veracyte®

2024
Veracyte ESG Report

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This report includes Environmental, Social, and Governance (ESG) disclosures that are aligned with the Sustainability Accounting Standards Board (SASB) standards. While SASB classifies Veracyte in the Biotechnology & Pharmaceuticals industry, we have also chosen to use the standards for the Medical Equipment & Supplies industry to inform our disclosures.

Forward-Looking Statements

This report includes forward-looking statements, which are statements other than statements of historical facts and statements in the future tense. These statements include, but are not limited to, statements related to our plans, objectives, expectations and growth drivers related to our products and tests as well as statements regarding ESG related topics including, for example, targets and goals; the impact of continuing to monitor, manage, and report on the environment and related efforts to mitigate harm; and the ability of our oversight and management of ESG matters to achieve long term success for all stakeholders.

Accordingly, actual results could differ materially, or such uncertainties could cause adverse effects on our results. Forward-looking statements are based upon various estimates and assumptions, as well as information known to Veracyte as of the date of this report, and are subject to risks and uncertainties, including, but not limited to, the impact of new and existing laws and regulations and other general market, political, economic, and business conditions. Actual results could differ materially from those predicted or implied, and reported results should not be considered an indication of future performance. Additionally, these forward-looking statements involve risks, uncertainties, and assumptions. Significant variation from the assumptions underlying our forward-looking statements could cause our actual results to vary, and the impact could be significant. Additional risks and uncertainties that could affect our performance are included under the captions “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 29, 2024, and subsequent quarterly reports on Form 10-Q, which are available on the Investor Relations page of our website at **www.veracyte.com** and on the SEC website at **www.sec.gov**. All forward-looking statements contained herein are based on information available to us as of the date hereof, and we do not assume any obligation to update these statements as a result of new information or future events.

A Letter from Our CEO

I am proud to present our second Environmental, Social, and Governance (ESG) report, outlining our progress throughout 2023 and into 2024. This report builds on the foundation we set in our inaugural ESG report, showcasing our advancements and reaffirming our commitment to responsible business practices.

At Veracyte, we believe exceptional cancer care starts with exceptional diagnostics. This mission fuels our drive to innovate in delivering insights that guide cancer diagnosis, ultimately helping patients avoid unnecessary procedures and receive timely treatment. Our high-performance tests empower clinicians with confident diagnostic and prognostic information to guide treatment decisions for some of the most challenging cancer. Our tests have served over 500,000 patients worldwide, are offered in more than 35 countries, are actively used in over 35 clinical trials, and are featured in over 500 research publications. We strive to understand the challenges faced by patients and families, so that our dedicated team can identify and address unmet needs that hinder access to personalized care.

Our goal is to enable personalized care decisions for as many patients as possible, and to do that across the cancer continuum. In 2024, we completed the acquisition of C2i Genomics, a company with novel capabilities using whole-genome sequencing in Minimal Residual Disease (MRD). Through this acquisition, we are entering the large and emerging MRD market, one which we believe we are uniquely suited to serve. Our entry into this market will allow us to expand our role across the entire cancer care continuum, from early diagnosis and risk assessment to treatment monitoring and disease recurrence testing.

As we drive continued innovation through our comprehensive, whole-transcriptome and now whole genome-derived testing approach, we remain focused on strengthening our management of ESG issues that influence our impact on patients and ultimately the value we deliver as a business. Beyond our patient focus, we are committed to demonstrating to our employees, customers, and other stakeholders that Veracyte is an employer and partner of choice. I hope the information in this report provides insight into our commitment to and performance across all aspects of ESG. We encourage you to learn more about our initiatives and share your feedback. We believe in open and honest communication, and we value your insights as we navigate our sustainability journey.

Sincerely,

Marc Stapley
CEO

ESG at Veracyte

We are committed to the ongoing integration of Environmental, Social, and Governance (ESG) considerations into our decision making. By implementing a strategic approach to ESG, we can more holistically evaluate the wide-ranging issues that affect our business and our key stakeholders.

We continuously evaluate our ESG performance within the context of our industry, peers, global reporting frameworks, and third-party rating and ranking methodologies. Our reporting is informed by industry-specific ESG topics as identified by the Sustainability Accounting Standards Board (SASB). **In 2022, we systematically identified and prioritized ESG topics to better position us to address topics that matter most to our business and our stakeholders.** Our highest-priority ESG topics are listed alphabetically below and are covered in more detail in the pages that follow.

ESG Oversight

We have established a governance structure for ESG which includes board-level oversight supported by a committee of executive decision makers and a cross-functional working group.

Board-level ESG oversight

Nominating and Corporate Governance Committee

- Oversee the company's programs and public disclosures relating to ESG
- Oversee initiatives relating to sustainability and climate change impacts
- Coordinates with other Board Committees (below) on ESG matters, to facilitate strong Board-level ESG oversight

Audit Committee

- Review and assess performance, risks, controls, procedures, and disclosures related to ESG matters

Compensation Committee

- Review and manage matters related to employee diversity, inclusion, and equity

Regulatory and Compliance Committee

- Review and assess the ethics and compliance program
- Assists the Board in oversight of risk management relating to compliance with healthcare, patient privacy, and data security laws and regulations

Executive-level ESG decision making

Corporate Responsibility and Compliance Committee (CRCC)

- A group of executive-level decision makers and other leaders
- Support implementation of Veracyte's ESG strategy, programs, and reporting efforts
- Help monitor ongoing developments related to ESG matters. The CRCC meets quarterly

ESG Core Team

ESG Core Team

- Led by the Chief Financial Officer (CFO)
- Cross-functional working group from across the enterprise
- Supports executive management and the CRCC by providing subject matter expertise and executing ESG initiatives

In 2023, Veracyte formalized roles and responsibilities for the ESG Core Team, including the following elements:

- **Strategy and Policy:** Assist the CFO in setting the company's overall ESG strategy, recommend policies and practices that align with that strategy, and promote compliance with relevant regulations.
- **Implementation and Monitoring:** Develop and oversee the implementation of ESG initiatives based on the established strategy, as well as monitor their effectiveness.
- **Communication:** Oversee internal and external communications regarding the company's ESG efforts, including the annual report and communications with employees, investors, and other stakeholders.
- **Staying Informed:** Identify and bring to the attention of leadership any emerging ESG issues that could impact the company, and recommend appropriate adjustments to policies, practices, and disclosures.
- **Site Visits:** Conduct periodic visits to operating locations to gain firsthand understanding of operations and review ESG performance.
- **Monitoring Systems:** Establish and maintain systems to monitor the company's ESG performance.
- **Stakeholder Engagement:** Advise the CFO on ESG-related shareholder proposals and other significant stakeholder concerns.
- **Policy Review:** Regularly review and recommend updates to the ESG Core Team Policy.

Learn more about our board governance, member tenure, independence, and diversity.

Advancing Patient Access to Cancer Care

At Veracyte, we have a strong understanding of what it takes to robustly launch successful diagnostic products. Our tests provide clinicians with the information needed to help make decisions about whether a patient has a disease, the prognosis for that patient, and whether specific interventions are required once a diagnosis has been made. We have served over 500,000 patients worldwide, with tests offered in more than 35 countries, and our tests are currently being used in 35 clinical trials and are featured in over 500 publications.

>500K

Patients benefitted by our tests

>35

Countries where our tests are offered

35

Active clinical trials

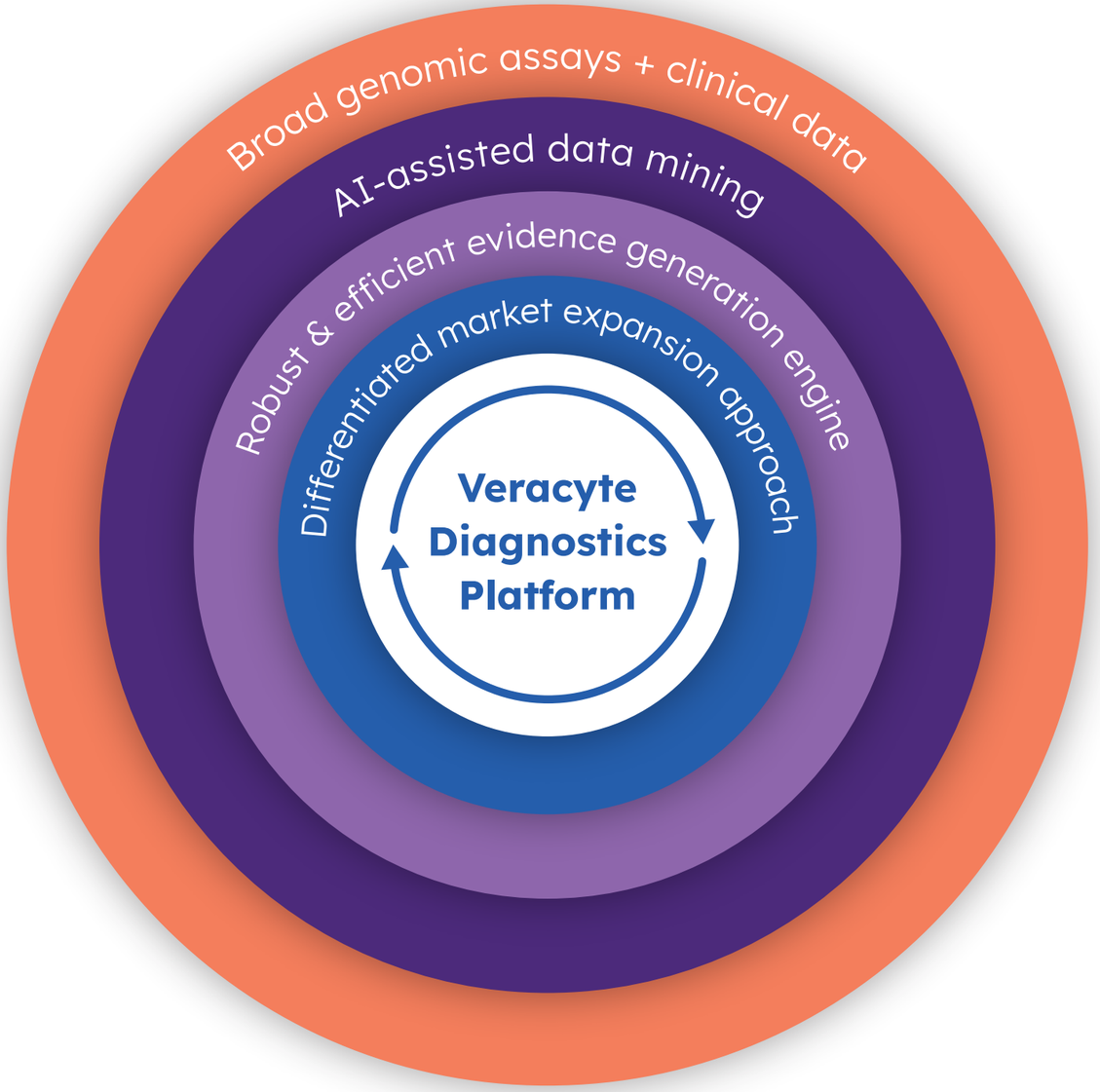
>500

Publications utilizing our tests

Better data for better insights

From whole-transcriptome to whole-genome, we take a more-data-is-better approach to developing tests that provide clinicians with actionable insights at critical points in the cancer care continuum. The traditional methods used by physicians to diagnose and manage patient decisions in the U.S. have been the standard of care for many years.

The Veracyte Diagnostics Platform has provided a unique and strong foundation for expansion and growth. The performance of the Decipher and Afirma tests demonstrate the incredible power of our platform, with a unique approach that relies on broad sets of genomic and clinical data, deep bioinformatic and AI capabilities, and a powerful evidence-generation engine. This ultimately drives guideline inclusion, and when combined with our proven commercial excellence, is designed to ensure durable adoption and reimbursement.



Serving more patients every day

Our four strategic imperatives create a focus that allows us to impact more patients around the world.

Grow established tests

Both **Afirma** and **Decipher**, our tests in thyroid and prostate cancer, are the leading tests in their respective markets. Since 2011, Afirma tests have been used by physicians to help more than 175,000 patients, ~60% of those tested, to avoid an unnecessary surgery when facing an uncertain cancer diagnosis. Decipher in prostate cancer has helped guide treatment decisions for close to 200,000 patients. With Decipher, we have expanded beyond prognosis and prediction of therapy response, to treatment selection and avoidance of radical prostatectomy where applicable, to metastatic advanced disease.

Expand geographically

We are now executing a multi-platform *in vitro* diagnostic (IVD) approach, where we believe the quality of our diagnostics and the level of evidence supporting them differentiates us and enables us to serve a global customer base.

We are providing tests in over 35 countries.

We are manufacturing our IVD products in our Marseille, France location, which will enhance our ability to efficiently serve the global market.

Solve new cancer challenges

With Percepta Nasal Swab, we aim to tackle new cancer challenges in lung cancer.

In the US, approximately 15 million people are eligible for annual screening, and 1.6 million lung nodules are found incidentally each year.

Percepta Nasal Swab, is a novel, non-invasive genomic test for those patients with identified lung nodules, who have a smoking history. The test is designed to improve risk assessment for these patients, which will help avoid unnecessary diagnostic procedures, reduce time and stress for low-risk patients, and support timely diagnosis and treatment for those who are high risk.

Serve more of the patient journey

Our acquisition of C2i Genomics is enabling us to expand our role across the cancer care continuum, building from our position in early diagnosis and risk assessment to treatment monitoring and disease recurrence testing.

With the addition of **minimal residual disease (MRD) testing**, we are expanding downstream. This will allow us to move into monitoring therapy response and testing for recurrence, supporting patients from diagnosis to treatment across remission – and hopefully to a cure.

Raising the bar on evidence generation

As we aspire to give patients everywhere access to better cancer care, we focus not only on making our tests widely available, but also on building clinical evidence for our solutions to drive reimbursement, physician adoption, and guideline inclusion.

On the clinical side, we employ a rigorous multi-disciplinary innovation process to develop solutions that help make clinicians' and patients' lives easier. In each disease area, our medical affairs and research teams focus intensely on understanding the patient journey—from risk stratification in symptomatic patients to treatment—and determine where providing physicians with more accurate and comprehensive information can positively enhance care for patients.

Our experienced clinical and medical teams work together with our scientific and commercial teams and key opinion leaders (KOLs) in each indication to drive repeated cycles of evidence development. With both prospective and retrospective studies over time, we focus on evidence that allows us to answer key clinical questions and provide the proof needed to drive adoption and guidelines.

With our years of experience in market access and reimbursement, we work closely with Centers for Medicare and Medicaid Services (CMS) and commercial payers to leverage this evidence and meet their requirements to demonstrate both the clinical benefit and clinical impact of our tests; together, the clinical utility. Our proprietary framework, the Veracyte Diagnostics Platform, enables us to identify a specific clinical unmet need and develop the test to address that need, along with the clinical evidence, reimbursement, and clinical guideline inclusion to promote market adoption.

Providing trustworthy results

We take pride in ensuring product performance and utility by building evidence across a broad range of studies because clinicians and patients need high-quality, reliable results they can trust.

We invest significantly in research and development (R&D) activities to build robust scientific and clinical evidence for our solutions. To date, we estimate that over 300 studies demonstrating the performance and clinical utility of our tests have been published in peer-reviewed medical journals. We develop our tests on the same type of sample that is or will be used in clinical practice, collected through multicenter clinical trials.

We use a diverse set of patient samples to develop and train our machine learning algorithms to recognize patterns across an array of conditions that may be encountered in the clinic. We also leverage our network of practicing physicians and KOLs to determine where each test should be positioned in the clinical pathway, and what sample type and technology should be used. To further equip clinicians with confidence, our laboratory developed tests (LDT) and IVD tests are subject to rigorous quality control processes, including compliance with third-party standards such as ISO 13485.

Reaching more patients globally

We make our novel tests widely available through a flexible model. This consists of our centralized Clinical Laboratory Improvement Amendments of 1988 (CLIA)-certified laboratory approach in the U.S. and our decentralized, IVD approach outside of the U.S. We drive success in both models by developing rigorous clinical evidence for our tests and securing their inclusion in medical guidelines. This approach is designed to enable reimbursement from payers and the trust of clinicians to use our tests to help guide important patient care decisions. By making our tests available globally to local labs, we are mitigating international privacy and shipping challenges.

Once we have developed strong clinical evidence and clinician adoption of our tests in the U.S., we typically look to make them accessible to patients in Europe and beyond. We are doing this by developing them, as appropriate, as IVD tests that can be performed locally by laboratories and hospitals worldwide. We take a country-by-country approach to market access and reimbursement, working with KOLs to secure our tests' inclusion in clinical guidelines and to educate government officials about the value of our products. For example, our Prosigna Breast Cancer Assay is reimbursed in several European countries, including Germany, Spain, Sweden, Denmark, Switzerland, Norway, and the UK, as well as Israel.

Testing performed locally to enable faster, more efficient patient results

By offering our tests as IVDs that labs outside of the U.S. can perform locally, we expect to avoid challenges associated with sending patient samples back to the U.S. These challenges include logistical inefficiencies, risks to sample integrity during shipping, and added expense. Ultimately, we believe our local-testing approach will help clinicians and their patients get the answers they need sooner. Enabling our tests to be performed locally in countries worldwide helps ensure that our tests meet such requirements and can be made available to as many patients as possible.

Our tests are changing today's clinical practice standards and making a difference in the lives of physicians and patients all over the world. We believe our broad portfolio and proven approach to clinical evidence generation, reimbursement, and commercial deployment gives us numerous opportunities to improve outcomes for patients at pivotal moments in their cancer journey. We will continue to expand our global reach so that we can deliver insights to those that need it and enable patients to attain clarity faster.

Helping those who need assistance

Veracyte is committed to ensuring that all patients have appropriate access to medically necessary testing. The Veracyte Access Program provides financial assistance to patients who qualify on the basis of financial need as determined by an assessment of household size and income. This program covers all of our tests, including Afirma, Percepta, Envisia, Prosigna, and Decipher, as well as future tests. Veracyte's molecular tests are used in the diagnosis and treatment of potentially fatal forms of cancer, and the patients who undergo these tests are more likely to be older or unable to work due to their health condition and to have extensive medical expenses.

Corporate Governance

Veracyte is committed to good corporate governance practices that strengthen the accountability of our management and Board of Directors and promote the long-term interests of our stakeholders. Our Board has established four committees, all members of which are independent. Learn more about each committee in the charters below.

- **Audit Committee**
- **Compensation Committee**
- **Nominating and Corporate Governance Committee**
- **Regulatory and Compliance Committee**

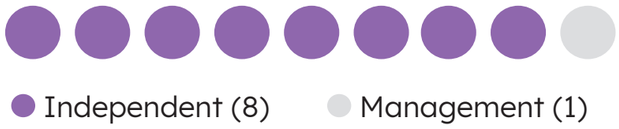
Governance and board highlights

We are committed to good corporate governance, which strengthens the accountability of our Board of Directors and promotes the long-term interests of our stockholders. The list below highlights our corporate governance and other board-related practices.

- Majority of directors are independent (eight out of nine current directors).
- Board leadership structure with an independent Chair of the Board of Directors.
- All Board of Directors committees, including our Regulatory and Compliance Committee, are composed only of independent directors.
- We are implementing a gradual declassification of the Board of Directors such that directors will be elected annually for one-year terms, commencing upon the expiration of the directors' then-current terms; beginning with our 2026 annual meeting of stockholders, all director nominees will stand for election for only one-year terms.
- Strong board-level ESG oversight in which our Nominating and Corporate Governance Committee oversees our ESG programs, including those related to corporate responsibility, as well as sustainability and climate change impacts, in collaboration with the Audit Committee, Compensation Committee, and Regulatory and Compliance Committee on certain ESG matters, as appropriate and as described in each respective committee charter.
- We publish an annual ESG report.
- Board of Directors is focused on enhancing diversity and succession practices.
- We employ comprehensive enterprise risk management practices, including oversight of cybersecurity, data privacy, legal, compliance and regulatory matters, ESG, and other critical evolving areas.
- Independent directors conduct regular executive sessions.
- Directors maintain open communication and strong working relationships among themselves and have regular access to management.
- Directors conduct a robust annual Board of Directors and committee self-assessment process.
- We have a majority voting standard for uncontested elections of directors.
- Board of Directors has related party transaction standards for any direct or indirect involvement of a director or management in the company's business activities.
- Directors are expected to limit the total number of public company boards on which they serve to five (including Veracyte).
- Stock ownership guidelines for our executive officers and each member of our Board of Directors.
- Clawback policy that provides for the recoupment of certain executive officer incentive compensation in the event we are required to restate our financial statements.

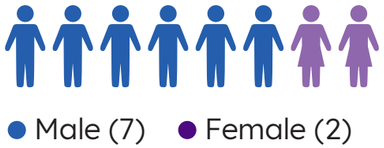
We regularly review our corporate governance structure and evaluate emerging trends in governance best practices. Our most recent proxy statement, which includes additional details surrounding corporate governance at Veracyte and the latest matters subject to approval by our stockholders, can be viewed on our website at **investor.veracyte.com/sec-filings**.

Director Independence



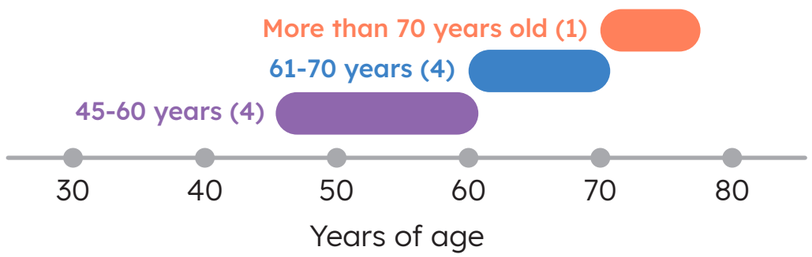
Director Tenure

Gender Identity



Diversity

Director Age



Data provided as of September 3, 2024.
*Director self identified as being from an underrepresented group.

Board diversity

The Nominating and Corporate Governance Committee evaluates and selects director candidates based on criteria such as independence, integrity, diversity (including with respect to race, ethnicity, gender, and sexuality), geography, financial skills and other expertise, and ability to act on behalf of all stockholders. The Nominating and Corporate Governance Committee believes that nominees for director should have experience, such as management, accounting, finance, marketing, or industry and technology knowledge that may be useful to our company and the Board of Directors; high personal and professional ethics; and the willingness and ability to devote sufficient time to effectively carry out their duties as a director. The Nominating and Corporate Governance Committee also believes that service as a director of other public companies provides experience and perspective that may be useful to our company and the Board of Directors.

Although our company has no formal diversity policy for board members, the Board and the Nominating and Corporate Governance Committee consider diversity of backgrounds and experiences and other forms of diversity when selecting nominees. As of September 3, 2024, two out of nine directors identified as female and two out of nine directors identified as being from underrepresented groups.

We also believe that our current Board of Directors composition represents an effective balance with respect to director tenure and age. Recent director additions provide the Board of Directors with fresh perspectives and diverse experiences, while directors with longer tenure provide continuity and valuable insight into our business and strategy. The charts on this page provide information regarding the diversity of our Board of Directors as of September 3, 2024.

Ethics & Compliance

Veracyte is an organization with strong values of responsibility and integrity. We are committed to conducting our business with the highest standards of ethics.

We maintain a comprehensive compliance program that is in line with industry specific voluntary guidance for ethics and compliance and is overseen by the Regulatory and Compliance Committee of Veracyte's Board of Directors. The committee regularly reviews management's compliance efforts and policies, which are designed to promote adherence to all relevant healthcare laws and regulations regarding promotional activities, Medicare reimbursement, and laboratory services. The committee also periodically reviews the company's enterprise risk management program, which includes risks relating to patient privacy, data security, and supply chain, among others, and ensures proper communication of compliance issues to the Board. Veracyte's legal, regulatory, and quality teams meet quarterly within an internal Corporate Responsibility and Compliance Committee, as well as with the Regulatory and Compliance Committee to provide the information necessary to oversee the program. Veracyte has also incorporated the most recent guidance from the U.S. Department of Justice and has engaged with external experts to assess the effectiveness of the compliance program and to identify areas for continual improvement as our organization matures.

Compliance policies and procedures

A key component of our compliance program is the Code of Business Conduct and Ethics (Code of Conduct), which sets out basic principles to guide all employees, officers, and directors in conducting themselves ethically. We expect our employees to avoid even the appearance of improper behavior. Our Code of Conduct was updated and approved by the Board in 2022 to further explain Veracyte's expectations of employees in their behavior and to establish clear connections between expected behaviors and our company values. All employees are required to annually acknowledge that they have received and read the Code of Conduct, and agree to comply with the standards, policies, and procedures contained within and Veracyte's related policies and procedures. In addition, we have a separate Code of Ethics for Senior Financial Officers that specifically applies to our CEO, CFO, and other key management employees.

As stipulated by our Code of Conduct, we seek to establish a culture of trust and transparency for the entire Veracyte team while maintaining a reputation for honesty and fair dealing among our patients, physicians, competitors, and the public. We prohibit our employees from engaging in unethical business practices. We have launched mandatory compliance training programs across the organization and have embarked on new training approaches globally, including town hall discussions and sales role-specific training. We conduct periodic compliance audits to evaluate the effectiveness of our compliance program, policies, and procedures.

We continually advance our compliance program as we grow as an organization. Building upon prior training rollouts, we continue to introduce new training courses to address evolving legal, regulatory, or compliance topics. In 2024, one area of focus has been strengthening compliance with relevant laws and regulations regarding interactions between Veracyte employees and healthcare professionals, which has been strengthened through updated policies and employee training, as well as targeted compliance audits.

Reporting ethics or compliance concerns

We maintain a Compliance and Business Ethics hotline and online portal, sometimes referred to as a 'whistleblower hotline,' where employees and others may confidentially and anonymously (subject to local legal regulations) report any concerns about potential misconduct. While our anonymous hotline has consistently been available for employees to report suspected wrongdoing, in 2022, we launched a "speak up" campaign throughout the organization and established a new **Business Ethics and Compliance Hotline page** to ensure accessibility. In 2024, additional efforts are being made to ensure awareness of the hotline by all employees. Anonymous reports are shared with relevant parties upon receipt of a complaint. They are triaged by our Chief Compliance Officer and handled accordingly. We strive to triage complaints as soon as practicable upon receipt to address the issues raised and launch investigations as appropriate. If we are made aware of a policy violation through our hotline or otherwise, we evaluate, investigate, and take appropriate action up to and including termination of employment, if warranted.

We provide various other ways for employees to anonymously report compliance concerns and potential violations of company policies without being subject to retaliation. If an individual suspects or becomes aware of any action that he or she believes may be illegal, unethical, or inappropriate, the person should immediately report the situation to the legal or compliance team, or to human resources. Employees are responsible for being aware of the corporate policies applicable to their activities, must comply with them fully, and are expected to promptly report any violations.

Anti-corruption and ethical interactions

SASB HC-BP-510a.1; SASB HC-BP-510a.2; SASB HC-BP-270a.1

Veracyte has established a Global Anti-Bribery and Anti-Corruption Policy, which outlines the company's policy of compliance with anti-corruption laws such as the U.S. Foreign Corrupt Practices Act (FCPA) and the OECD Anti-Bribery Convention. We strictly prohibit bribery of anybody, including foreign officials, public officials, physicians, researchers, clinicians, professors, and other third parties.

We permit employees to provide appropriate and modest meals, gifts, travel, and entertainment to private persons (excluding foreign or public officials) provided the value is reasonable (not lavish or excessive), is in good taste, related to a legitimate business purpose, properly recorded in the company's books and records, and provided in accordance with the company's Compliance and Ethics Manual. Employees are directed to always be sensitive to potentially unlawful activities, such as kickbacks or bribes. Our U.S. employees, including key employees who work with U.S. healthcare professionals and accounts, receive compliance training that covers appropriate interactions, anti-kickback provisions, and other U.S. governing laws. Our policies covering interactions with healthcare professionals reflect principles, standards, and guidance provided to our industry by organizations such as the Advanced Medical Technology Association.

We require all employees to complete FCPA training through an online platform on an annual basis. We direct our employees to conduct risk-based due diligence on third parties, particularly with respect to anti-corruption laws, prior to engaging in new business relationships. After due diligence is completed and risks are appropriately mitigated, a third party's relationship with the company must be memorialized by a written contract that contains appropriate provisions for compliance with anti-corruption laws. We implemented an external technology platform in 2023 to centralize and standardize our third-party due diligence process. Vendors are evaluated based on responses to a preliminary intake form, and higher-risk vendors are required to provide additional information for our determination of how to proceed. Information and attestations obtained from vendors regarding their compliance is stored in a central location, and reviewed periodically in the future, depending on risk level.

We comply with the U.S. No Surprises Act and describe our approach to protecting customers from surprise billing on our website at **veracyte.com/no-surprises-act**. We are committed to remaining compliant with applicable billing laws and regulations.

To date, Veracyte has not been subject to any legal proceedings associated with bribery, corruption, or false marketing claims.

Lobbying

We are not actively engaged in any lobbying or engagement initiatives with politicians or public officials. We plan to adopt a relevant policy accordingly as our business continues to grow and mature.

Product Quality & Safety

Our commitment to product quality and safety is a fundamental part of our mission to address unmet clinical needs that stand in the way of better patient care. We adhere to applicable regulatory requirements and have implemented quality control processes to validate the safety and effectiveness of our diagnostic tests.

In the United States, we offer laboratory developed tests (LDTs) through our centralized Clinical Laboratory Improvement Amendments of 1988 (CLIA)-certified laboratories in South San Francisco and San Diego, California, supported by our cytopathology expertise in Austin, Texas. Our site in Marseille, France is ISO 13485-certified to design, develop, manufacture and distribute in vitro diagnostic (IVD) tests to laboratories and hospitals globally. In early 2024, we completed the acquisition of C2i Genomics, Inc., which has an ISO 13485, ISO 27001, and ISO 27799-certified R&D center for In Vitro Diagnostics (IVD) and Software as a Medical Device (SaMD) in Israel.

Oversight

Our executive management team is responsible for establishing and implementing our quality policy and objectives. Our Vice President of Global Quality & Regulatory Affairs promotes awareness of applicable regulatory and quality management system (QMS) requirements throughout the organization and reports any needs for improvement to the executive management team. All Veracyte employees are expected to carry out their work in compliance with our quality procedures and strive for continuous improvement in all quality-related activities. Furthermore, the Regulatory and Compliance Committee of the Board of Directors oversees the company's compliance with applicable healthcare legal and regulatory requirements.

Quality management system

SASB HC-MS-430a.1

We have designed our Quality Management System (QMS) to align with the regulatory and quality requirements applicable to the geographies in which we operate. Our policies help us ensure that we take a global approach to risk management and that we can fulfill the need to demonstrate both clinical evidence and clinical benefit of our tests.

Our IVD development and manufacturing site, located in Marseille, France, is based on a QMS that complies with ISO 13485 and US FDA 21 CFR 820. Our European operations comply with the European Union's regulations for IVD tests, which require manufacturers to demonstrate compliance with safety and performance criteria applicable to the design, development, production, and post-market surveillance of the IVDs on the market.

Our facilities in South San Francisco, CA, and Marseille, France participate in the FDA's Medical Device Single Audit Program (MDSAP), and our San Diego, CA, laboratory maintains accreditation from the College of American Pathologists (CAPs). We manage our labs with a focus on operational excellence and continuous improvement. We have an active quality monitoring program to ensure lab operations meet regulatory requirements. We use a systematic, analytical approach aimed at delivering optimal outcomes for patients and referring physicians, while driving cost and lab-efficiency improvement as we scale operation. We conduct regular internal audits of our facilities to ensure compliance with regulatory requirements, and we review our quality standards on an ongoing basis to implement the latest best practices.

Training

We strive to ensure that the highest standards are met throughout our operations, and this starts with having a well-trained, committed, and engaged workforce. Our training program is centered around our quality policy and objectives, which include operational excellence, robust design and development, and continuous improvement of our products, services, and processes. Using risk-based approaches, we provide QMS and technical trainings based on job functions at least annually. Our internal training requirements for each job aim to bridge the skills gap for the newest members of our workforce.

Clinical study programs and standards

SASB HC-BP-210a.1

We conduct clinical studies in accordance with applicable regulatory requirements and standards of the country and/or regions in which the study takes place. These include the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use: Guideline for Good Clinical Practice (ICH GCP E6; hereafter, GCP). GCP is an international ethical and scientific quality standard for designing, conducting, recording and reporting trials that involve the participation of human subjects. Compliance with this standard provides public assurance that the rights, safety and well-being of trial subjects are protected, consistent with the principles that have their origin in the Declaration of Helsinki, and that the clinical trial data are credible. Additional standards followed by Veracyte include the International Ethical Guidelines for Biomedical Research Involving Human Subjects (Council for International Organizations for Medical Sciences), U.S. Food and Drug Administration Title 21 CFR §11, 50, 54, 56, 812, & 814, and ISO 20916 (In vitro diagnostic medical devices — Clinical performance studies using specimens from human subjects — Good study practice).

Consistent with GCP, we ensure that clinical studies are reviewed and approved prior to study initiation by national and/or regional regulatory authorities where the study takes place, as well as independent local ethics committees or institutional review boards. These independent reviews serve to ensure the protection of the rights, safety and well-being of human subjects involved in a trial and to provide public assurance of that protection, by, among other things, reviewing and approving or providing favorable opinion on the trial protocol, the suitability of the investigator(s), facilities, and the methods and material to be used in obtaining and documenting informed consent of the trial subjects.

Clinical studies at Veracyte are managed by our Clinical Affairs team, or properly delegated individuals, who are trained in GCP and other applicable regulations and standards, as well as established internal standard operating procedures describing processes and requirements in each phase of the management of clinical studies.

Enrolling people from diverse backgrounds in clinical trials is key to advancing health equity and serves to ensure that clinical trials represent the end patients who will use the medical products. Veracyte proactively monitors the diversity of enrolled study participants with respect to race, ethnicity, age, gender, biological sex, geography and other relevant demographics, and encourages inclusion of underrepresented populations to promote accessibility and support clinical trial results that are generalizable to the intended population.

Our clinical research does not involve the use of any animals for testing purposes.

Partner services

Veracyte conducts third-party activities, including development, clinical testing in the context of clinical studies, and contract manufacturing for our biopharmaceutical partnerships. We offer products to support clinical studies for investigational use or performance evaluation, such as Clinical Trial Assays and Research Use Only kits.

Our labs in Marseille, France, manage and analyze samples from clinical trials for our biopharmaceutical partners in accordance with GCP and Good Clinical Laboratory Practice (GCLP) standards.

Traceability

SASB HC-MS-430a.2

Reagents and consumables for our LDT products remain within our laboratories for their entire lifecycle, and we utilize stringent inventory controls to manage their use in our operations. We have also implemented an Enterprise Resource Planning (ERP) system to enable traceability of product numbers, lot information and expiration dates. This is also used for tracking the status of inventory, thus providing proper verification and qualification for each item prior to use.

For our distributed IVD products, we have implemented comprehensive tracking procedures to monitor these products once they are distributed. The labelling of our IVD products complies with all applicable regulatory requirements, industry standards, and our internal guidelines. During the manufacturing process, we label raw materials, semi-finished products, and final product lots with essential information, such as unique lot numbers and stability or expiration dates, to ensure proper identification and traceability.

When products are returned by customers, they are identified in our inventory control software using return authorization numbers and product identifiers. Combined with our labeling processes, our ERP system provides full traceability for our IVD products, from raw material sourcing through customer delivery. This system provides visibility and control throughout the entire product lifecycle.

Corrective action and prevention

SASB HC-MS-250a.1; SASB HC-MS-250a.2; SASB HC-MS-250a.3; SASB HC-MS-250a.4

Customer complaints are recorded and assessed in real-time by our customer services team, and potential reportable events are escalated to our regulatory professionals to determine whether or not an adverse event report or customer notification is necessary. This assessment is conducted in parallel with any root cause analysis in the scope of corrective and/or preventive actions. In 2023, we did not experience any product recalls or regulatory enforcement actions, none of our products were listed in any public medical product safety or adverse event alert database, and there were no fatalities associated with our products.

Supply Chain Management

We take pride in reliably delivering insights that can transform patient care through two complementary models: in the United States, we offer high-quality laboratory developed tests (LDTs), and outside of the United States, we provide tests to patients as IVDs which are distributed to laboratories and hospitals that can perform the tests locally. Our priority is to ensure that patients always have access to these offerings, and we do this by establishing internal processes to mitigate supply chain disruptions, delays, or shortages of our tests. We work closely with our domestic and global operations to coordinate manufacturing schedules and shipments, and we adapt our supply chain activities so that our global activities remain consistent and dependable.

Supplier Code of Conduct

We are committed to strengthening our supply chain management processes and standards across our global operations. We have developed a Supplier Code of Conduct which lays out expectations for our suppliers and business partners on key issues such as ethical business practices, social responsibility, environmental sustainability, and compliance with relevant laws and regulations. This Supplier Code of Conduct serves as a guiding framework for our suppliers, outlining key principles that underpin our collaborative partnerships.

We are taking steps to operationalize the Supplier Code of Conduct with key global suppliers. As part of this process, we have conducted an initial assessment of our top suppliers based on a variety of ESG criteria. The results of the assessment will help inform our implementation process for the Supplier Code of Conduct.

Supplier management

SASB HC-MS-430a.1

We have largely completed the transition of our test manufacturing from NanoString in the United States to our facility in Marseille, France. This transition allows us to achieve end-to-end control of our IVD supply chain. Achieving operational control permits full traceability of our IVD products, from raw materials to shipment, using unique batch numbers for each operational stage, which are printed on labels and electronically filed in our inventory control system.

We evaluate the ability of our suppliers to meet our quality specifications in a timely and cost-effective manner. Key suppliers that we have determined to be critical to our supply of reagents, equipment, and other materials and services that we use to perform our tests are evaluated for compliance with third-party standards such as ISO 13485, ISO 9001, and government agency audit or certification programs. More than 95% of our key suppliers participate in third-party audit or certification programs for quality assurance, control, or regulatory purposes.

In the process of selecting and onboarding new suppliers or vendors, Veracyte requests completion of a comprehensive questionnaire to gather key information, including information related to ethical and social responsibility, to assist in the evaluation of the supplier or vendor’s practices prior to formalizing the business relationship. The ethical and social responsibility section of this questionnaire covers questions on labor conditions and human rights, environmental sustainability, corporate social responsibility activities, and sub-supplier assessments.

Management of critical materials

SASB HC-MS-430a.3

While we procure many of the reagents and equipment used to perform our CLIA tests from sole suppliers, we have developed alternate sourcing strategies for certain materials, when possible, to mitigate potential shortages and supply chain pressures. We also seek to establish secondary suppliers for materials critical to the production of our IVD products when possible. While certain critical materials for our IVD products cannot be changed without performing equivalency studies, we maintain adequate safety stock of these materials to avoid product backorders.

Looking ahead

As we continue to expand our scope to cover global diagnostic needs, we are taking steps to harmonize our supply chain management processes and standards across our global facilities. This includes streamlining procurement practices, enhancing logistical efficiency, and ensuring consistent quality control measures are in place at every stage of production. Veracyte is committed to fostering sustainable and responsible business operations by emphasizing the importance of environmentally friendly practices, ethical sourcing, and fair labor standards throughout our supply chain, and looks forward to partnering with suppliers in this pursuit.

People

SASB HC-BP-330a.1

Veracyte's commitment to improving patient care is unwavering and would not be possible without our world-class team. We are a global organization united by our mission to address unmet clinical needs that stand in the way of better patient care. We work together with urgency, compassion, and innovation to find better answers and make an impact.

Our employees thrive in an environment that inspires them to tackle challenges, innovate collaboratively with colleagues around the world, and deliver trustworthy results that raise the bar in our field. At Veracyte, we offer competitive compensation and benefits. We are also committed to fostering an inclusive environment where our employees feel empowered to drive breakthroughs that are changing the future of cancer care.

Investing in our workplace infrastructure

Veracyte has been investing in improving our workplace infrastructure in order to strengthen and add efficiency to our human capital management programs. Specifically, a number of systems and tools have been, or are in the process of being, assessed and implemented in order to improve the accuracy and availability of data, and enhance the experience of our people across the employee lifecycle.

Veracyte has been evaluating different options for a Human Resources Information System (HRIS) and has plans to implement an enterprise wide HRIS in 2024. The HRIS will help us consolidate employee data, allowing for analytical review and identification of improvement opportunities. HRIS functionality under evaluation includes modules for employee performance management, development plans, feedback mechanisms, succession planning, and accommodation requests, among other functionalities.

In 2023, Veracyte invested in a recruiting software tool to aid in the talent acquisition process and help us attract high quality, diverse talent. We also implemented an employee onboarding tool, which new hires receive access to upon joining Veracyte. The tool helps new hires assimilate within Veracyte, better understand our Vera Values, and enables managers to coordinate more effective onboarding.

In addition, Veracyte transitioned to a new platform for compensation and benefits. This new platform offers expanded benefits in the health and wellness space and give employees more direct benefits management capabilities.

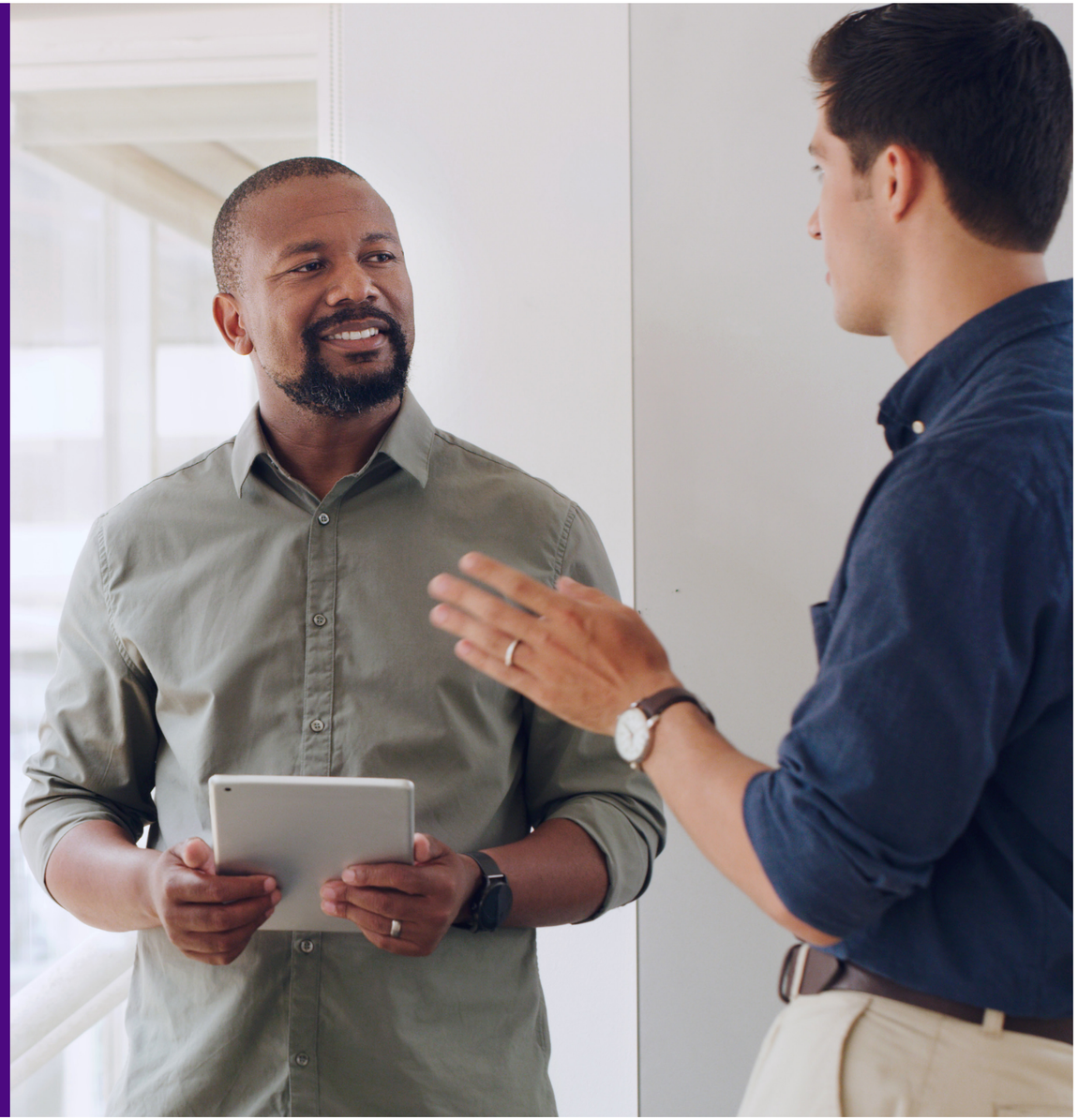
In parallel with our infrastructure development, we have grown our internal teams focused on people operations and Diversity, Equity, Inclusion, & Belonging (DEIB), including onboarding a Global Talent Director who specializes in DEIB, talent acquisition and employee management.

VERA VALUES

Patients
Innovation
Results
Collaboration
Compassion

Our Vera Values were established in 2022 to help us define core values and desired behaviors that we believe enable our people and our company to achieve high levels of performance. Individual members of our leadership team serve as sponsors for each aspirational value to ensure the values are embedded into our culture and become “business as usual.”

We carried out a variety of culture activation activities and programs during 2023 to continue to bring our values to life.



In 2023, we implemented a formal recognition program to honor employees who exemplify these values. This quarterly recognition program celebrates employees who embody our values and, in doing so, have had meaningful impact on their teams, customers, and patients. Employees are identified through peer nomination and acknowledged based on measurable criteria including specificity of impact, scope of impact, and number of nominations.

We have incorporated our Vera Values into our recruiting process by providing guidance to enable hiring teams to assess candidates based on our values during interviews. We have also brought our values to life by posting values-related infographics in our offices and distributing them digitally. Additionally, our team has created and implemented a Meeting Effectiveness and Decision-Making Toolkit, with these values at the core. As a next step, we are focused on capturing feedback related to our values through our global employee engagement surveys, which we plan to conduct semi-annually, and results will be reviewed by the Culture Steering Committee.

In 2023, we assembled a culture calendar for employees, in recognition of various cultural observations identified throughout the year. We have also adopted protocols for working norms, taking into account best practices and etiquette for working across time zones and balancing the needs of onsite and remote workers.

Employee engagement and talent management

Veracyte is committed to enhancing our understanding of employee sentiment and actively seeking out feedback from our employees. We support our employees' long-term success by investing in training and educational opportunities to help foster personal and professional growth. Attracting and retaining highly-skilled scientists and support staff is critical to the success of our commercial laboratory operations and our compliance programs. At the end of 2023, Veracyte's global workforce included 815 full-time employees. We believe our overall employee turnover rate is in line with the average turnover rate at comparable companies within our industry.

Starting in 2024, Veracyte initiated a process for semiannual employee engagement surveys. The surveys leverage questions from a leading third-party employee engagement tool, allowing us to compare company results to market data. We plan to survey many of our global locations in the spring of 2024, with all locations expected to participate in an engagement survey by the fall of 2024.

In both the U.S. and France, we have implemented general and job-specific training programs. In the U.S., these include performance management training for all employees to encourage career development, as well as compliance-related trainings for relevant employees on topics such as anti-kickback provisions and U.S. Health Insurance Portability and Accountability Act (HIPAA) compliance. Our employees based in France also complete internal and external trainings that are aligned with local regulations and business priorities.

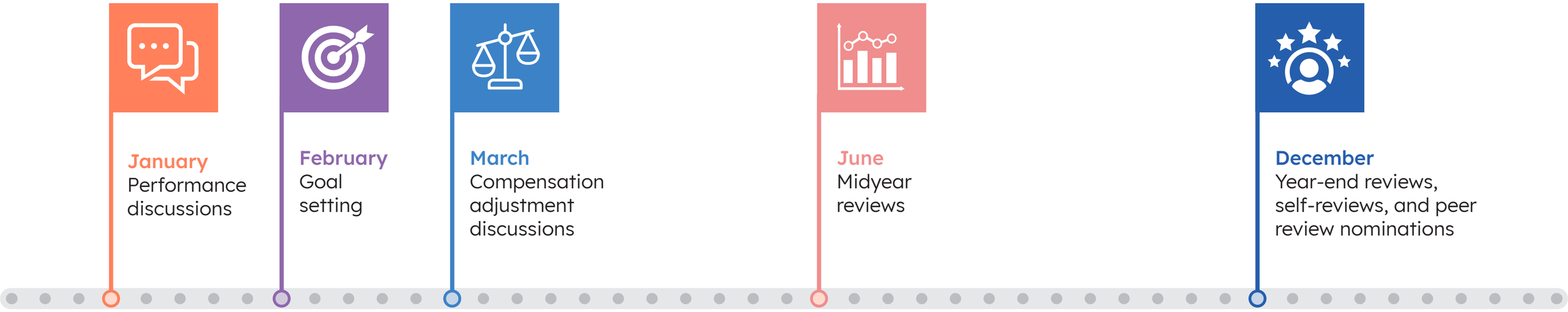
Veracyte is committed to encouraging our employees to grow both personally and professionally through training and skill enhancement. In 2023, we piloted a leadership development program in the U.S., focused on internal upward growth and mobility. Our new HRIS platform will help us consolidate data and metrics, and our objective is for the HRIS to be a comprehensive hub, streamlining employee access to their information, incorporating effective succession planning for leaders, and fostering a more robust performance and development cycle.

We have implemented a standardized timeline for our annual performance review process. The timeline includes performance discussions in January, goal setting in February, compensation adjustment discussions in March, midyear reviews in June, and year-end reviews, including peer review nominations and self-reviews, in December.

One of the most important aspects of our talent management philosophy is that employees gain the necessary qualifications for their position so they can continue to develop and grow within the company. We support education tuition reimbursement for all employees up to $1,500 per calendar year. In France, we have partnerships with local universities, such as Aix-Marseille Université, Université Côte d'Azur, and Université Paris Cité, and we offer leadership development programs for scientists and R&D staff to further develop their skillsets. We also have internship and apprenticeship opportunities to provide hands-on experience for students in France interested in life sciences.

In the Bay Area, we have partnered with the San Jose State Clinical Genetic Molecular Biologist Scientist (CGMBS) Training Program, allowing students to intern at Veracyte's South San Francisco facility and pursue California CGMBS certification.

In 2024, our team is developing a formal talent pipeline development strategy, which we expect will forecast longer-term hiring needs and develop an actionable strategic roadmap to achieve established goals.



Benefits

We are committed to fostering the health and well-being of our employees. To achieve this, we have implemented a comprehensive benefits program for our employees in the U.S. and France. Our policies are highlighted below:

U.S policies:

- Medical insurance
- Dental insurance
- Mental health and community support
- Vision insurance
- Paid time off
- Paid medical leave
- Paid sick leave
- Paid parental leave
- Basic life, voluntary life, and AD&D
- Short- and long-term disability
- 401(k) retirement plans with employer match
- Employee stock purchase plan (ESPP). All U.S. employees, including part-time and temporary employees, are eligible to participate in the ESPP
- Health savings account
- Flexible spending accounts (dependent and health)
- Commuter benefits
- Voluntary pet insurance
- On-site gym
- Tuition reimbursement

France policies:

- Supplemental health insurance
- Global mobility support
- On-site nursery
- Meal vouchers
- Competitive time off policy
- Home office equipment

Our total compensation packages are designed to be competitive with local markets and are set using an independent third-party analysis.

Beginning in 2024, we have expanded our paid time off program to include winter and summer “shutdowns” to provide our employees the opportunity to reset and recharge. We also support programs and activities for our employees to focus on personal wellness, such as guided meditations and webinars on nutrition.

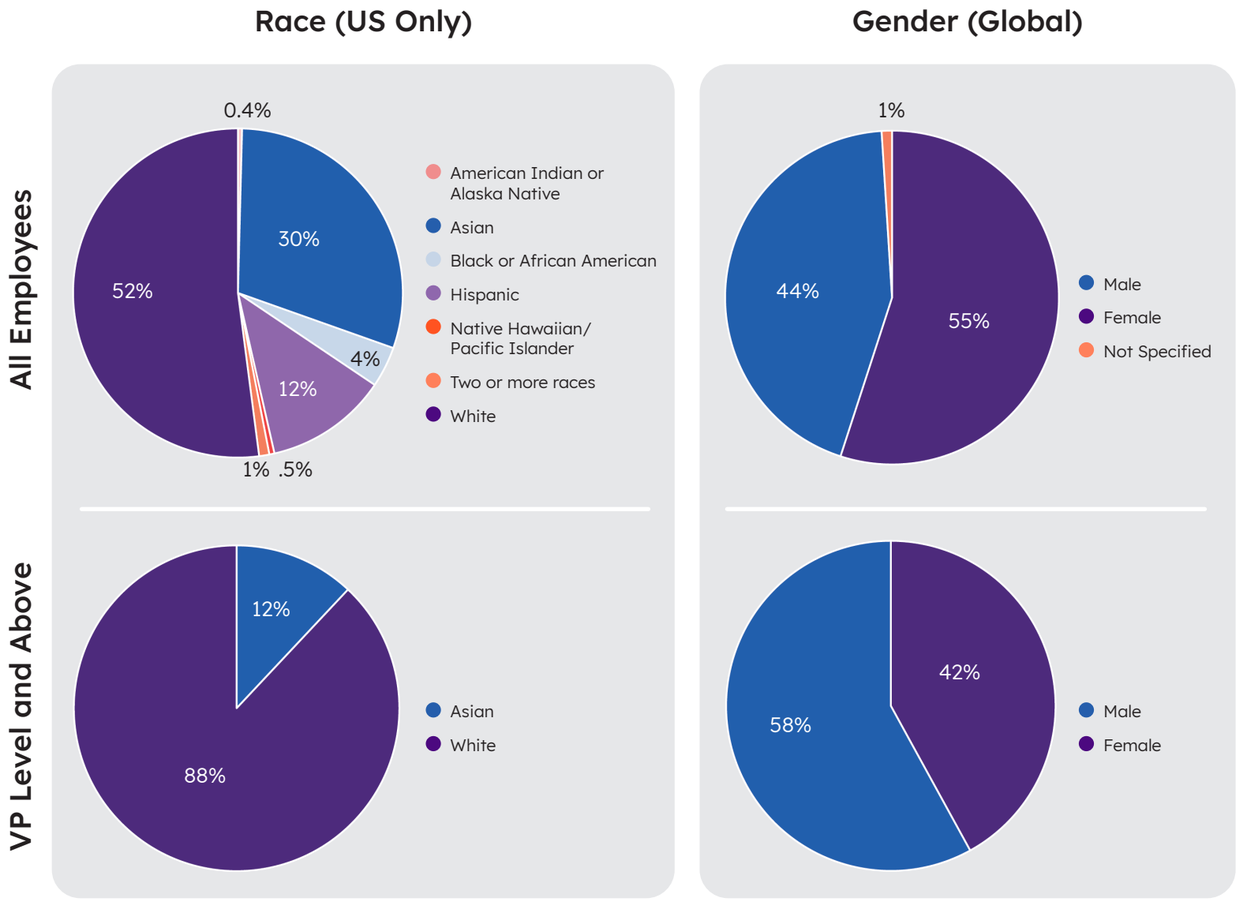
Diversity, equity, inclusion and belonging

We believe that diversity strengthens our company by broadening the range of ideas, experiences, and perspectives that our employees bring to work every day. We strive to foster an inclusive environment where diverse backgrounds are represented, engaged, and empowered to inspire innovative ideas and decisions.

We recently commissioned a study coordinated by a third party with a focus on employee compensation and leveling across Veracyte. We expect that this work will establish a foundation for further pay equity analysis.

We will continue to promote diversity, inclusion, equity, and belonging through our culture work and individual initiatives to support and empower all employees.

Veracyte launched our first Employee Resource Group (ERG) in 2022: the Veracyte Women Leadership (VWL) group. VWL is open to all Veracyte employees and sponsored by executive management to support women at Veracyte. VWL has held several events to engage employees, including a quarterly fireside chat series and a pilot mentoring program. This mentoring program, which was introduced by Human Resources and informed by feedback received from VWL, aims to help grow our employees' career potential or explore new career paths. It is a voluntary program, and members are matched with mentors who have expertise in a specific skill, competency or business unit at Veracyte. We currently have approximately 50 members, including both mentors and mentees.



Women comprised 55% of our employees and 42% at the Vice President level and above, as of December 31, 2023. Two of our nine directors identified as women, as of September 3, 2024. Additionally, as of December 31, 2023, 48% of our U.S. employees identified as non-White.

Our current workforce diversity data is based on voluntary self-reporting by our employees, and the charts above reflect data for those employees who elected to provide it. With the roll out of our new HRIS in 2024, we hope to gather more comprehensive data related to employee gender and diversity.

Anti-harassment

Veracyte is committed to providing a work environment free of harassment and discrimination and we are committed to preventing such incidents from occurring. We are an equal opportunity employer and will not discriminate against any employee or applicant for employment in an unlawful manner. It is our policy to treat all employees and applicants for employment equally with regard to all legally protected characteristics, including: sex, sexual orientation, gender (including gender identity and gender expression), marital status, race, religion, color, ethnicity, national origin or ancestry, physical or mental disability, pregnancy (including childbirth, lactation and related medical conditions), age, uniformed service member status, veteran status, genetic characteristics (including testing and information), or any other basis protected by federal, state or local law. In addition, we prohibit the harassment of any individual on any of the bases listed above. Veracyte management takes necessary action to ensure compliance with this policy in all aspects of our operations. Our policy also applies to third parties, corporate partners, and customers. All employees receive mandatory annual anti-harassment training through a learning management system, and we provide in-person Employment Law for Managers training to all people managers to help drive our continued commitment to providing a work environment free of harassment. We assign separate trainings for supervisors and non-supervisors.

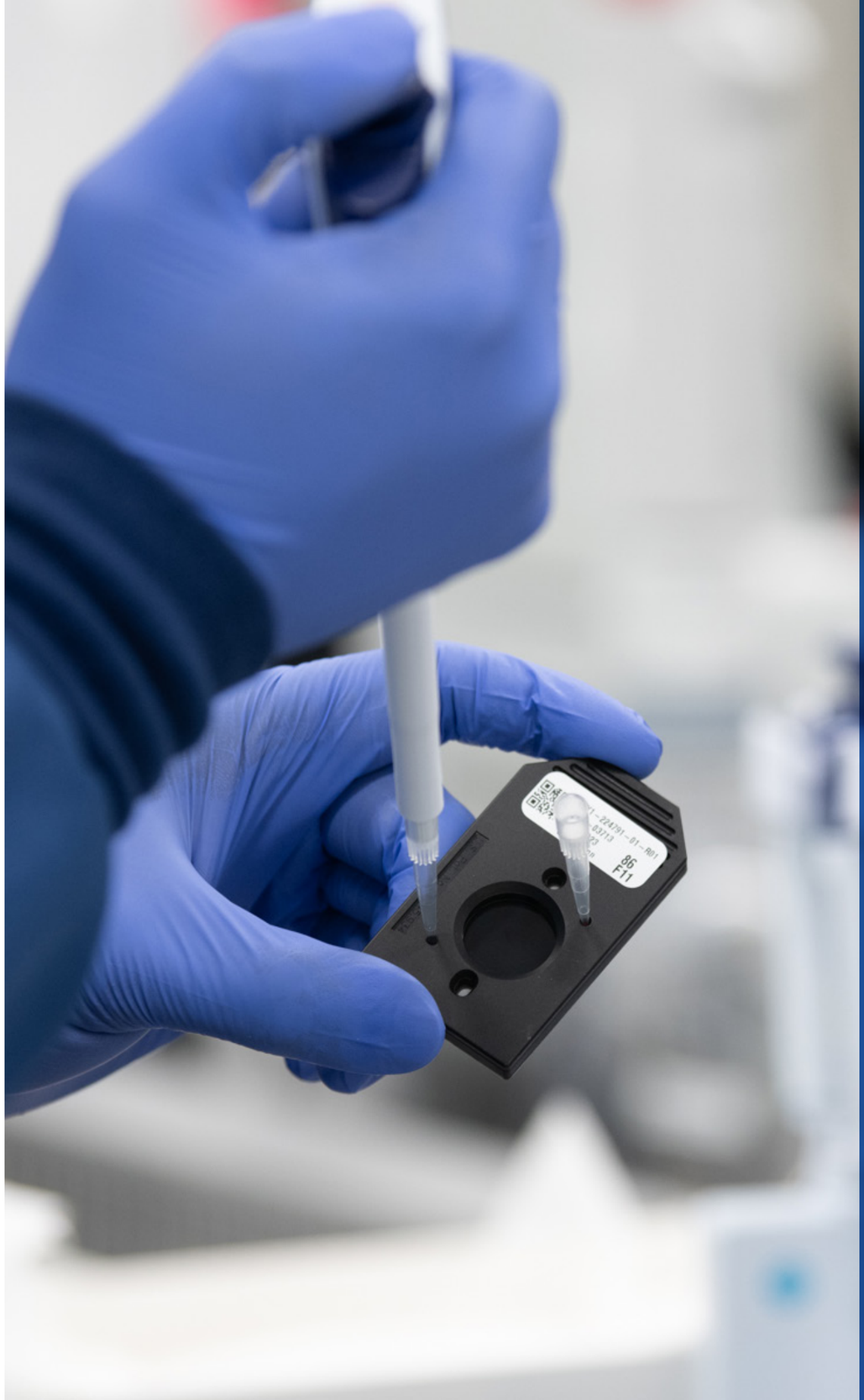
Employee health and safety

We strive to maintain a safe and secure work environment. We have established certain policies and procedures in our effort to make the work environment as safe as possible for our employees and our visitors, observing the provisions and regulations of the U.S. Occupational Safety and Health Act (OSHA). Employees have responsibility for maintaining a safe and healthy workplace by following our safety and health rules, policies, and practices and reporting accidents, injuries and unsafe equipment, practices, or conditions. We provide detailed information regarding our safety policies and procedures to every employee during new hire trainings and annual safety trainings.

We monitor our safety record across our global offices to assess the effectiveness of our safety policies and procedures.

In 2023, our Health and Safety team enhanced various policy and training needs within Veracyte's growing Environment, Health, & Safety (EHS) program. We began implementation of a comprehensive ergonomics program, including an Ergonomic Health & Safety Policy and training so personnel onsite could develop competency in conducting evaluations of both office and laboratory workspaces. The Ergonomic Health & Safety Policy also provides tailored guidance on vehicle ergonomics for our Sales Teams operating in the field.

As part of our efforts to continually enhance the quality of our patient testing as well as the health and safety of our employees, we have revised and added new policies and procedures to our Illness & Injury Prevention Plan. One such policy addresses the use



of personal items in the laboratories to reduce cross contamination and exposure risks; this implementation is essential to preserving the quality of our patient testing as well as the health and safety of our personnel. Another employee safety policy stipulates a check-in and communication protocol for rare instances when personnel work alone and is detailed in our updated Illness & Injury Prevention Plan. We also developed an updated COVID-19 Prevention & Response program to reflect the U.S. Center for Disease Control and Prevention (CDC) and California Division of Occupational Safety and Health (Cal/OSHA) regulatory changes from 2023 around the prevention and response to COVID and its variants.

We have facilitated the necessary International Air Transport Association (IATA)/U.S. Department of Transportation (DOT) training for personnel who manage the packaging and transport of hazardous materials. Furthermore, we created a Tuberculosis (TB) Exposure Control policy for our South San Francisco lab personnel which includes general education around TB, as well as our protocols for providing preventative medical screenings and responding effectively to any potential or known personnel exposures to TB. Other new policies include a Dry Ice Management policy for all personnel receiving or handling dry ice and a UV Light Exposure Control policy for all lab personnel exposed to UV light. By focusing on policy consolidation and streamlining, we hope to provide more consistent guidance in support of the safety of our employees.

U.S. Safety Incidents Data

SAN DIEGO	2021	2022	2023
Total recordable incidents	5	10	16
Days away from work	0	2	18
Number of work-related fatalities	0	0	0
SOUTH SAN FRANCISCO			
Total recordable incidents	6	7	10
Days away from work	0	0	2
Number of work-related fatalities	0	0	0
AUSTIN			
Total recordable incidents	1	1	1
Days away from work	0	0	0
Number of work-related fatalities	0	0	0

Beyond developing diagnostic solutions that make clinicians' and patients' lives easier, we are passionate about giving back and supporting a wide variety of important causes locally and globally.

Giving and community involvement

This included reduced priced diagnostic testing through initiatives such as the Veracyte Access Program and Decipher Assist Program, as well as monetary support for several other awareness raising and educational activities. We also empower our employees to identify, participate in, and contribute to activities that support local communities and other important causes.

For example, in 2023, members of our San Diego office participated in the San Diego Zero Prostate 5K Run & Walk. Veracyte was a proud partner in this event and honored to be recognized as the largest team participating in the event.

Our South San Francisco office hosted a career day event and welcomed middle school students from the Bay Area. Our Clinical Lab Scientist (CLS) team taught the students about what it's like to work in biotech and took part in a science experiment involving DNA extraction of a strawberry via a method mimicking phase separation – a real technique used by the CLS team.

We are committed to supporting the community through educational activities and empowering students in their professional development. In 2023, we hosted more than two dozen San Diego Squared Fellows, who are participants in a yearlong mentorship program for underrepresented 10th-12th grade high school students in San Diego County who are interested in STEM. During the visit, fellows learned about our business, interacted with employees, asked questions, and observed ongoing work. This program aimed to offer exposure to potential careers and jobs in the industry, contributing to the development of occupational knowledge and understanding. Additionally, it created awareness of Veracyte's role in the community, showcasing our functions, processes, products, and employees. By exposing potential future workers to job opportunities and careers, the initiative served as a bridge between education and industry, fostering a sense of commitment to education and the community among current employees and promoting a better understanding of our business's role and contributions.

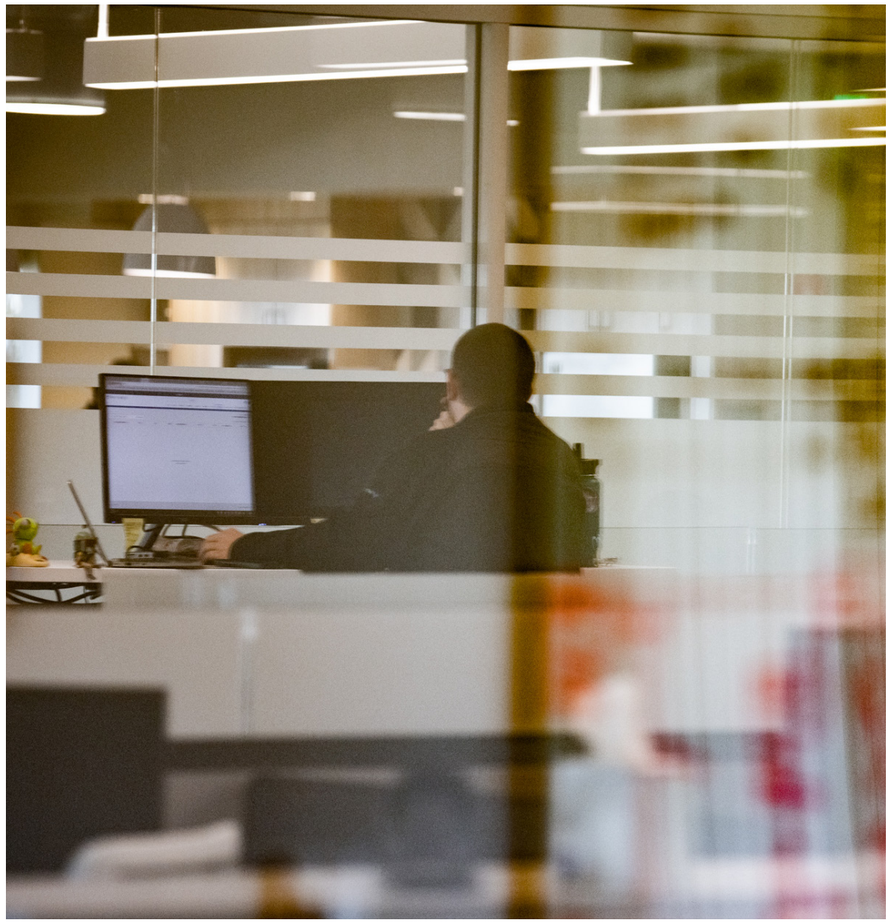
In September 2023, Veracyte and its global employees donated $25,000 in funds to support Red Cross efforts for wildfire disaster relief in Hawaii. Additionally, in November 2023, we donated $25,000 to Red Cross for Humanitarian Efforts regarding conflicts in the Middle East. We are proud to endorse these initiatives and continue to explore ways to support global causes and compassionately contribute to the well-being of our communities.

Awards & accolades

We pride ourselves on our strong culture, which encourages innovation, collaboration, and mutual respect. For the tenth consecutive year, Veracyte was named a Top Bay Area Workplace, and our San Diego office received its inaugural award as a Best Place to Work in San Diego in 2023. The recognition is a result of anonymous employee feedback measuring cultural drivers critical to organizational success including alignment, execution, and connection.

TOP WORK PLACES 2024
San Francisco Chronicle

Cybersecurity & Data Privacy



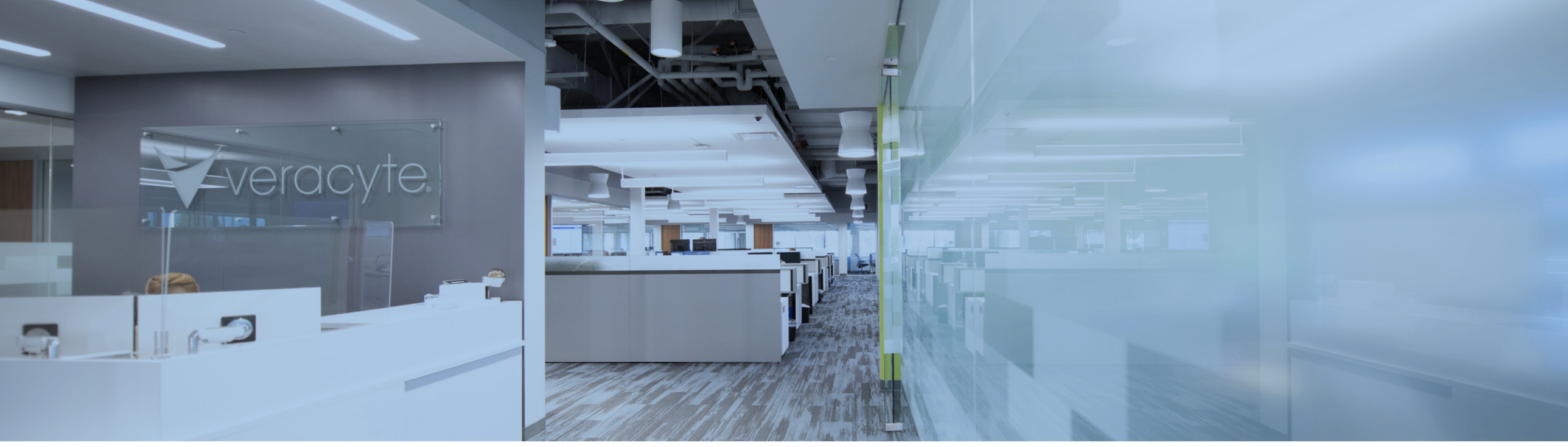
In developing and commercializing our diagnostic tests, we assemble and curate large amounts of data and clinical information to advance biopharmaceutical partnerships, research, and new product development. Our data assets and biorepositories include genomic data, such as RNA, DNA, variant, fusion, immune-response data, and well-curated clinical, radiological, outcome, and other information. The secure processing, storage, maintenance, and transmission of this critical information is vital to our operations and business strategy, and we devote significant resources to protecting such information through physical, technological, and administrative cybersecurity controls.

We are committed to maintaining high standards for cybersecurity and data privacy. Our cybersecurity framework is designed to protect against evolving threats and ensure responsible data stewardship. Our privacy framework enables ethical use of data and respect for patient privacy.

Oversight

While everyone at our company plays a part in managing cybersecurity risk, oversight responsibility is shared by our Board of Directors, our Audit Committee, and our executive management team. The Audit Committee receives quarterly reports and presentations on the status of our cybersecurity program and regularly reviews the results of our cybersecurity testing and remediation plans. Moreover, the Regulatory and Compliance Committee of the Board oversees the company's compliance specifically with healthcare, patient privacy, and data security laws and regulations, including the Health Insurance Portability and Accountability Act (HIPAA).

We are investing in organizational resources to strengthen and continually improve our cybersecurity program, which included onboarding a Chief Privacy and Data Officer in 2024, launching an enterprise-wide privacy and data protection enhancement project, and updating policies, procedures and notices to reflect current regulations.



Cybersecurity protocols

Veracyte has implemented robust cybersecurity policies and practices, ranging from critical incident management measures to system-wide IT management procedures. The strategic direction of our cybersecurity program is based on the National Institute of Standards and Technology (NIST) cybersecurity framework. We manage our applications and data utilizing a combination of on-site systems, managed data centers, and cloud-based data centers, and we take extensive measures to protect sensitive information from unauthorized access or disclosure. We maintain cybersecurity risk insurance coverage to provide financial protection in the event a cybersecurity breach were to occur.

Over the past two years, we completed a comprehensive personal data inventory and mapping process with the aim of better identifying the collection, use, disclosure, and disposal of personal data. We also enhanced our cybersecurity governance, risk and compliance policies in 2023, and are working with external experts to assist with integrating these policies across the organization. We are in the process of strengthening our vendor risk management and vulnerability management measures by implementing more formalized programs designed to help us evaluate potential risks and implement appropriate safeguards.

Securing personal information

Our cybersecurity procedures are designed to comply with the privacy, security, and breach notification requirements of HIPAA. We protect all PHI and PII regardless of the form in which we receive it and take appropriate steps to ensure its confidentiality, integrity, and availability. PHI is only used or disclosed for treatment and as stated in our HIPAA Notice of Privacy Practices. In 2023, we implemented a uniform HIPAA privacy policy applicable to employees across the enterprise, and all employees were required to certify that they had received and reviewed the policy.

Training

We raise cybersecurity awareness with our employees through ongoing training and reinforcement. Our initial areas of focus for employee training have been around breach prevention. For example, we conduct monthly phishing simulations which can trigger remedial training assignments. We also hold annual trainings related to HIPAA and other compliance program essentials. Upon hire, new employees are required to complete interactive HIPAA training, and employees with access to PHI are required to train on applicable policies and procedures. We continuously look for opportunities to enhance our training program to raise awareness and improve the cybersecurity capabilities of our workforce.

Privacy and data governance

Veracyte's global privacy and data protection program is governed by multiple legal frameworks and guided by the National Institute of Standards and Technology (NIST) privacy framework. In 2024, we initiated a global privacy and data protection enhancement project, including updated training, procedures and policies. We also initiated data transformation projects to support our data strategy and enhance our enterprise data governance, including Artificial Intelligence governance.

Environmental Sustainability

By integrating sustainable practices into our operations and enhancing our monitoring capabilities around key environmental metrics, we have taken meaningful strides to demonstrate our commitment to environmental stewardship. We adhere to regulatory standards applicable to our business and continuously search for ways to reduce our environmental impact. In particular, we have been focused on optimizing our waste management practices across our global facilities and operations. We continue to consolidate and review available data so we can more precisely measure our consumption patterns and identify improvement opportunities.

Hazardous waste management

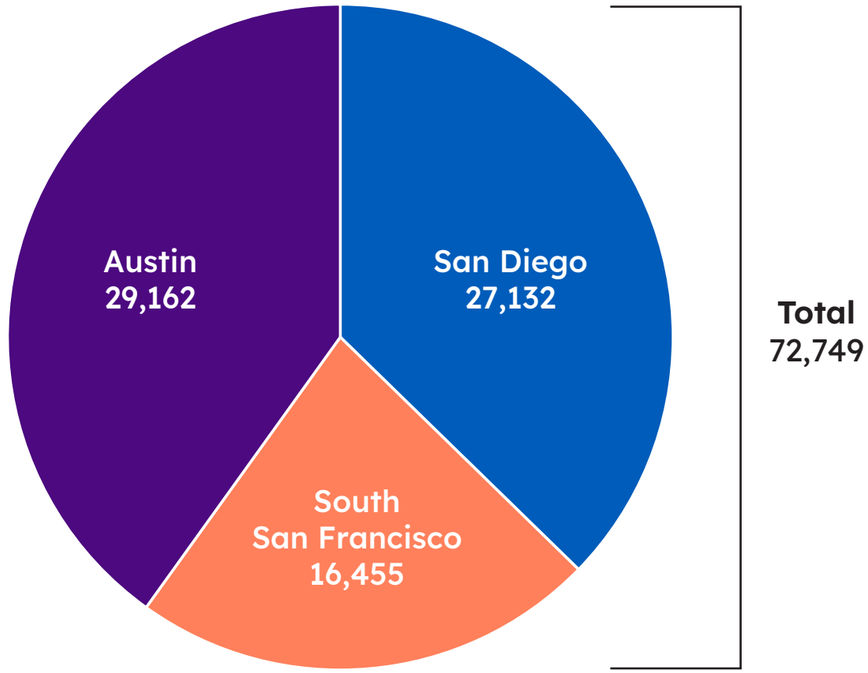
We comply with all relevant regulations and have implemented responsible practices surrounding the use, storage, and disposal of hazardous waste at our CLIA-certified laboratories, including biological materials and chemicals. We mitigate our employees' exposure to biohazardous material by directing them to properly dispose of such waste as it is generated, wear appropriate personal protective equipment, and attend mandatory training classes for handling of all biological materials. We have onboarded key personnel to oversee and train employees in leading practices for the packing and shipping of hazardous materials. All employees with occupational exposure to hazardous materials are trained upon their initial assignment and annually thereafter.

During the past year, we revamped our chemical and medical waste management policies to clarify and streamline our handling of various types of hazardous waste across our sites. We wanted to ensure that we provided clear guidance to help personnel to stay safe and compliant. We store biohazardous waste separately from other waste at the point of origin at our facilities and dispose of it in an appropriate manner. Medical waste is removed by registered medical waste haulers and treated at approved off-site treatment facilities. Each of our CLIA labs in the U.S. is deemed a small quantity generator of hazardous waste. To date, we have not been subject to any violations or penalties related to environmental compliance.

In 2023, we also adopted a Universal Waste Management policy to provide guidance to Veracyte employees or business partners responsible for universal waste handling and disposal. Universal waste is a lower-risk hazardous waste that exhibits hazardous characteristics but may be managed under less restrictive standards due to lower immediate risk to people and the environment.

To manage exposure to bloodborne pathogens and other potentially infectious materials, we have implemented strict exposure control plans to limit potential transmission. These plans cover the processing of patient specimens, handling of sharps (such as razor blades and scalpels), maintenance of contaminated equipment, and basic first aid. Across all our facilities, each employee is responsible for reporting to the facility's designated Health and Safety Officer any hazardous conditions, exposures to contaminated materials, or injuries.

2023 California and Texas Waste Disposal Data
(hazardous waste in pounds)



Waste reduction

The secondary packaging material for our IVD products is made of 100% recyclable and biodegradable corrugated cardboard. We recover material that is generated during the IVD production process and strive to reduce scrap and waste from the manufacturing process to a minimum. In France, we recycle the majority of cardboard that we use internally and receive externally at our facilities. We seek to procure only as much material as we need for manufacturing our products and we work with suppliers that are certified by the Forest Stewardship Council, which demonstrates that they use environmentally friendly raw materials. Our IVD products are delivered to customers with ready-to-use reagents in plastic tubes, and we ask our customers to safely dispose of hazardous materials and recycle certain elements of the product packaging where possible.

Our EHS team worked with our IT team in 2023 to develop an Electronic Equipment Decommissioning & Disposal policy, applicable both inside and outside of our laboratories. This policy helps ensure we stay compliant with the environmental and confidentiality requirements in decommissioning electronic equipment that handles PHI and other confidential business information.

CASE STUDY

Paperless Progress – Electronic Delivery of Diagnostic Test Reports

In support of our commitment to waste reduction, we are finding new ways to steer away from paper-based reporting by transitioning to electronic reporting. In 2023, we initiated a program to assist physicians in transitioning away from paper-based delivery of our Afirma and pulmonary diagnostic test reports to electronic delivery channels such as email, fax, and our dedicated online portal. We estimate that we were able to reduce the number of paper-based reports needed in 2023 by approximately 7,000, which translated into tens of thousands of dollars in cost savings related to delivery of paper reports. In 2024, we hope to further reduce the need for paper report delivery.

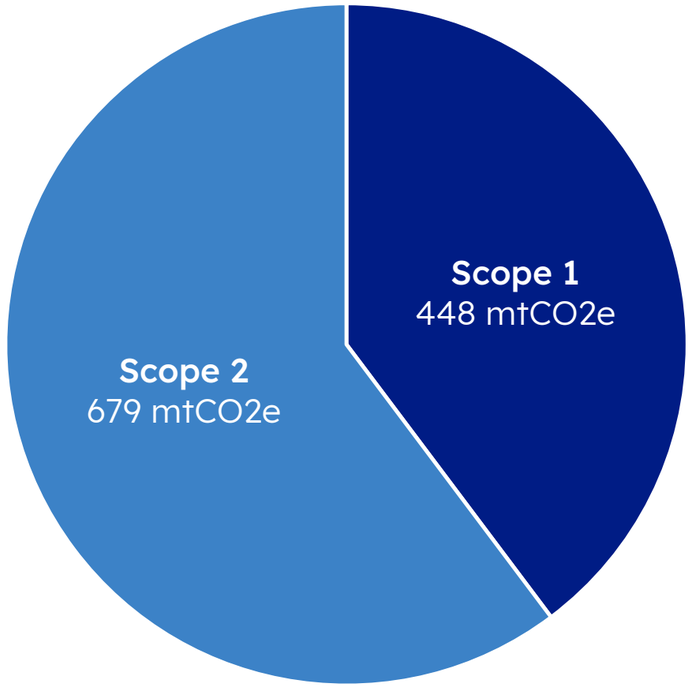
Greenhouse gas emissions

In 2023, Veracyte initiated our first assessment of greenhouse gas (GHG) emissions across our global operations. Beginning with an evaluation of Scope 1 and Scope 2 GHG emissions, we calculated emissions generated directly by our operations and indirectly as a result of energy purchased by us.

This GHG assessment marks an important step towards understanding our climate change impact and paving the way for future emission reduction strategies and goals. We plan to continue evaluating our emissions profile as we explore opportunities for emissions reduction.

Our Scope 1 and Scope 2 GHG emissions for 2023 were broken down as shown in the chart to the right.

GHG Emissions by scope



Total
1,127 mtCO2e

- **Scope 1:** Direct release of greenhouse gases from sources owned or controlled by Veracyte.
- **Scope 2:** Emissions from the generation of electricity, steam, heat, or cooling purchased by Veracyte.

Prioritizing sustainable design for our new facility in Marseille, France

When we commissioned development of our new facility in Marseille, France, we aspired to set a high standard for environmentally conscious design and operation. Upon successful completion of an ongoing certification process, the facility is expected to receive a ‘Very Good’ rating from BREEAM® (Building Research Establishment’s Environmental Assessment Method) related to building design and construction. BREEAM® provides a framework to validate sustainable design considerations and standards in built environments that are intended to enhance the well-being of building occupants and better manage environmental impact. In 2023, our Marseille facility was certified to the E+C- Label, which signifies “Positive Energy and Carbon Reduction” based on a certification system established by the French Ministry of the Environment. Among other attributes, this facility was designed to control large volumes of air (nearly 100,000 m^3/h) while significantly reducing energy consumption.

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