

**Dexcom**



# **DEXCOM, INC. SUSTAINABILITY REPORT**

March 2021

# A LETTER FROM OUR CEO



Since its inception in 1999, the Dexcom mission has centered around positively impacting the lives of people with diabetes. And while this starts with our industry-leading continuous glucose monitoring (CGM) technology, it does not end there.

We also strive to advance the interests of all our stakeholders – including patients, caregivers, employees, investors, and our communities – by operating in an ethical and sustainable way, one that holds true to our core values: Listen, Think Big, Be Dependable, and Serve with Integrity. These values are at the heart of every Dexcom sustainability activity that spans the globe.

Whether it is through expanding access to healthcare, charitable giving, initiatives that support employees' wellbeing, efforts to reduce waste and emissions, or ongoing ethical conduct, we firmly believe that our corporate citizenship investments are both the right choice for the business's long-term success and the right thing to do.

With that in mind, I am pleased to share the annual Dexcom sustainability report. It speaks not only to our commitment to innovative thinking, but to making a healthy positive, lasting impact on the world we share.

I look forward to keeping you updated on our progress.

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**Kevin Sayer**

Chairman, President & CEO

**Dexcom**

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We use our Sustainability Report to share how we are managing our sustainability goals, as well as to respond to a broad set of stakeholder expectations and inquiries we receive throughout the year.

This report covers fiscal year results for the period ended December 31, 2020, unless otherwise noted. Data includes our operations around the world, unless otherwise stated. Some data has been rounded. Monetary figures are in U.S. dollars unless otherwise noted. Dexcom undertakes no responsibility to update this information after the date of this report.

# LISTEN

The pursuit of continuous improvement and impact drives our global efforts at Dexcom. We pay attention to the evolving needs of our customers, healthcare providers, employees, researchers, payers, and broader set of stakeholders to exemplify **"Listen,"** the first of our four core values.

## Listening to our Customers

While Dexcom has built its reputation by designing, manufacturing and selling continuous glucose monitoring (CGM) technology that surpasses and redefines industry standards, we also understand that the customer experience involves more than providing data and insights. Beyond tangible products, the customer experience also encompasses a greater understanding of, and an active response to, their underlying motivations. Therefore, we have structured our company to listen to our customers and address their needs and interests.

The following initiatives are representative of the ways we actively participate in the diabetes community, and include some of the strategic initiatives and product developments that we have pursued in response to stakeholder feedback.



## Dexcom Warriors

We believe that providing a forum for our customers' voices is one of the best ways to learn from the diabetes community. In 2015, we established the Dexcom Warriors program and have quickly expanded it from 35 to more than 10,000 Warriors at the end of 2020. Our Warriors are individuals with type 1 and type 2 diabetes who have raised their hands, ready and eager to help increase awareness of diabetes, motivate others and advocate for Dexcom. Warriors include social media influencers, athletes, celebrities, and 'everyday' people as well—parents, students, community leaders, and more.



### PROJECT 50-IN-50

The brainchild of Michael Shelver and Patrick Mertes, two outdoorsmen, living with type 1 diabetes (T1D), dedicated to proving to the world that anything is possible with T1D.

The program revolves around the inspirational stories that define each of our Warriors. By providing a platform for the incredible people who use our technology every day, we hope to educate the diabetes community and spark additional awareness of the benefits of using our CGM system to help manage diabetes.

## Active Participation within the Diabetes Community

We also listen to the needs of the diabetes community by advocating for their efforts. This commitment includes our own direct support of non-profit organizations and clinical research, as well as our active encouragement of Dexcom employee participation within the diabetes community. Below are some of the highlights of our recent efforts:

- Partnering with leading diabetes advocates:**

For many years, Dexcom has stood alongside the Juvenile Diabetes Research Foundation (JDRF) in their efforts to fund research, advocate to regulatory bodies, and provide community to people with type 1 diabetes. We have provided significant financial support to JDRF over the years and expect to continue to advocate with them as they advance their worldwide mission.

We support the work of **Beyond Type 1** and **Children with Diabetes (CWD)** in their efforts to unite the global diabetes community and provide support for people living with diabetes and their families. Our collaboration with these groups and other leading diabetes nonprofits continues as we head into 2021 with united plans to drive better awareness, education and access for diabetes management technology.



In addition to supporting annual Friends for Life (FFL) conferences, Dexcom employees have raised more than \$130,000 in support of Children with Diabetes over the past two years





- **Encouraging our employees to give back to the community:**

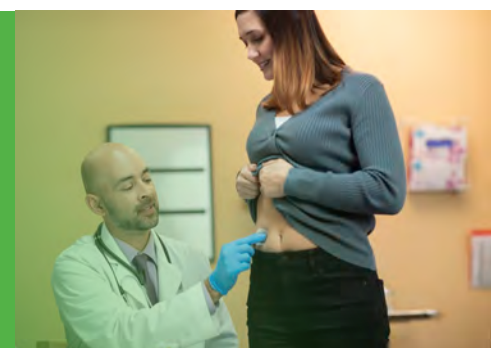
We actively encourage employee support of the **JDRF One Walk** fundraiser and event in San Diego, a 3K and 5K walk in support of JDRF's ongoing research effort for the type 1 diabetes community. In 2020, our employees embraced the virtual walk format and raised more than \$37,000 in support of this great cause.

Employee-funded grants have provided additional support to the diabetes community, offering assistance to the following organizations in recent years: **American Youth Understanding Diabetes Abroad (AYUDA), College Diabetes Network (CDN), DiabetesSisters, and Riding on Insulin.**

- **Enabling ongoing research and innovation:**

We maintain an active research program that not only manages our clinical efforts, but supports Investigator Initiated Studies, industry-sponsored studies using Dexcom CGM systems, as well as studies conducted by non-profits or research consortiums. For additional information on our ongoing research support as well as our publicly available diabetes education tools, please visit our [healthcare provider site](#).

- In 2020, Dexcom clinical scientists wrote or supported more than 30 peer-reviewed journal articles, advancing innovation in healthcare and improved patient outcomes.
- We supported more than 120 active clinical trials worldwide in hospitals, specialist outpatient clinics, and community settings.





## Offering Patient Choice

We recognize the value of patient choice in the diabetes technology community. Therefore, we have prioritized integrating our CGM technology with multiple third-party insulin delivery options and apps. This means that whether a customer chooses to use an insulin pump or an insulin pen, we want to enable them to monitor their glucose levels with a Dexcom CGM system. We have entered into agreements with leading insulin delivery companies to deliver high-quality, integrated devices that are designed to improve the lives of those we serve.

## “On the Bright Side” Notifications

Despite recent technological advancements, diabetes remains a burdensome disease. Through our ongoing engagement with our customer community, including our global “Voice of the Customer” listening program, we repeatedly heard that people with diabetes were aware that certain diabetes management products include features to warn them of danger and advise on next steps for treatment. However, users reported a lack of positive reinforcement within the technology platforms.

Dexcom introduced “On the Bright Side” notifications to establish a greater balance of information provided by our products. The “Best Day” and “Time in Range” features (shown here) provide two examples of this initiative to bolster self-efficacy, while attempting to reduce the emotional burden of managing diabetes.

As these updates indicate, customer feedback plays a vital role in our continuous improvement process. In 2020, we created another avenue to enhance our Voice of the Customer program by including in-app feedback optionality and automated tech support features within our updated Dexcom G6 app. We believe that the open dialogue with our users has directly contributed to our strong customer experience scores, including the significant improvement to quality of life indicated in the results of our recent Landmark Study.\*



\*Gilbert et al, “Change in HbA1c and Quality of Life with Real-Time CGM Use by People with Insulin-Treated Diabetes in the Landmark Study,” DTT (published online January 20, 2021)

## Listening to our Employees

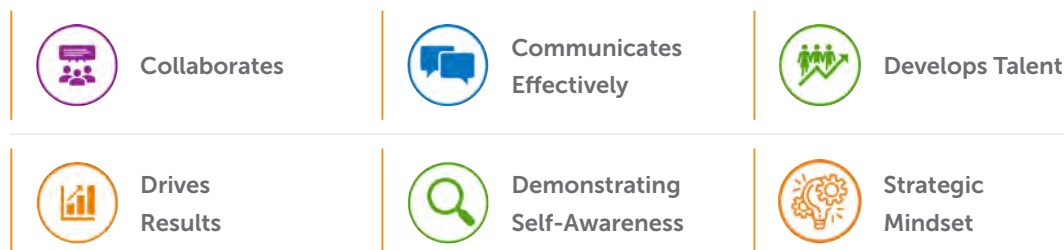
We understand the importance of working at companies that value each person's unique skillsets. In order to foster this culture and continue to attract—and retain—top talent throughout the organization, we must continue to listen to the unique needs of our employees.

Dexcom employs a diverse group of leaders, innovators, and creators who find common ground in our mission: to empower people to take control of diabetes. But we are also individuals with deep personal aspirations. For that reason, our leadership strives to grow and inspire from the top down as we collectively embrace the Dexcom mission.

**“We’re Listening”:** Following the rapid transition to the work from home environment in 2020, we encouraged our leaders to check-in frequently to gauge the wellbeing of their teams. Tailored surveys sought to assess employee feelings around safety and company support, resource needs and actions to drive productivity in the new environment. Employees provided invaluable feedback that helped foster work-life balance, while ensuring productivity across the organization.

## Investing in our Employees

We believe that investing in our employees' growth and development will directly enhance our overall company performance. Our comprehensive career development site, called DexcomGO, includes employee resources focusing on the advancement of six core competencies that we identify as essential for our workforce:



Employees have access to LinkedIn Learning via the DexcomGO site. LinkedIn Learning currently includes more than 340,000 training videos on a wide variety of topics, providing the necessary resources for employees to grow in accord with their personal goals. The DexcomGO site also serves as a hub for our virtual and in-person sessions that align with the development of the six core competencies. Two of our popular, current course offerings include personal assessment and goal implementation seminars titled DiSC Workplace, and Fuel Up 102: Putting Your Goals Into Action and Mastering Your Message.

In 2020, our teams adapted and set out to ensure that career development opportunities were accessible to employees in the virtual environment. We supplemented the existing library of DexcomGO content with new, quarterly collections of live and on-demand content to support individual growth. These resources included workshops, e-books, podcasts, TED talks and recommended articles. Using several of these resources and with guidance from our committed leaders, we provided development programs to more than one-third of our global workforce and onboarded more than 2,000 global employees throughout the year.



## Supporting Our Employees and Their Families

Dexcom strives to provide choices and flexibility through comprehensive and competitive global benefits, retirement plans and wellbeing programs that support our employees and their families. We strive to offer consistent benefits across our global locations, including the following offerings for full-time employees in most of the countries in which we operate:



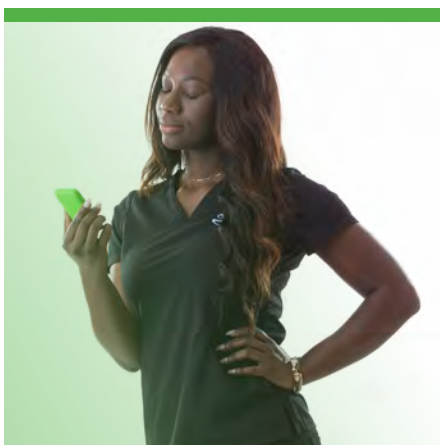
### Retirement Savings:

We offer Dexcom-funded retirement plans in each country across the globe to help retired employees maintain a comfortable standard of living.



### Life/Death and Disability Insurance:

We offer life/death and disability insurance to provide employees and their families with financial assistance, should they become disabled, unable to work, or pass away.



### Employee Assistance Program:

We have implemented a no-cost, 24/7 employee assistance program that provides employees resources for improving communication, relationship counseling, coping with loneliness, understanding grief, dealing with stress, anxiety and depression, and crisis support. The program also offers work/life resources such as debt counseling, legal assistance, and childcare and eldercare options.

Note: Employee eligibility for certain non-salary benefits may be informed by and will follow local regulations and practices. In certain countries, this means we cover all full-time employees and certain part-time employees working more than a certain number of hours.



**In addition to these core global offerings, we continue to assess areas of improvement for our various global locations. As examples of this commitment, we have established the following:**

**Onsite Health Clinic – Manila:** In our growing Philippines location, we offer a full-service, onsite clinic available to employees. This allows them to receive basic health care services without the inconvenience and disruption of an offsite appointment with a physician.

**Paid Family Leave – U.S.:** We noticed a gap in opportunities for child bonding and family care for our domestic employees, depending on the respective policies of their state. Therefore, we established a uniform and equitable paid family leave program nationwide. This supports employees across the United States who need to take time away from work to care for a covered family member, or bond with a newborn or newly placed child. Through the program, they have the means to do so while receiving a portion of their pay through wage replacement.

**Paid Military Leave-U.S.:** Our headquarters, San Diego, is home to the nation's largest military concentration with more than 150,000 active duty personnel in 2020. In addition to federal and state mandated military leave, Dexcom provides 100% pay for up to four weeks, in conjunction with military pay, for employees who are called for military school attendance, annual field training, annual active-duty training, and/or other short-term state or federal tours of active duty (deployment excluded).

**In 2020, we also enhanced our employee benefit offerings to include:**

**Education Assistance:** We support employees who wish to continue their education to prepare for increased responsibilities and growth within their professional careers. In keeping with this philosophy, Dexcom established a reimbursement program for certain expenses incurred through approved institutions of learning.

**Inspire Wellbeing:** Our wellness program, Inspire, intends to help employees and their families that desire to take control of their physical, emotional, and financial wellbeing. Through the Inspire platform employees can invite up to ten family members and friends to participate in healthy habits, challenges, educational opportunities and more. Additionally, Dexcom organizes company-wide steps challenges each year and team-based experiences through the program.

**"Get out the Vote" Paid Time Off:** We empowered US-based employees' participation in the democratic process by adding an additional day of PTO for all full-time employees to support voting-related activities. We plan to offer this additional time-off during future election years, as we seek to foster volunteerism among employees and voter turnout in our local communities.

## Our Commitment to Diversity, Equity and Inclusion:

At Dexcom, we foster an inclusive workplace to encourage diversity of thought, culture and background. We work to enable employees to create an environment where diverse perspectives are voiced and heard. Cultivating inclusive employee culture is a foundational element of delivering world-class customer experiences for our diverse CGM users and Dexcom Warriors.

2020 was a year of significant progress, highlighted by the initiation of foundational Diversity, Equity, and Inclusion (DEI) activities. Through investments in our employees and igniting leadership involvement, we established several key structures that will help us build and expand our DEI efforts over the next several years. We also continued to deliver on core development, contributing to a long-term culture of inclusivity.

### We began by establishing our DEI mission and vision:

- **Mission:**

Ensure that the Dexcom population is demographically diverse in a way that reflects the patient and healthcare communities in which we operate, while creating an inclusive culture that recognizes employees' unique needs and utilizes their diverse talents to improve the decisions we make every day.

- **Vision:**

#### We will accomplish our mission by creating a company where:

All employees can bring their full selves to work and have the confidence to contribute boldly

We cast a wide net to find the best talent regardless of background

We identify and nurture our diverse rising leaders

We ensure our employee and leadership base reflects the diverse communities where we do business

#### We will balance the pursuit of this mission in a way that is consistent with our obligations as a public company, one where:

We create positions that are dictated by the needs of the business, not by quotas

We seek to consider diverse talent, even if it takes longer to do so, and avoid reducing the criteria required for success within a given job

We will seek to hire and promote the most qualified individual...always

**"As a growing company serving a diverse population, we have a responsibility to reflect our patient family. Today, we have a heightened sense of urgency to accelerate our progress. We've reached the stage in our corporate history where we have the resources to make meaningful change inside our walls and contribute to change outside them."**

– Kevin Sayer,  
President and CEO

We engaged and involved our leadership by establishing the Diversity Leadership Council. This cross-functional team represents all functions of the organization and serves as mentors for our Employee Resource Groups.

We established Employee Resource Groups to bring together employees with common interests or experiences, build connections and amplify the voices of these groups. By the end of 2020, nearly 10% of our global workforce participated in our global ERG's. Current resource groups include the following:

- **US**

**ABLE:** Dexcom Disability Resource Group

**DAAN:** Dexcom African-American Network

**DAPI:** Dexcom Asian and Pacific Islander Network

**DNAA:** Dexcom Native American Alliance

**Faith@Dexcom:** Faith-based employees

**GreyCom:** Seniors

**LatinX:** Latinas and Latinos

**PRIDE@Dexcom:** LGBTQ+

**SAIL:** Share-Access-Influence-Lead (Women)

**Veterans @Dexcom:** Veterans

- **International (Manila based)**

**Luzvimini:** Supporting inclusivity and empowerment that reflects the different regional cultures of the Philippines

**The Unicorns:** LGBTQ+

**SAFE:** Support for employees experiencing abuse in different contexts

**People with Special Needs:** Raising awareness of the abilities of people with special needs

**NEWMIES:** New and expecting mothers

**Elderly Care & the Sick:** Support for employees caring for family members

**Interfaith:** Faith-based employees

**Seniors:** Senior employees

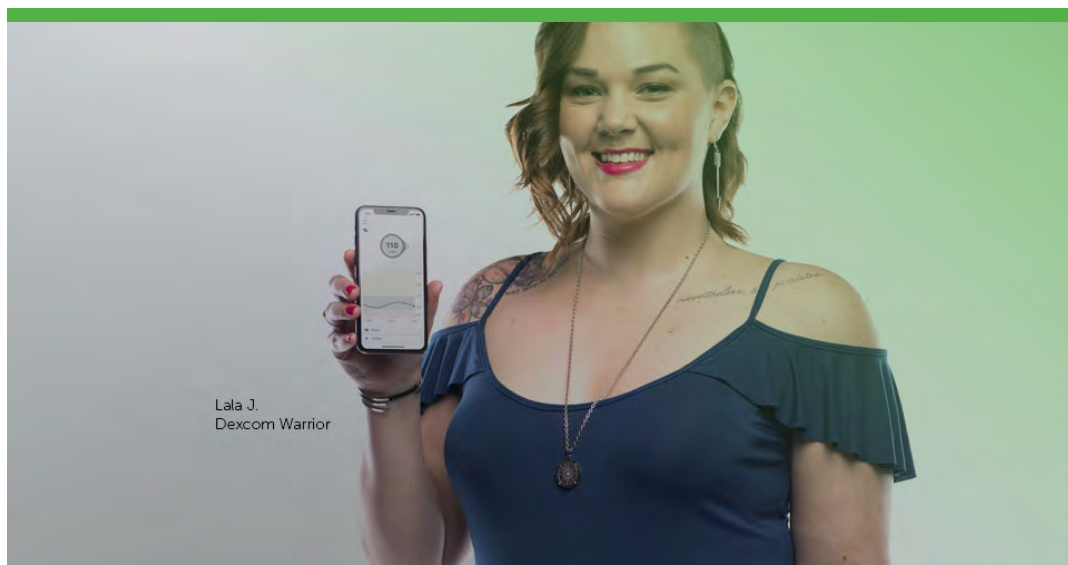


## We continue to build capabilities and invest in global DEI development for our employees:

In late 2020, we hired the first Vice President of Talent and Diversity at Dexcom and established supporting roles to drive global initiatives.

We advanced several areas of talent development by:

- Equipping Dexcom leaders with a new leadership course that includes a module dedicated to diversity. At the height of social unrest during the summer of 2020, we created custom diversity guides and resources on topics about racism and inclusive leadership. In addition, our workforce continued to benefit from foundational diversity offerings through LinkedIn Learning and our EEOC/AAP Compliance training.
- Launching a coaching program through BetterUp, with intentional focus on expanding resources for female and minority talent.
- Recruiting diverse candidates to the Dexcom internship program by sponsoring and partnering with diverse university student groups, including SHPE (Society of Hispanic Professional Engineers), NSBE (National Society of Black Engineers) and veterans' groups. Our incoming internship class is composed of approximately 50% representatives from ethnic minority groups and 50% female.
- Providing a \$10,000 sponsorship for the [Hue Design Summit](#), a conference for Black developers and designers to foster relationships and build community.
- Establishing a Supplier Diversity Training module for Dexcom full-time employees that was implemented in early 2021.



We initiated targeted giving and spending efforts that incorporated the voice of our employees, including:

- A \$250,000 donation to employee-selected diverse and inclusive organizations (United Nations Children's Fund, Wounded Warrior Project, ACLU, NAACP, The Task Force for Human Health, and Equity Now)
- Approximately \$175-\$200 million spent on products and services from small business suppliers in 2020. In addition, the process for diversifying our supply chain has been enhanced through our Supplier Portal on the Dexcom supplier website ([Dexcom Supplier Website](#)), as well as through participation in virtual small business expos.



Focusing specifically on gender diversity, we closed 2020 with the following approximate representation across our full-time workforce:

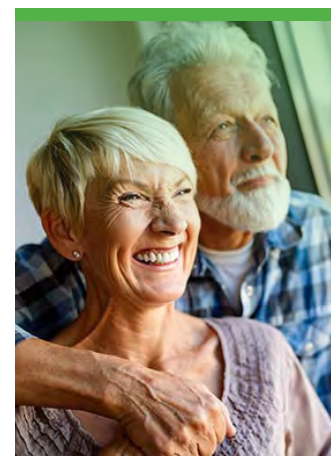
Country	Female	Male	Grand Total
United States	1,800 (44%)	2,300 (56%)	4,100
Non-United States (OUS)	700 (50%)	700 (50%)	1,400
<b>Grand Total</b>	<b>2,500 (45%)</b>	<b>3,000 (55%)</b>	<b>5,500</b>

We look forward to updating you as we progress with our DEI initiatives and strengthen our global workforce.

## THINK BIG

People with diabetes face unique challenges throughout their lives. Our efforts to understand their pain points go beyond listening, as we encourage all employees to think beyond their limits—to explore unprecedented and unconventional solutions. This vision comes to life with our simple core value: **Think Big.**

This mindset led to an ambitious goal early in our history: **What if we could eliminate the need for people with diabetes to assess their glucose levels with painful fingersticks?** With the 2018 approval of our Dexcom G6 CGM system, we eliminated the need for customers to fingerstick<sup>‡</sup> to calibrate their CGM. Based on internal estimates, we believe that the Dexcom G6 has enabled people with diabetes to safely monitor glucose levels while foregoing more than 3 billion fingersticks since its launch in 2018.



Our commitment to ‘big-picture’ thinking is core to our DNA. There remains a significant number of people with diabetes around the world who stand to benefit from our CGM technology, including those who manage their diabetes using intensive insulin therapy and those who do not. Therefore, we continue to enhance our product offerings, assess efficient ways to drive access and extend the benefits of our technology to new populations.

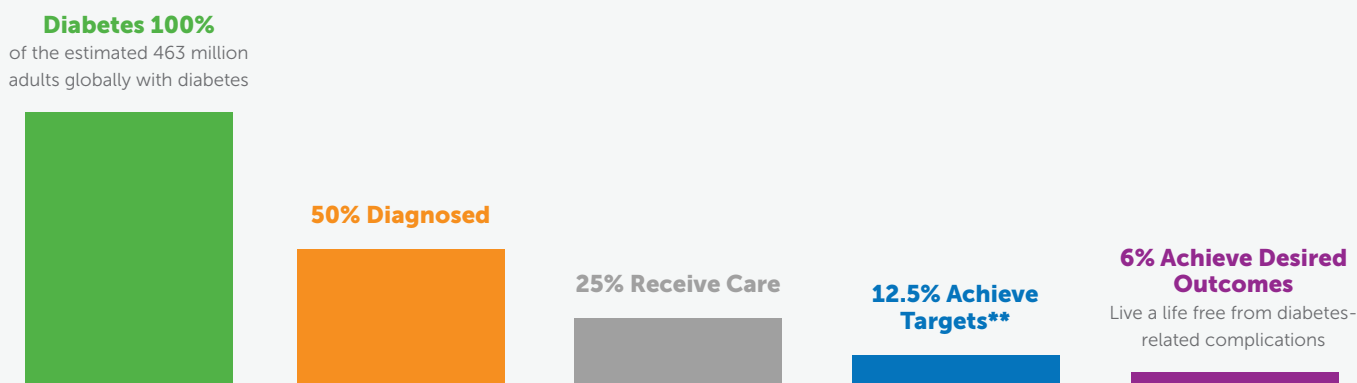
Diabetes represents one of the most pressing healthcare challenges in the world today. The increasing prevalence of type 2 diabetes can lower the quality of individuals’ lives while rapidly increasing global healthcare costs.

<sup>‡</sup>If your glucose alerts and readings from Dexcom G6 do not match your symptoms or expectations, use your blood glucose meter to make diabetes treatment decisions.

As the statistics below demonstrate, diabetes is truly a global epidemic that requires a commitment to innovative thinking:

### Break the Epidemic\*

Only around 6% of people with diabetes live a life free from diabetes-related complications.

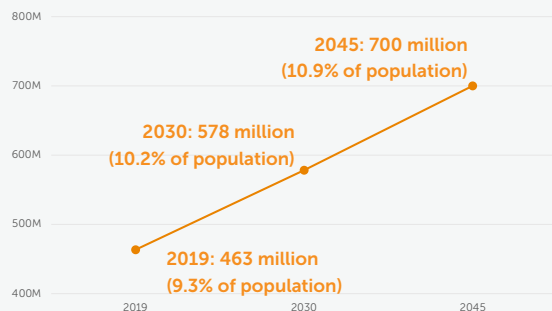


\*Actual rates of diagnosis, treatment, targets, and outcomes vary in different countries. \*\*That is, recommended glucose levels. We believe the outcomes have not varied significantly since this framework was expounded by Hart JT, "Rule of halves: Implications of increasing diagnosis and reducing dropout for future workload and prescribing costs in primary care," *Brit J Gen Pract.* 1992, 42: 116-119.

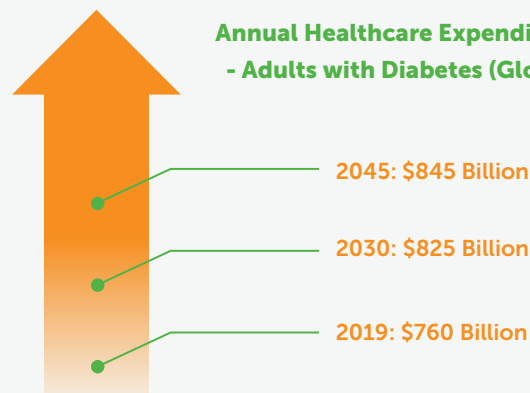




### Estimated Adults with Diabetes (Global)



### Annual Healthcare Expenditures - Adults with Diabetes (Global)



>2x

U.S. Healthcare Expenditures: People with Diabetes vs. Those without Diabetes

4.2M

Global Diabetes Related Deaths (2019)

Sources: IDF Atlas, 9th Edition (2019). <https://www.diabetesatlas.org/en/>. American Diabetes Association, "Economic Costs of Diabetes in the U.S. in 2017."

## Access to Healthcare

Given the scope of the global burden of diabetes, Dexcom has identified that facilitating access to its CGM systems is a core element of our sustainable growth initiatives. Our Global Access team regularly engages with government and private payers, as well as certain regulatory bodies, to advocate for the millions of people with diabetes around the world by demonstrating the economic and quality-of-life benefits associated with covering Dexcom CGM technologies. We also continue to evaluate partnerships and strategies to broaden access to our technology in a manner that serves all stakeholders of the company.

The following initiatives represent core elements of our current strategy to expand access to Dexcom CGM technologies around the world:



### Reducing Barriers to Therapy

In the United States, we have proactively engaged payers with offers to lower the cost of treatment in exchange for broader access to our CGM technology. We've advanced the following initiatives:

**Pharmacy Access:** We recognize that the pharmacy channel often offers a higher quality experience for Dexcom customers and prescribing clinicians. Dexcom customers can receive CGM supplies in as few as one or two days, compared to a process that can take multiple weeks through the durable medical equipment (“DME”) channel. As our preferred long-term sales channel, we have taken significant steps to open this streamlined pharmacy experience to our customer base. In 2020, nearly 70% of Dexcom customers who received supplies through the pharmacy channel paid less than \$60 per month and one-third had zero-out-of-pocket costs.\*\*

**Access for Type 2 Intensive Customers:** We have demonstrated significant clinical outcomes that document the value of Dexcom CGM systems to the people with type 2 diabetes on mealtime insulin.<sup>††</sup> Our Global Access team continues to work diligently to enable access for this sizable portion of people with diabetes. In 2020, we advanced coverage efforts so that a majority of people with type 2 intensively managed diabetes in the U.S. now have coverage for Dexcom CGM systems.

**Access for Vulnerable Populations:** Our Global Access team continues to advocate for expanded CGM coverage for low-income populations through state Medicaid programs. Since late 2018, we have advanced coverage in 17 additional states, closing 2020 with 40 states total that offer Dexcom CGM systems to certain eligible members. Additionally, in 2020 we established the Dexcom Patient Assistance Program in the United States to assist Dexcom customers who lost employment benefits as a result of the COVID-19 pandemic.

**Global Accessibility:** We have obtained marketing authorization for Dexcom CGM technology in more than 40 countries and plan to continue to broaden our geographic presence around the world, including in regions that do not currently have access to leading diabetes management technology.



### Advocating for Interoperability

Through longstanding collaborations with leading insulin delivery companies, Dexcom emerged as a pioneer of patient choice and open architecture platforms. Our strategy is driven by the belief that no customer should be restricted from using our CGM systems, regardless of their preferred method of insulin delivery.

We continue to support device interoperability by maintaining an open architecture platform for [developers](#) and assessing options for additional collaborations with corporations and non-profit organizations.

\*\* IQVIA, data on file, July 2020. Based on monthly supply of Dexcom G6 sensors.

††Beck RW, et al. Ann Intern Med. 2017;167:365–374. doi: 10.7326/M16-2855



### Expanding Manufacturing

As the demand for Dexcom CGM technology continues to grow, our operations team has focused extensively on scaling additional capacity to enable further expansion of the markets that we serve. Through expansion of our sensor production capabilities, including the current development of our first international manufacturing location in Malaysia, we are establishing the foundation to benefit more patients over the short and long-term future.



### Designing Product for Scale

The commitment to expanding access requires thoughtful action throughout the organization. In order to meet our ambitious capacity expansion goals, our Research and Development and Operations teams have collaborated extensively to adapt Dexcom G6 production and increase manufacturing yield.

We have specifically designed our next generation Dexcom G7 CGM System to scale efficiently, as we look to expand the use of Dexcom CGM technology for diabetes management around the world. We look forward to the continued development of this system as a key initiative for our access efforts.



### Demonstrating Clinical and Economic Outcomes

As we scale production capacity, we are also working diligently to demonstrate and expand awareness of our technology's benefits. In 2020, **our clinical scientists wrote or supported more than 30 peer-reviewed journal articles** assessing the impact of Dexcom CGM systems in several different settings.

In addition to clinical outcomes, we are working extensively to further demonstrate the ability of Dexcom CGM technology to contribute to economic savings in the global healthcare system. A preliminary pilot study conducted by Intermountain Healthcare demonstrated strong improvements in clinical outcomes, costs, and self-reported measures for a cohort of patients with type 2 diabetes using Dexcom CGM systems, compared to those measuring blood glucose via standard of care fingersticks.<sup>##</sup>



### Expanding to the Broader Type 2 Diabetes Population and Targeting Chronic Disease Prevention

In order to address the global diabetes epidemic, we believe that we must bring Dexcom CGM technology to people with type 2 diabetes—and eventually, make it available as a tool to support broader population health and help prevent disease onset as well. We are currently working to demonstrate evidence of user engagement, health outcomes, and economic outcomes as we seek to expand access for all people with diabetes as well as the indications for use of our technology beyond diabetes.

<sup>##</sup>Isaacson et al. Journal of Diabetes Science and Technology. September 2020.

## Environmental Impact

At Dexcom, thinking big also means committing to operating our business in a manner that is responsible for, and protective of, the environment. As a company at the forefront of continuous glucose monitoring technology, we embrace the opportunity to extend our commitment to all of our stakeholders, suppliers and subcontractors.

We are committed to reducing the environmental impact of our operations and products, managing environmental risks, and pursuing sustainability initiatives. Our overarching environmental policy is to: **“Respect and Protect the Environment”**.



## Conserving Natural Resources

Dexcom is committed to minimizing the global consumption of natural resources through proactive monitoring and sustainability training for all Dexcom employees. Wherever feasible, we try to reduce energy and water consumption to minimize our environmental footprint, while continuing to deliver world-class solutions to our customers, caregivers, and healthcare providers.

For example, our energy conservation program includes the replacement of older equipment with more energy-efficient models, and the design of energy and water conservation systems into new or remodeled facilities.



## Reducing Waste

On a global basis, our teams have been actively mapping the lifecycles of product waste at our facilities, allowing us to implement programs to proactively reduce the amount of generated waste. Recycling and re-use initiatives have been initiated globally as well and include segregation systems to minimize waste and promote re-use.

The Environmental, Health and Safety (EHS) operations team has a goal of zero landfill of hazardous and medical regulated wastes from our manufacturing operations and internal use. We measure our performance against this goal and met our objective in 2020.

As our CGM systems continue to advance, we are working to limit the need for incremental electronic equipment and reduce waste volume for each user of our products. For example, although the receiver unit that accompanies our CGM system is still available for patient use and required in certain markets, our innovative software development teams have designed out the requirement for a stand-alone receiver. Our programs also allow for customers to use their existing, compatible Apple or Android smartphones or watches to monitor their glucose levels in real time.

Additionally, our packaging and research teams have undertaken initiatives to reduce product packaging waste for future product launches. We are striving to reduce product packaging for our broad-based major product launch, the Dexcom G7 CGM System, and believe that the system can reduce packaging waste by nearly 50% per unit. However, we are not waiting for our next-generation system to improve our efficiency and waste reduction processes. In 2020, our teams achieved material reductions to the packaging footprint of our Dexcom G6 CGM System. Through design improvements, we were able to drive significant reductions in material utilization and greater distribution efficiency.



### 2020 Reduction Achieved Relative to Prior Generation (2019 and Before)

	3-Pack	1-Pack
Material usage per carton / carton insert	-59%	-65%
Volume of carton	-15%	-43%

Other waste reduction initiatives have contributed to the reduction of our environmental footprint over the years and will continue under the supervision of our EHS operations team. This includes our dedicated effort to expand recycling initiatives for our manufacturing operations:

Total Recycled Manufacturing Waste in Pounds	
2019	2020
245,908	2,856,305

## Reducing Emissions and Effluents

Dexcom is working to establish benchmarks for the global reduction of emissions at our facilities and strives to implement initiatives to reduce our environmental footprint. We are actively evaluating opportunities to reduce Volatile Organic Compound (VOC) emissions from our manufacturing processes and believe that our efforts to design and implement automated manufacturing processes will enable the reduction of per unit VOC emissions—even as we significantly scale our commercial operations.

Our efforts to reduce emissions extend beyond product design and manufacturing. We encourage and incentivize employees to use mass transit and provide a shuttle service between our San Diego locations and tripled the number of electric vehicle charging stations, further reducing emissions from individual car trips. We’ve also taken steps to facilitate the expansion of work from home arrangements with the recognition that such flexible work-arrangements have the long-term potential to reduce emissions.

We have established procedures and programs to monitor and minimize effluents and a stormwater pollution prevention program, which helps protect the waters and beaches within the regions we operate. Our Spill Prevention Containment and Countermeasure (SPCC) Plan is updated annually to ensure that our production activities are considerate of these communities.



**In line with our commitment to continuously improve our EHS program, we have continued to undertake the following efforts:**

- Significantly expanding and investing in the department that oversees our environmental sustainability programs for identification and mitigation of environmental risks
- Maintaining board oversight of our corporate social responsibility and sustainability initiatives through regular discussion with our Nominating and Governance Committee
- Implementing practices that reduce and recycle manufacturing and packaging waste
- Expanding studies of volatile organic compound (VOC) use to reduce emissions through volume reduction and/or substitution with lower per unit VOC materials
- Further developing our EHS global enterprise system for assessment of meaningful metrics that track our progress against our operational goals

## Education, Monitoring and Improvement

The Dexcom EHS operations team trains employees globally regarding sustainability-driven best practices and procedures. The team maintains a portal where employees can access information on our EHS system, environmental and safety policies, and waste management and occupational health and safety programs at any time.

We also actively monitor all EHS programs and initiatives and work with regulatory agencies to align on applicable standards. We utilize a global EHS enterprise system to monitor injury rates, EHS risk assessment and reduction programs, regulatory compliance, and identify and prioritize EHS program goals to promote continuous improvement in our EHS performance.



# BE DEPENDABLE

## Quality

Dexcom seeks to exemplify quality in all aspects of the organization. While our end goal is the production of the highest caliber CGM devices that empower people to take control of diabetes, achieving this goal requires an even broader approach. It requires us to foster a culture where every Dexcom employee understands their essential role in the design, testing, and manufacturing of our devices that are used every day by our customers. We emphasize this commitment in the core value, **"Be Dependable."**

Dexcom features the following key elements within its approach to organization-wide quality:

- **Education and Awareness:** Individual efforts are critical to upholding our company-wide standards for high quality products. We require all new employees to receive training on the company's quality policy and objectives. We also provide continuing education and awareness to promote our culture of quality and inform our employees about changes that have the potential to impact the quality of our products and the effectiveness of our quality policies. We also encourage our employees to continue their formal education and routinely benchmark against best in class companies. Together, these efforts support a holistic embrace of the quality standards that define Dexcom as an organization.
- **Quality Management System (QMS):** We maintain a robust Global Quality Management System in compliance with applicable US and international regulatory requirements. This includes compliance with key regulations and standards like the FDA Quality System Regulation (QSR) and International Organization for Standardization (ISO) 13485, the primary international standard for medical devices by which we and our facilities are certified. Furthermore, we have strengthened our Global QMS to align with our international growth by obtaining certification to the Medical Device Single Audit Program (MDSAP) and have been recommended by audit for certification to the European Medical Device Regulation (MDR) by our Notified Body. We view our Global QMS as a foundation of sustainable business practices and a Dexcom core strength.
- **Continuous Improvement:** As a core element of our Global QMS, we undertake annual reviews of quality initiatives to ensure Dexcom compliance with evolving standards and continuous improvement of our processes and products. Certification under MDSAP demonstrates our compliance with regulatory requirements for Australia, Canada, Japan, and the United States. We are working toward a scope extension for Brazil, the fifth country currently participating in this program.



## Recent Initiatives

Ongoing investments help ensure that our Global QMS is built for scale and efficiency. Most recently, we have expanded the use of global automated solutions to enhance several of the core aspects of our QMS, including non-conforming material management and audit resolution.

Every step of our development and manufacturing processes are intended to meet and exceed customer requirements. We deploy robust and global processes aimed at monitoring and continuously improving, such as:

- Innovation and development processes
- Automated manufacturing processes
- Customer experience
- Post-market analytics

In alignment with our commitment to continuous improvement and product quality, Dexcom continues to strategically invest in reliability efforts. We aim to achieve the highest level of quality and set the standard for CGM product excellence. We believe that our reliability initiatives will ensure that our products continue to offer our patients a superior customer experience along with exceptional performance.



## Employee Health and Safety

Dexcom is committed to creating a safe and healthy workplace and integrates occupational health and safety into our business planning, equipment design, decision making, and daily activities. We establish internal measures for our safety performance initiatives and strive for continuous improvement in the reduction of injury rates.

Our EHS team built out a new communications system to enhance safety awareness, including an EHS Learning Center and safety intranet site, the launch of a global injury and safety concern reporting system, a new job hazard analysis program, and the implementation of safety standards for our new robotic manufacturing equipment. We continue to implement and expand these programs to further reduce the incidence of workplace injuries.

Through leadership commitment and investment of resources in support of workplace safety initiatives, our total US injury rate has consistently tracked below industry averages.

In addition, our EHS team has prioritized the scaling of both its office and industrial ergonomics programs. These initiatives include worker ergo-knowledge guides, enhanced training, an ergo-break program, and new global ergonomic furniture standards. All new and renovated Dexcom global office facilities include adjustable sit-stand desks and monitor arms, and manufacturing equipment is designed with, and built to, specified ergonomic and safety standards.



## Our COVID-19 Response

Although dependability is a Dexcom core value and something we always strive for, the COVID-19 pandemic brought its importance into the limelight. People with diabetes are at heightened risk for severe outcomes from the virus, making glycemic control especially important during this challenging season. Led by the coordinated effort of the Dexcom Central Emergency Response Committee (CERC), we set out to navigate the pandemic with three primary commitments: **protecting our employees, serving our customers, and helping our communities.**



### • Protecting Our Employees

Shifted a majority of our global workforce to home-based arrangements

Provided home office reimbursement to employees to assist with the work-from-home transition

Enhanced safety measures globally for on-site essential employees

- **Serving Our Customers**

Ensured that our diverse base of suppliers positioned the company to maintain full manufacturing operations

Created the Dexcom Patient Assistance Program to assist US-based customers who lost insurance coverage due to COVID-19

Enhanced training to ensure that clinicians were equipped to use Dexcom remote monitoring tools in virtual care

- **Helping Our Communities**

Worked with the FDA to provide temporary inpatient use of Dexcom CGM technology during the COVID-19 crisis.<sup>§§</sup> Remote monitoring of glucose via CGM helps reduce healthcare provider exposure and preserve personal protective equipment (PPE) while assisting in the control of glucose levels.<sup>\*\*\*</sup>

Provided a donation of facemasks worth \$50,000 to the County of San Diego to support the county's stock of PPE.

Donated \$40,000 to Feeding America and Food Banks Canada through employee giving and a company match to support food insecure communities.

We continue to operate with these three overarching principles in view as we proceed in 2021. We also applaud the efforts of our colleagues and competitors across the healthcare space to advance vaccine development and global distribution.

<sup>§§</sup>CGM devices have not yet been fully evaluated or tested (by DexCom or by the FDA) to the extent that would be required in standard circumstances for product development and marketing authorization.

<sup>\*\*\*</sup>For a representative example, see the case study of Scripps Health:

[https://www.scripps.org/news\\_items/6981-scripps-health-launches-continuous-glucose-monitoring-in-hospitals-covid19](https://www.scripps.org/news_items/6981-scripps-health-launches-continuous-glucose-monitoring-in-hospitals-covid19).

## SERVE WITH INTEGRITY

Dexcom is committed to operating with the highest standards of ethics, as captured in the core value, **"Serve with Integrity."** This commitment extends to all aspects of the organization, including: the safety and effectiveness of our products, the way we serve and empower our customers and employees, our focus on innovation as we seek to address issues of customer accessibility to our products, and the way we communicate our story to our stakeholders. While oversight of the company's ethics and governance structure begins with the Board of Directors and Executive Leadership Team, Dexcom expects all employees to foster a culture of accountability in line with our [Code of Conduct](#).





## Board of Directors

The Executive Leadership Team, under the oversight of the Board of Directors, manages the implementation and communication of company policies that reflect our commitment to serve with integrity. Given their engagement and oversight of the company's strategy, culture, and risk management, we maintain high expectations for our Board members. In addition to the roles described in the [Corporate Governance Principles](#), our Board prioritizes the following:



### Independence

We maintain a strong emphasis on director independence. Ten of Dexcom's eleven current directors are independent and all four of our standing committees (Audit, Compensation, Technology, and Nominating and Governance) are comprised exclusively of independent directors. We have also designated a Lead Independent Director as a core principle of governance in order to maintain effective, independent oversight of the Executive Leadership Team.



### Sustainability Oversight

In recognition of the unique role that we play as global corporate citizens, our Board oversees our corporate social responsibility and sustainability initiatives, with responsibility allocated to the Nominating and Governance Committee. [The Nominating and Governance Committee Charter](#) provides for, at minimum, annual review of material issues, risk mitigation, and company performance, with respect to corporate social responsibility and sustainability.



### Diversity

We believe that representation of the company's diverse stakeholders is best achieved by a Board of Directors comprised of different genders, ethnicities, backgrounds, and experiences. Our current Board consists of leading experts in endocrinology, internal medicine, and digital health, as well as business leaders with financial, technical, legal and operational experience across the continuum of the healthcare, technology and consumer sectors.

Most recently, in 2020, Karen Dahut and Kyle Malady joined the Board of Directors. Ms. Dahut brings to the Board extensive leadership experience in technology, cyber, and analytics and currently serves as the Group Leader of the Global Commercial and Global Defense businesses at Booz Allen Hamilton. Mr. Malady currently serves as Executive Vice President of Global Networks and Technology and Chief Technology Officer at Verizon Communications Inc. Ms. Dahut and Mr. Malady are among the most respected leaders in their fields and bring a wealth of experience to Dexcom, helping to bolster our efforts around data infrastructure, cybersecurity, information technology, and connected solutions.

### Board Representation as of Fiscal Year-end 2020

Gender Diversity	Underrepresented Communities
73% Male/ 27% Female	22%

## Dexcom's Compliance Program

Dexcom promotes an organizational culture that encourages ethical conduct and adherence to applicable laws and regulations. [The Code of Conduct](#), which is available in multiple languages, serves as the foundation for our program, providing a key resource for the development and accountability of our employee base.

The Compliance Department also maintains several avenues that encourage employees to learn, speak up, and ask questions:

- **Employee Training:** All Dexcom employees are required to complete annual training on Dexcom's Compliance policies in support of our efforts to comply with applicable laws, rules, and regulations. This ensures that employees are equipped to meet or exceed our expectations for ethical business conduct. Employees can access Compliance training and applicable Compliance policies and procedures through our internally hosted compliance website.
- **Multiple Compliance Reporting Resources:** We promote a culture of ethics and integrity by welcoming questions and encouraging internal accountability. In addition to the internal compliance website, all Dexcom employees around the world can submit questions or file reports directly with any member of the Compliance Department, through a dedicated Compliance email address, or anonymously through our third-party-hosted Compliance Helpline.
- **Commitment to Non-Retaliation and Confidentiality:** The Dexcom Compliance Department, in coordination with other relevant departments, monitors compliance with applicable laws, regulations, and ethical considerations and investigates all reports of Code violations or unlawful activity. We also explicitly prohibit harassment and retaliation against anyone who seeks advice, raises concern, reports misconduct, or provides information in an investigation.

In 2020, Dexcom strengthened its global risk management efforts under the leadership of its Senior Vice President and Chief Risk Officer. Our enterprise risk management team conducts robust assessments of potential or emerging risks and assigns responsibilities for tracking and mitigating these developments across the company.

## Data Privacy

We are committed to preserving the confidentiality, integrity, and availability of personal data throughout its life cycle, from creation through disposition.

**Employees help protect the privacy of personal data by following certain principles, including:**

- Collecting and using the minimum amount of personal data necessary to achieve the business purposes for which the data was collected
- Keeping personal data only as long as necessary to achieve those purposes
- Sharing personal data only with individuals who have a legitimate need for it and are authorized to receive it

We are also committed to incorporating a privacy-by-design framework in our daily operations. This means that we proactively embed data privacy and protection principles into the design, operation, and management of all our products and systems. As we develop and maintain products and systems, we will continue to respect user privacy and keep our data collection practices open and transparent. To foster this, we maintain a Privacy Portal where all customers, healthcare providers, employees and other stakeholders can access their data or exercise various data privacy rights.

In order to implement the principles above and maintain the trust of our customers, we have established a Personal Data Privacy Program that requires annual training for our employees. This training serves to ensure that Employees understand their obligations with respect to personal data.



In 2020 we reached a significant milestone in our efforts to demonstrate our commitment to data security. SRI Quality System Registrar, an accredited registrar for ISO certifications, officially certified that the Dexcom Information Security Management System is in conformity with ISO/IEC 27001:2013.

We look forward to the ongoing impact of this achievement as we target best practices for monitoring, reviewing, maintaining, and improving the Dexcom information security management system.

In addition to the core initiatives above, the following documents contain key information with respect to our commitment to integrity:

- **The Code of Conduct also contains information with respect to:**

Ethical sales and marketing practices
Interactions with patients and healthcare providers
Anti-bribery and anti-corruption
Political contributions
Diversity, equity and inclusion in the workplace
Discrimination and harassment
Safety and health
Environmental sustainability
Animal welfare and testing

- **Dexcom Supplier Code of Conduct**

- **Anti-Human Trafficking Policy**

- **Conflict Minerals Policy**

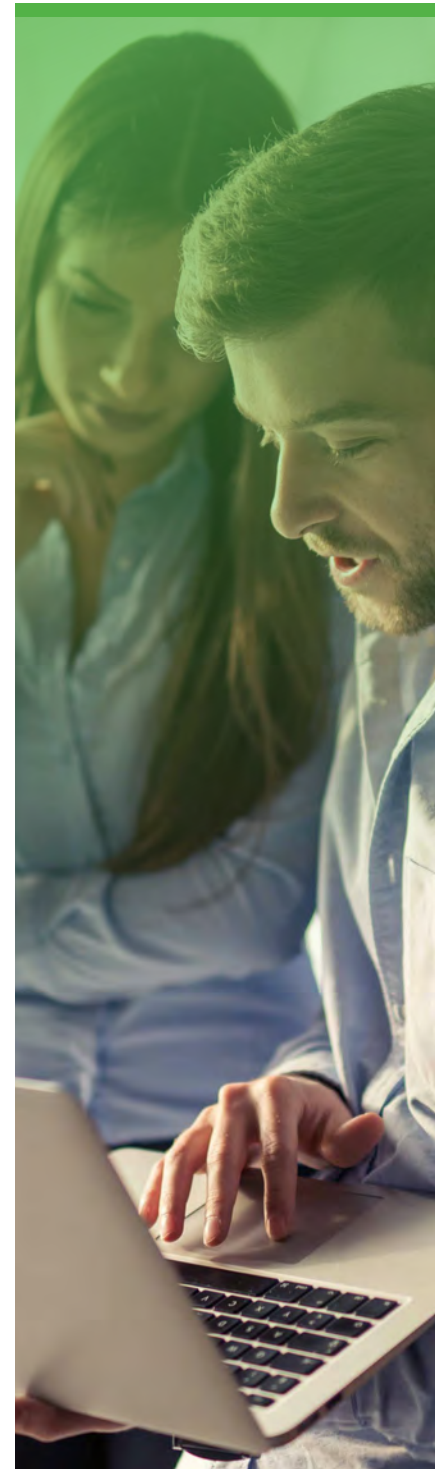
- **Board of Directors Committee Charters:**

<a href="#">Nominating and Governance Committee</a>
<a href="#">Audit Committee</a>
<a href="#">Compensation Committee</a>
<a href="#">Technology Committee</a>

- **Corporate Governance Principles**

- **Executive Stock Ownership Guidelines**

- **Clinical Research Program and Standards**





# **DEXCOM, INC. SUSTAINABILITY REPORT**

March 2021

## **Dexcom**

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