced and unannounced inspections. During each of the past three years, TransMedics was not subject to any FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP). In the U.S., our OCS products are all FDA registered and undergo the FDA Premarket approval (PMA) process of scientific and regulatory review to evaluate safety and effectiveness.

To support our compliance efforts, our QMS is certified to the ISO 13485:2016 Medical Device Quality Management System standard and we participate in the Medical Device Single Audit Program (MDSAP). In the European Union and other global markets, TransMedics is CE Mark certified in compliance with the E.U. Medical Device Regulation.

Product quality and patient safety statistics

ZERO

- Product recalls
- Fatalities related to products
- Products on the FDA's MedWatch Safety Alerts

Quality Training Program

TransMedics selects and assigns qualified employees to ensure that personnel performing work duties that may affect product quality are competent and possess appropriate education, training, skills, and experience. Our quality training program includes processes for establishing competence and ensuring awareness of the importance of our quality objectives. All employees must be trained on the latest versions of the standard operating procedures assigned to their specific job functions.

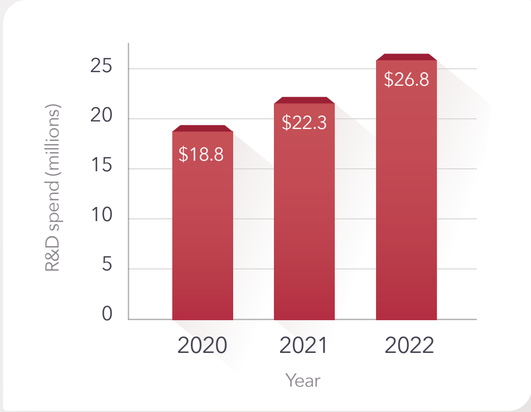
Clinicians from all over the world attend our training courses every year. Our facilities are modeled to closely resemble real-world clinical environments so that the experience gained at TransMedics can applied accurately and thoroughly.

Research, Development, and Clinical Trial Operations

Our research, development, and clinical trial operations function consists of a dedicated clinical trial team that has trial management, data collection, and biostatistics expertise. Our product engineering function consists of a multi-disciplinary engineering team that has electrical, mechanical, systems, and software engineering expertise. Our regulatory function includes a team with both U.S. and international medical device regulatory expertise and is supported by senior FDA regulatory advisors and legal counsel. This team is focused on the following research, development, and clinical trial activities:

- Developing the next generation of the OCS platform
- Expanding the body of clinical evidence supporting the use of the OCS platform through pre-market clinical trials, post-market registries, and scientific publications
- Improving incrementally the technology and manufacturing efficiency of our current platform
- Conducting research to investigate new clinical applications and uses for the OCS platform

TransMedics has conducted the largest number of clinical trials in transplantation compared to any other medical device company.



TransMedics has conducted the largest number of clinical trials in transplantation compared to any other medical device company. These clinical trials included randomized, controlled, multicenter studies for OCS Heart, OCS Lung and OCS Liver. These clinical trials demonstrated:

- The effectiveness of OCS technology to improve post-transplant outcomes for patients receiving heart, lung, and liver transplants
- The benefit of OCS technology to expand the donor pool and allow more donor organs to be successfully transplanted
- The safety of OCS technology in preserving organs from Donation after Brain Death (DBD) and Donation after Circulatory Death (DCD) donors

Prior to conducting clinical trials and in support of our FDA approvals and international registrations, we conducted a series of preclinical tests, including:

- Bench/engineering testing of device components
- Software validation and verification testing
- Electrical safety testing
- Biocompatibility testing and materials evaluation
- Sterility testing
- Packaging validation
- Shelf life

The complete data set from our preclinical and clinical studies led to FDA approval of all three of our devices in the U.S. and has supported the registrations of our systems in the E.U. and around the world.

Supply Chain Management

In order to fulfill our mission to be the trusted partner of transplant stakeholders worldwide, we have established partnerships with key suppliers to deliver high-quality products and services. We are committed to further developing our world class supply chain and manufacturing capabilities to serve our expanding global markets.

In addition to collaborating with our suppliers, our supply chain management activities involve close partnership between several teams at TransMedics.

Our supply chain team is responsible for assessing supplier qualifications, determining supplier suitability, and purchasing materials from approved suppliers.

Our quality assurance department is responsible for working with the supply chain team to determine appropriate supplier controls, maintain the approved supplier list, and monitor supplier performance.

Our design and manufacturing engineering team works with the supply chain team to conduct initial qualification assessments of new suppliers and performs ongoing audits as required.

In early 2023, we appointed a Senior Vice President of Supply Chain and Operations to lead, scale, and improve our supply chain management procedures.

We have classified our suppliers into five tiers that are determined based on risk level and corresponding approval requirements. Our highest risk tier suppliers provide unique materials or services that have the potential to impact product quality and patient health. These include certain contract manufacturers and sterilization service providers. All our highest risk tier suppliers are either ISO 13485 certified, ISO 9001 certified or GMP registered within their respective countries. Furthermore, our highest risk tier suppliers are audited at least every two years and agree to accommodate unannounced inspections for quality conducted on our behalf by notified bodies.

Critical Materials

We seek to maintain sufficient levels of inventory to mitigate against potential supply disruptions and aim to hold approximately 6-12 months' worth of component inventory on hand to support production. We also have long-standing supply agreements with single-source suppliers of critical components used in the OCS. For example, we have a multi-year supply agreement with Fresenius, our single-source supplier of preservation solutions for the OCS Lung and the OCS Heart. To ensure adequate inventory of critical supplies, we forecast anticipated materials requirements and demand for our products and then place orders with our suppliers accordingly.

Traceability

We assign serial and lot numbers to trace components within our consoles and perfusion sets for quality control purposes. We maintain full traceability of shipments we send to customers and maintain device history records for every unit we distribute, including build date and sterilization date. Our product labels are aligned with the FDA's unique device identification system (UDI) so that our devices can be adequately identified from manufacturing through distribution to patient use. We have also established standard operating procedures to ensure that our product labeling and packaging activities are verified for compliance with our internal control protocols.

Environmental Sustainability

We are taking steps to reduce the environmental impact of our products and are gathering key data to better understand the environmental footprint of our operations.

We aspire to operate as responsible stewards of the environment. We believe doing so is important to the sustainability of our business, as well as beneficial to the planet. We are taking steps to reduce the environmental impact of our products and are gathering key data to better understand the environmental footprint of our operations.

Our corporate headquarters in Andover, Massachusetts is a 105,479 square foot leased facility where we conduct our state-of-the-art manufacturing, laboratory, clinical training, and corporate operations. We also lease smaller facilities throughout the country where we store OCS equipment to support our National OCS Program (NOP).

Hazardous Waste

We are committed to complying with all applicable laws and regulations related to the environment. We are registered with the Massachusetts Department of Environmental Protection as a very small quantity generator (VSQG) of hazardous waste. The VSQG criteria applies to organizations that produce less than 220 pounds or 27 gallons per month of hazardous waste. We generate hazardous waste through our manufacturing operations, as well as from our training facility where we train physicians, nurses, perfusionists and other clinicians on the OCS. We use registered hazardous waste contractors to safely remove hazardous waste from our facilities. Aside from our headquarters facility, none of our NOP sites generate medical or hazardous waste.

Product Design and Lifecycle Management

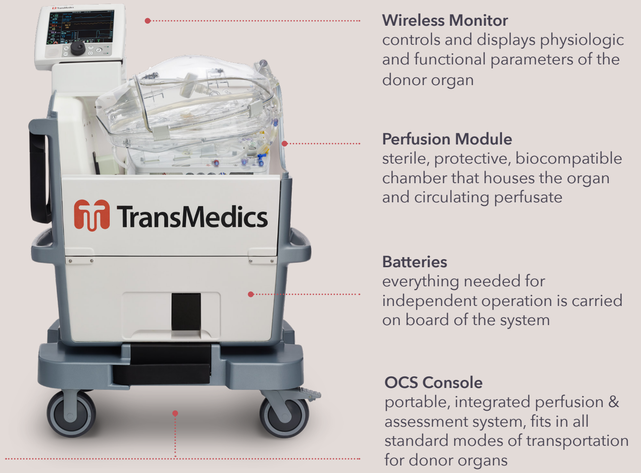
The OCS platform consists of reusable consoles and consumable perfusion sets. The console is a portable, lightweight, battery-powered device. In designing the OCS, the size, weight, and energy efficiency of the device were paramount considerations. For example, we use carbon fiber to make the console as light as possible to maximize portability and lower the shipping weight. We ship consoles in reusable wood containers.

Minimizing the amount of power of our consoles consume is a key objective of our product development team. We have made significant improvements to the energy efficiency of the console so that it requires less energy to operate and has a longer battery life, thereby extending the range of possible travel distances for organ retrieval. Batteries are rechargeable and are replaced by TransMedics approximately every five years. As part of our efforts to develop the next generation OCS platform, we are exploring innovative ways to further reduce the size, weight, and power consumption of our consoles. Electronic components within the OCS platform meet the compliance requirements of the Restriction of Hazardous Substances Directive (RoHS).

The OCS console is designed to support multiple transplant procedures. After each use, the console is cleaned and made available again for reuse by either our NOP team or the transplant facility. Each console undergoes annual preventative maintenance inspection and testing procedures. We work with transplant facilities to reclaim consoles that have reached their end of life to refurbish, redeploy, or utilize them for research or training purposes. To date, we have reclaimed over two dozen consoles and refurbished them for use back in the field. We also take back expired battery packs from the field for proper disposal.

Our perfusion sets are single-use devices and are disposed of as biohazardous waste according to the internal disposal protocols of the facility that performed the transplant procedure. If left unused, we have instituted a program to take back expired perfusion sets to use for training or demonstration purposes. Because perfusion sets must remain sterile prior to use, primary packaging must provide sufficient protection against contamination. We use recyclable cardboard for perfusion set secondary packaging.

One of our main objectives in developing the next generation OCS platform is to reduce the size of our perfusion sets and their respective packaging so that they are more portable yet still able to perform their necessary functions.



Sustainability Accounting Standards Board (SASB) Index

The following Index maps TransMedics' disclosures to certain SASB indicators for our industry. Data and information in this Report pertain to efforts in 2020, 2021, and 2022. Disclosures made in accordance with the SASB standards are not necessarily material, within the meaning of the U.S. federal securities laws, to the company and the inclusion herein of such disclosures should not be considered as an admission of their materiality by the company.

Disclosure Topic	Accounting / Activity Metric(s)	2022	2021	2020	SASB Code
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	0.0x	2.1x	8.6x	HC-MS-240a.1
Affordability & Pricing	Description of how price information for each product is disclosed to customers or to their agents	See "Pricing" section in Transforming Organ Transplantation Therapy Worldwide chapter, page 13			HC-MS-240a.2
Product Safety	Number of recalls issued, total units recalled	0	0	0	HC-MS-250a.1
Product Safety	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	0	0	0	HC-MS-250a.2
Product Safety	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience database	0	0	0	HC-MS-250a.3
Product Safety	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	0	0	0	HC-MS-250a.4
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	$0	$0	$0	HC-MS-270a.1
Ethical Marketing	Description of code of ethics governing promotion of off-label use of products	See "Ethical Promotion and Advertising of our Products" section in Ethics & Compliance chapter, page 21			HC-MS-270a.2

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TransMedics

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Sustainability Accounting Standards Board (SASB) Index cont.

Disclosure Topic	Accounting / Activity Metric(s)	2022	2021	2020	SASB Code
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	See “Hazardous Waste” and “Product Design and Lifecycle Management” sections of Environmental Sustainability chapter, pages 28-29			HC-MS-410a.1
Product Design & Lifecycle Management	Total amount of products accepted for take-back and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	See “Product Design and Lifecycle Management” section of Environmental Sustainability chapter, page 29			HC-MS-410a.2
Supply Chain Management	Percentage of (1) entity’s facilities and (2) Tier I suppliers’ facilities participating in third-party audit programs for manufacturing and product quality	(1) 100% -- The Quality Management System for our headquarters and manufacturing facility is certified to ISO 13485 and participates in the Medical Device Single Audit Program (MDSAP). See “Quality Management System” section in Product Quality & Safety chapter, page 24 (2) 100% of TransMedics’ highest risk tier suppliers participate in third-party certification and audit programs for manufacturing and product quality. See Supply Chain Management chapter, page 26			HC-MS-430a.1
Supply Chain Management	Description of efforts to maintain traceability within the distribution chain	See “Traceability” section in Supply Chain Management chapter, page 27			HC-MS-430a.2
Supply Chain Management	Description of the management of risks associated with the use of critical materials	See “Critical Materials” section in Supply Chain Management chapter, page 27			HC-MS-430a.3
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	$0	$0	$0	HC-MS-510a.1
Business Ethics	Description of code of ethics governing interactions with health care professionals	See “Ethical Interactions” section in Ethics & Compliance chapter, page 20			HC-MS-510a.2

TransMedics®