

DermTech



Environmental, Social & Governance (ESG)

2022

A Message from our CEO



“Someone in my life had a delayed melanoma diagnosis and ultimately succumbed to the disease – a disease that, as an M.D., I know is very treatable when caught early. I saw an opportunity to create a better approach to melanoma detection and potentially save lives.”

John Dobak, M.D.

Vision

To lead the genomic revolution in skin health

Mission

To improve the lives of millions by providing non-invasive precision dermatology solutions that enable individualized care

ESG Value Proposition

We believe that at the center of every innovation is our desire to improve the human experience – we seek to improve the human experience through our science, products, and processes



Early Detection and Access



Improvement and Sustainability of Life

Changing the way Melanoma is Detected

We believe that bringing genomic precision to the practice of dermatology is ushering in a new era of patient care – one that is not just different, but better



Early Detection

- Non-invasive test that detects the presence of selected genomic markers associated with melanoma
- Prior to DermTech's smart stickers dermatologist had to rely on surgical biopsies of which only 1/25 were positive for melanoma



Greater than 99% Probability of Ruling Out Melanoma

- The DermTech Gene Lab tests the samples for the presence of elevated expression levels of two genomic markers associated with melanoma, LINC and PRAME, as well as DNA driver mutations called TERT
- It's a reliable test because absence of the genomic markers means a greater than 99% probability that a mole is not melanoma; and the presence of those markers also signals a higher risk for melanoma, which helps the doctor make a more informed decision
- DermTech's smart sticker samples virtually the entire surface of the mole, unlike a biopsy which typically enables a pathologist to evaluate only 1-2% of the mole
- Results are sent to the ordering healthcare provider doctor in typically less than 5 business days



Melanoma Research and Awareness Philanthropy

- #Stickit2Melanoma campaign
- Pledged up to \$1 million over the next four years to raise awareness about the importance of skin exams and making them accessible to everyone



Transforming Healthcare

We believe everyone should have access to high quality care



Affordability

If the patient's insurance company does not cover the full cost of the test, DermTech will work with the patient and appeal the denial on the patient's behalf as well as offers the following options

- Medicare
- Financial Assistance Program: The plan is based on household income, persons in the household and other federal guidelines
- Interest Free Payment Plans

We are continuing to work with insurance companies to improve coverage and patient access to our smart sticker skin tests



Find a specialist

- This search feature on our website is designed to help connect prospective patients with local dermatologists who are familiar with our precision genomic test for melanoma

Telehealth

- The sample collection can be conducted in the comfort of a patient's own home with remote supervision by a clinician or certified professional
- The DermTech Connect App enables patients to have suspicious moles evaluated in approximately 48 hours, potentially avoiding long appointment wait times
- DermTech has partnered with employer-based insurance plans and other independent telehealth dermatology groups to expand access to its non-invasive precision genomics test

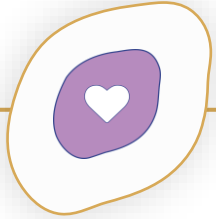
Our ESG Journey

- This year marks the first year we are reporting on our Sustainability Priorities and our approach to ESG themes
- Since our emergence as a public company in 2019, we have been immersed with leading the genomic revolution in skin health and improving life through non-invasive precision solutions
- This is the first step of many where we seek to engage our stakeholders and provide them with relevant insight into our sustainability strategies and efforts as well as the people leading those initiatives

DermTech's Business Overview:

- ✓ A leader in precision dermatology enabled by a non-invasive skin genomics platform
- ✓ Addressing large market opportunities in skin disease with an initial focus in skin cancer
- ✓ Commercializing the DermTech Melanoma Test (DMT) for enhanced early melanoma detection
- ✓ DMT available in all 50 U.S. States
- ✓ Operating a CLIA-certified and CAP-accredited commercial laboratory in San Diego, CA
- ✓ Scaling up around our Medicare coverage policy, recent payor contracts, and CPT Code (0089U) with favorable reimbursement

Our Values

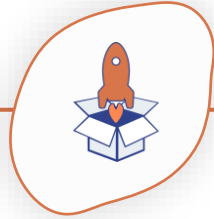


Human Impact

We believe that at the center of every innovation is our desire to improve the human experience. It's at the intersection of technology and humanity where our hope for a bold new future lives.

In Action

- Keep the patient front and center
- Focus on the partnership between humanity & technology
- Act with compassion

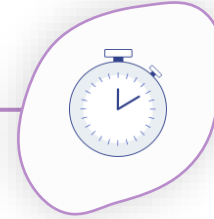


Disruptive Innovation

There is an explorer in each of us—a bold curiosity with an open mind. We all have a desire to learn more and challenge the status quo. It's encouraged. Creativity is always welcome.

In Action

- Stay curious and embrace your inner explorer
- Be true to the science
- Challenge the status quo
- Empower creative thinking
- Keep an open mind to diverse perspectives

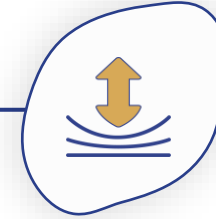


Agility

There is urgency in our mission to improve the lives of millions of people. We own and accept this challenge by charting a course to move while iterating as we go. We accomplish this work by being brave, forging new paths, and growing along the way.

In Action

- Plan and iterate as we go
- Commit to personal growth – try, fail, pivot, and learn
- Build ownership
- Maintain a sense of urgency
- Be direct and offer transparency



Resilience

We believe in failing fast, learning, and pivoting. This approach is possible because we trust each other, and we commit to lifting up each other. We push through fear and uncertainty as a team so we can realize our vision—together.

In Action

- Create teamwork with trust
- Push forward through fear and uncertainty
- Show up with integrity
- Lift each other up
- Have fun together

UN Sustainable Development Goals



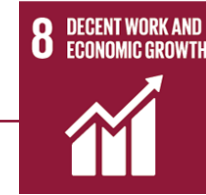
Ensure healthy lives and promote well-being for all at all

- Improve capacity for dermatology practices
- Increase skin check awareness, leading to potential early detection of melanoma
- Reduce patient fear of being biopsied by offering non-invasive sample collection
- Allow primary care physicians to accurately identify high risk lesions for melanoma



Achieve gender equality and empower all women and girls

- Continue to promote equal employment opportunities
- In 2021 we achieved an increase in women in management roles to 50%
- We continue to support like minded organizations such as Athena and 5050 Women on Boards



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Remote and hybrid work options
- Enhancing our team's training and opportunities
- Providing meaningful jobs, focused on saving lives and advancing health and medical treatment.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- Lead the genomic revolution in skin health
- Improve capacity for dermatology practices
- Transform preventative measures for melanoma



Reduce inequality within and among countries

- We strive to provide access to testing and preventative melanoma care for all
- Focused hiring initiatives around women and underrepresented minorities

Our Board



John Dobak, M.D.
President & CEO



Matt Posard
Chairman



Cynthia Collins



Enrico Picozza



Nathalie Gerschtein



Herm Rosenman



Monica Tellado

We believe that true innovation requires thinking about problems differently, fostering curiosity and development, supporting our company's core values and holding our leaders to high standards

Our board is guided by individuals with diverse experience and industry expertise who are committed to providing exceptional corporate governance

- > 6 of 7 directors are independent
- > Independent Chair
- > Among our seven directors, 42% self-identify as women, and 14% self-identify as individuals from underrepresented communities

Fostering Sustainability

Our Sustainability Principles

- Develop and market novel non-invasive genomics tests that seek to transform the practice of dermatology and related fields in a sustainable way
- Change the diagnostic paradigm in dermatology from one that is subjective, invasive, less accurate and higher-cost, to one that is objective, non-invasive, more accurate and lower-cost
- Demonstrate Corporate Citizenship in the highest regard through our:
 - Impact on people;
 - Engagement in ethical business practices;
 - Deployment of effective risk management; and
 - Conduct of operations that reflect our Environmental and Social responsibilities
- Engage our stakeholders and provide consistent relevant insight into our sustainability strategies and efforts as well as the people leading those initiatives

Nominating & Governance Committee



Matt Posard



Cynthia Collins
Chair



Nathalie Gerschtein

Executive Leadership Team



Rachel Williams
VP, Head of People



Ray Akhavan
General Counsel



Kevin Sun
Chief Financial Officer



Claudia Ibarra
Chief Operating Officer

Our People

- Diversity Equity & Inclusion
- Health and Safety
- Team member engagement

Compliance

- Risk oversight and assessment
- Policies focused on payer and provider interactions
- Corporate Code of Conduct
- Information Privacy

Risk Management

- Sustainability Philosophy
- Supply chain management
- Information Security

Operations

- Lab facility oversight, performance and quality
- Disaster recovery plan

Stakeholders

Team Members

Suppliers

Investors

Patients

Our Approach to Assessing Risks



Ray Akhavan
General Counsel

“ *Each company is on its own ESG journey, and for DermTech, our ESG initiatives culminate from deliberate and thoughtful integration of our compliance program.* ”



Risk Management:

- DermTech conducts a yearly risk assessment
- The Compliance committee (management level) meets on a quarterly bases to address the development of new risks
- Information is then reported to the Audit Committee and discussed at quarterly Board meetings
- DermTech has a formal business interruption lab policy to help our team mitigate risks and apply adaptive solutions



Interactions with Healthcare Professionals

- DermTech has established curriculum that is overseen by executives in human resources, legal and compliance to train and educate all Associates annually (onboarding/refresher) who interact with external parties including providers and payers
- This ensures ongoing education and compliance with the Company’s policies and procedures related to anti-bribery, anti-corruption and healthcare laws



[Corporate Code of Conduct and Ethics and Whistleblower Policy](#)



Kevin Sun
Chief Financial Officer

“ *Through our protocols and audit and policy tools, we are implementing a refined approach to managing data security and privacy – one that is both agile and reflective of our focus on sustainability.* ”



Information security:

- As a bio science company, we recognize the importance of protecting patients’ data and confidential information
- We are currently in the process of implementing enhancements to our policies and protocols regarding information security
- This initiative is being led by our Security Officers



Cybersecurity:

- In the process of conducting a high-tech audit in Q1 2022
- This formal evaluation process will lay the foundation for a more comprehensive data security policy in the near future
- No breeches have been detected as of this time

Human Capital – Disrupt from the Inside



Rachel Williams
VP, Head of People

“

True to our values, we're building a vibrant culture at DermTech where our people feel deeply connected to our work and our mission. My goal is to create a space for our people to feel "more human at work", disrupting from the inside what it looks and feels like to go to work.

”

> Build the Foundation

- Set up the foundational systems that support our growth, including processes, infrastructure, systems, and core values

> Find & Nurture Talent

- Continue to enable business growth through hiring
- Expand our presence within our industry and communities
- Continue getting to know our people, listen for their needs and continue to enhance offerings that meet needs

> Bring the Culture to Life

- Values-based programming
- Strengthen community
- Improve multi-directional communication

At DermTech, we believe many of the traditional ways of thinking about how we organize people at work no longer serve us

Shifting to a more flexible / agile workday

- Our teams organize in the ways that best work for them
- We embrace flexibility and the new nature of hybrid work

Embracing mindfulness & compassion in our work environment

- Training team members on best practices for reducing stress, increasing resilience and adaptability through change, to reduced susceptibility to burnout
- VP, Head of People is a member of the Mindful Workplace Alliance a group of thought leaders introducing mindfulness and compassion into the workplace

How We Care for Our Team Members

As pioneers of a whole new category of medicine called **precision dermatology** – our core values require us to practice good self-care, so our team can offer the very best of themselves to this mission.



Rights

- Protecting **human rights** is among our fundamental responsibilities as an employer
- We prohibit the use of forced labor, child labor and human and sexual trafficking
- We maintain a strict **labor rights** policy demonstrating our commitment to providing equal opportunity in all aspects of employment
- We will not tolerate any discrimination of any kind including but not limited to an individual's gender, race, disability, ethnicity, nationality, religion and sexual orientation



Benefits

- Medical, dental, vision
- 401K match
- Employee stock purchase plan
- Health Saving Account (HSA)
- Life and disability insurance
- Employee Assistant Program (EAP) & Wellvolution (mental health support and community support)
- Remote & hybrid work option where possible
 - Reimbursements for remote office supplies
- Paid Time Off (PTO)
- Pet insurance



Engagement

- COVID-19 team member surveys
 - Inquiries regarding remote work
 - Additional support and resources provided where needed
 - Gauging interest in returning to the office
- Team member benefit requests
 - Based on responses, granted PTO extension and 401K match
- Lab Safety Suggestions
 - Submit suggestions and recommendations for how to further foster safe working environments



Health & Wellness

- Full year subscription to Calm App
- Weekly Mindfulness Group – Small cohort meets weekly to practice the art & science of mindfulness as a way to build personal resilience
- Wellness workshops on topics including Building Resilience personal Well-Being

Diversity, Equity & Inclusion

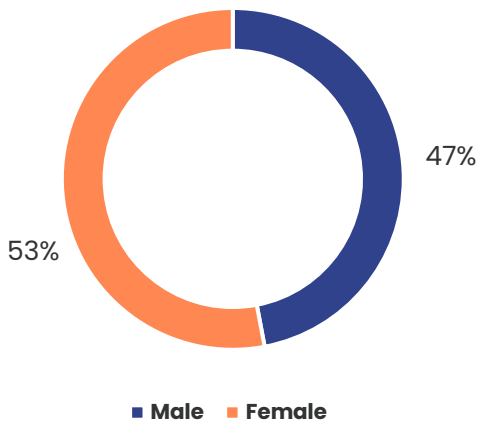
We believe that truly innovative thinking means thinking about problems in new ways, with diverse methods, and diverse people. What that creates is groundbreaking, category-defining innovation. We are committed to hiring and nurturing diverse teams across the organization to drive our mission forward.

EEO-1 2020

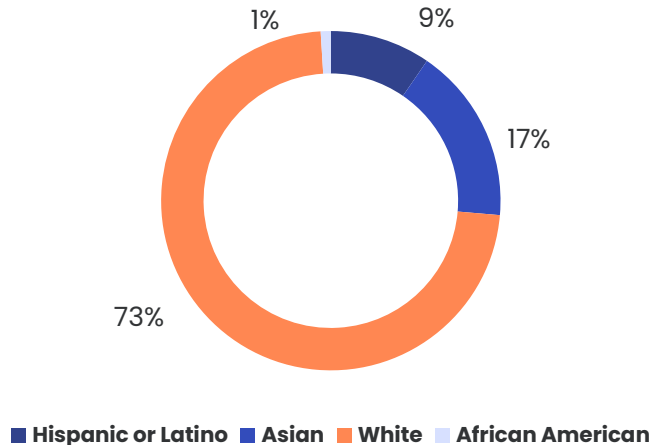
18% of our Executive/Senior level officials and managers self-identify as women

27% of our Executive/Senior level officials and managers self-identify as an ethnic underrepresented minority

Employee Gender 2020



Employee Ethnic Diversity 2020



Goals for 2022

- We will continue to focus on diverse slates when hiring, with equal focus on gender as well as racial and ethnic diversity
- We seek to review and further evolve our career development and promotion process to ensure equal opportunity for all team members



2021 Performance

- Overall representation of women has improved with 50% of management roles held by women
- 50% of new hires into leadership roles (manager and above) were women
- 38% of internal promotion at leadership level were women
- 21% of the overall team member base are people of color



Training:

- Workshops
- Speaker Series
- Implementing leadership and development programs

Health & Safety

To assist in providing a safe and healthful work environment for team members, customers and visitors, DermTech has established a workplace safety program

- The Safety Officer has responsibility for implementing, administering, monitoring and evaluating the safety program, maintaining our chemical inventory and related safety protocols, hazardous chemical waste, biohazard waste, fire safety, orientations, emergency action plan, PPE, injury and illness prevention plans
- DermTech provides information to team members about workplace safety and health issues through regular internal communication channels such as supervisor- team meetings, bulletin board postings, memos or other written communications
- Team members and supervisors receive periodic workplace safety training which covers potential safety and health hazards and safe work practices and procedures to eliminate or minimize hazards
- Our Lab team complete annual competency checks on Standard Operating Procedures (SOPs) to ensure safety protocols are maintained
- We meet or exceed the safety requirements for CAP, CLIA, and CDPH accreditation and standards and perform yearly inspection
- Team members must immediately report any unsafe condition to the appropriate supervisor
- In the case of accidents that result in injury, regardless of how insignificant the injury may appear, team members should immediately notify the People Department or the appropriate supervisor
- All incidents are reported to OSHA through form 300A and no lab incidents have occurred as of this time



Andrea Arellano
Safety Officer



COVID-19 Response

- Formed COVID-19 Committee
- Strongly recommending vaccination with incentives & provides testing for unvaccinated
- Complied with OSHA and San Diego requirements for signs, symptom checks, quarantine, isolation and reporting
- Limited number of staff have tested positive, with very limited if any workplace transmission

Suppliers

**We are working to develop a Supplier Code of Conduct and implementing a new Supplier Evaluation process as of 2022
It is through this improved management system we hope to foster stronger relationships with our partners and suppliers**

Suppliers will be expected to adhere to the following:

Human Rights

- DermTech is committed to protecting human rights as one of our fundamental responsibilities as an employer and partner
- We conduct our business and uphold our suppliers to responsible practices including but not limited to the prohibition of forced labor, child labor and human and sexual trafficking

Labor Rights

- We are committed to providing equal opportunity for all
- Suppliers and partners are expected to prohibit discrimination of any kind including but not limited to gender, race, disability, ethnicity, nationality, religion and sexual orientation

All suppliers undergo the following:



Supplier Questionnaire

- Evaluates supplier risk management and quality systems
 - Diversity metrics:
 - Small business
 - Small disadvantaged business
 - Veteran owned small business
 - Women owned small business
 - Historically underutilized business zones
 - Service disabled veteran owned small business



Evaluation Form

- Suppliers must comply to DermTech's labor standards, including California supply chain transparency act forbidding unlawful slave or child labor



Annual Review

Stewardship in Our Communities

Partners & Sponsorships



50/50 Women on Boards – driving towards gender balance and diversity on corporate boards

- Gold Sponsor
- Rachel Williams (VP, People) sat on the Leadership Committee for San Diego event (Nov. 2021)



Athena San Diego – Powering the Leadership Journey for Women in STEM



Cockerell Education Foundation – focused on education, healthcare, medical research, youth activities and cultural institutions



Foundation for research and education in dermatology – Educational group assisting in training and board certification for dermatologists



Melanoma research foundation – Supporting medical research in finding effective treatments and eventually a cure for melanoma



Mt Sinai Dermatology University – Advancing patient care, education and outreach to diverse communities



National Charity League – National nonprofit, charitable organization



NOAH Worcester Dermatological Society – Dermatology network organization

Awards



John Dobak, M.D.
President & CEO

- San Diego Business Journal CEO of year
- CES 2022 Innovation Awards Honoree



Claudia Ibarra
Chief Operating Officer

- San Diego Business Journal Women of Influence 50 over 50 Honoree



Notable Peer Reviewed Publications

- Skelsey et al TRUST Study (September 2021)
[Non-Invasive Detection of Genomic Atypia Increases Real-World NPV and PPV of the Melanoma Diagnostic Pathway and Reduces Biopsy Burden](#)
- Study Published in Skin: Journal of Cutaneous Medicine (January 2021)
[Genomic Atypia to Enrich Melanoma Positivity in Biopsied Lesions: Gene Expression and Pathology Findings – A Large U.S. Registry”](#)
- [National Comprehensive Cancer Network \(NCCN\) includes non-invasive Genomic Patch in Cutaneous Melanoma Guidelines \(January 2022\)](#)
- Study Published in Skin: Journal of Cutaneous Medicine (March 2022)
[Cost-Benefit Analysis of the Pigmented Lesion Assay When Introduced Into the Visual Assessment/ Histopathology Pathway for Lesions Clinically Suspicious for Melanoma](#)
- Study Published in Skin: Journal of Cutaneous Medicine (March 2022)
[Using Genomics to Improve Pigmented Lesion Management & Health Outcomes](#)

Our Approach to ESG

We believe that at the center of every innovation is our desire to improve the human experience – we seek to improve the human experience through our science, products, and processes

Team Members	Suppliers/Partners	Investors	Patients
<ul style="list-style-type: none"> ✓ Increasing gender and ethnic diversity hiring ✓ Further advancing our promotion process to ensure equal opportunity for all team members ✓ Embracing mindfulness & compassion ✓ Transforming our work environment to be flexible and innovative <p>Policies:</p> <ul style="list-style-type: none"> ✓ Health & Safety Policy ✓ Diversity Statement ✓ Business Code of Conduct <div data-bbox="173 1103 690 1263"> </div>	<ul style="list-style-type: none"> ✓ Fostering stronger relationships with our partners and suppliers ✓ Implementing a new Supplier Evaluation process in 2022. ✓ Ensuring quality and durability ✓ Supporting URM business owners <p>Policies:</p> <ul style="list-style-type: none"> ✓ Supplier Evaluation Process ✓ Human Rights Statement ✓ Labor Rights Statement <div data-bbox="856 1103 1195 1263"> </div>	<ul style="list-style-type: none"> ✓ Developing robust Board reporting for ESG initiatives and oversight ✓ Defining our sustainability priorities and our approach to ESG themes ✓ Maintaining favorable Board Composition: <ul style="list-style-type: none"> • Independent Chair • 86% Independent • 42% Women <p>Policies:</p> <ul style="list-style-type: none"> ✓ Sustainability Philosophy ✓ Committee Charters ✓ Developing comprehensive data security policy <div data-bbox="1523 1103 1679 1263"> </div>	<ul style="list-style-type: none"> ✓ Transforming capacity for dermatology practices ✓ Improving accuracy and increasing early detection ✓ Reducing patient fear and identifying high risk lesions without a surgical biopsy ✓ Maintaining affordability and accessibility to preventative care ✓ Enabling telemedicine options to rule out melanoma for rural or areas with limited dermatologists <div data-bbox="1944 1103 2453 1263"> </div>