AtriCure

ESG Report 2023

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About this Report

This report contains disclosures that are aligned with the Sustainability Accounting Standards Board (SASB) standards for the Medical Equipment and Supplies Industry, which are detailed in our SASB Index.

Data included in this report pertains to AtriCure, Inc. and subsidiaries. Environmental, health and safety data are from our manufacturing and research and development facilities. All financial information is reported in U.S. dollars, and unless otherwise stated, this reporting covers our fiscal years 2020, 2021 and 2022, as well as some key activities that occurred in 2023.

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties, including risks related to competitive factors; difficulties and delays inherent in the development, manufacturing, marketing and sale of medical products; government regulation and general economic conditions; and other risks and uncertainties described in our periodic reports. These reports are on file with the U.S. Securities and Exchange Commission, including our most recent Annual Report on Form 10-K. In some cases, you can identify the forward-looking statements by words or expressions, such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “looking ahead,” “may,” “plan,” “possible,” “potential,” “project,” “should,” “going to,” “will,” and similar words or expressions, the negative or plural of such words or expressions, and other comparable terminology. Actual results may differ materially from anticipated results. We do not update our forward-looking statements or any of the information contained in this report, including updates to reflect future events or circumstances.

To provide feedback or request further information, please contact:

Angie Wirick
AtriCure, Inc.
Chief Financial Officer
(513) 755-5334
AWirick@AtriCure.com

A Message from Our CEO

Michael Carrel, AtriCure President & CEO

AtriCure is defined by a mission to reduce suffering caused by atrial fibrillation (Afib) and pain after surgery, and we take seriously our charge to advance the innovation, clinical science and education that lead to solutions for millions of patients. As we drive to create new standards of care and sustain financial performance, we are also committed to making a positive difference in our communities today and in the future.

As part of that, it is my pleasure to present our 2023 Environmental, Social and Governance (ESG) report, which outlines many ways that we embrace our responsibility to operate in a conscious and sustainable manner. AtriCure's ESG efforts align with our core values and are integral to our business strategy, as they better position us for long-term success, build shareholder value and encourage resilience in all ways.

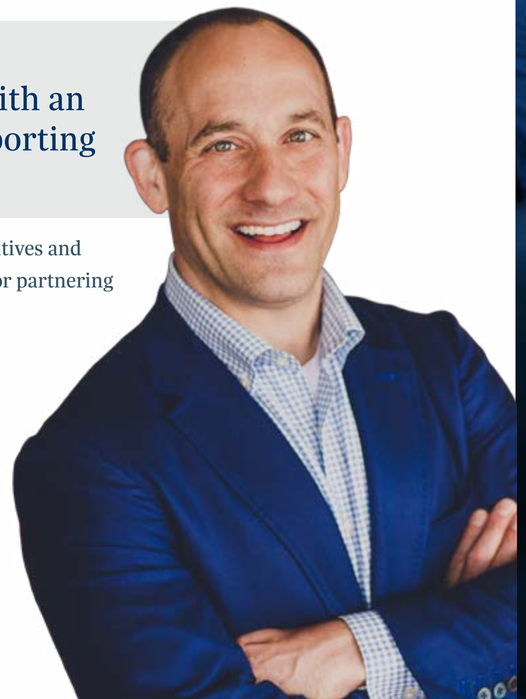
I am proud of the progress demonstrated in this report, including the governance structure we put in place to oversee our ESG strategy. In addition to sharing key data and metrics, the following pages tell our story through the words and experiences of people throughout our business.

As AtriCure continues to grow, so does our responsibility to operate sustainably and with an unrelenting focus on helping patients, supporting our people and being exemplary partners.

We know there is work ahead, and we will continue to progress on initiatives and identify more ways to impact every aspect of our business. Thank you for partnering with us on this journey.

Regards,

Michael Carrel



Our achievements in the last year are testament to the momentum we are gaining on our ESG journey, including:

- Receiving the Diversity, Equity & Inclusion (DE&I) Award from the National Association of Corporate Directors (NACD) as the top company in the Small Cap - Public Company category. This award recognizes boards that have improved their governance and created long-term value for stakeholders through forward-thinking DE&I practices.
- Cultivating an early pipeline of talent by creating 70 unique opportunities for educational work experience during 2022, with participating students representing 18 different schools.
- Enhancing employee learning and development by launching a program called AMPLIFY, which equips leaders with information about emotional intelligence, DE&I and essential business skills.
- Launching key clinical trials and research studies focused on new markets for patients who have limited treatment options and can benefit significantly from our solutions. These include the landmark Left Atrial Appendage Exclusion for Prophylactic Stroke Reduction Trial (LeAAPS), the largest cardiac surgery trial; HEAL-IST to evaluate treatment for Inappropriate Sinus Tachycardia, a disease with no approved treatments today; Investigator-Sponsored Research (ISR) on non-opioid pain relief; and others.
- Winning highly respected workplace culture awards in Cincinnati, Minneapolis and Amsterdam through the support of our employees.
- Expanding education to new audiences, including a groundbreaking Women's Cardiac Health Awareness Program led by accomplished and well-known cardiac physicians.

Our Approach to Environmental, Social and Governance (ESG) Issues

Our approach to sustainability and ESG is rooted in our core values: to heal the lives of **Patients**, empower our **People** and collaborate with our **Partners** to reduce the burden of complex arrythmias and pain after surgery worldwide.

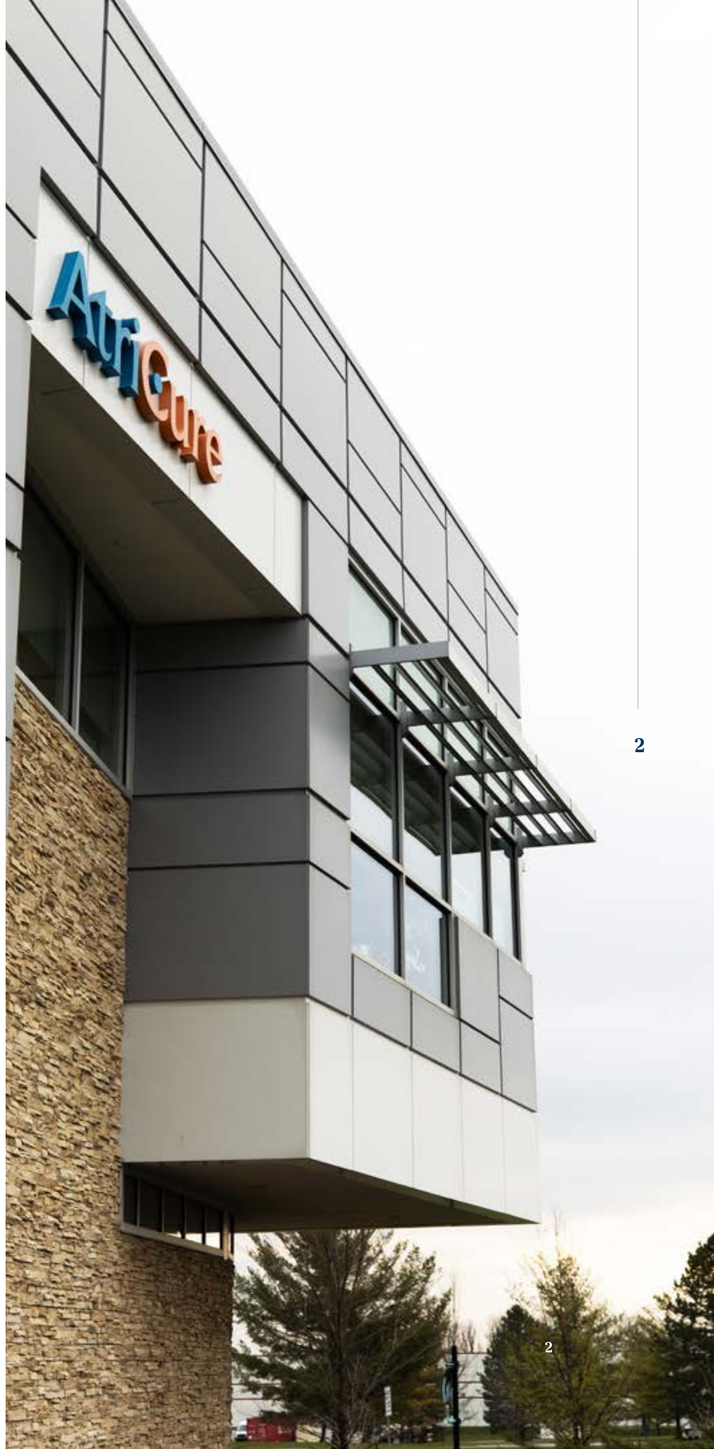
Our inaugural ESG report, released in early 2022, outlined the foundation of our approach to integrating ESG throughout our business. Following the release of our inaugural ESG report, we gathered feedback from internal and external stakeholders and incorporated their responses to improve our efforts. We continue to build on this foundation, releasing this report to communicate activities and progress across ESG focus areas, as well as provide stakeholders with updates on key metrics and data.

Our CEO and CFO are responsible for engaging with investors on ESG topics and sharing outcomes from those engagements with relevant internal functional leadership.

The Nominating and Corporate Governance Committee of our Board of Directors is responsible for reviewing AtriCure's ESG policies and practices as well as providing oversight of reporting on ESG topics. The Nominating and Corporate Governance Committee makes recommendations and provides updates, as appropriate, to the full Board of Directors on AtriCure's ESG efforts. We believe this oversight structure supports a strong emphasis on our approach and attention to ESG issues.

In the fourth quarter of 2022, we instituted a cross-functional ESG Steering Committee. Comprised of senior leaders across our company, the ESG Steering Committee supports the Executive Leadership Team in overseeing ESG strategy development and reporting. The ESG Steering Committee meets regularly to identify and discuss recommendations to guide our ongoing ESG journey, as well as work to establish initiatives and implement policies and practices to strengthen our commitment to building a sustainable business.

This report has been developed to address the Sustainability Accounting Standards Board (SASB) disclosure topics for the Medical Equipment and Supplies industry and is informed and guided by other ESG reporting frameworks, including the Global Reporting Initiative and the World Economic Forum International Business Council's Stakeholder Capitalism Metrics.



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2022 Accomplishments

Click each to learn more

Trial Approval
AAPS

AtriCure's largest clinical trial

Diversity & Inclusion
award recognizing the AtriCure Board

NACD

Top Workplace Honors
Cincinnati | Minneapolis | Amsterdam

11 Ongoing Clinical Trials
showing our commitment to clinical science

Over 1,600
Volunteer Time Off hours in 2022

WOMEN'S CARDIAC HEALTH AWARENESS

Over 2,500 Live Attendees
at our Women's Cardiac Health Awareness Initiative to date

New Manufacturing Facility
opened to expand our Mason campus

Advanced Hybrid Ablation Training Courses
Co-sponsored by Heart Rhythm Society (HRS)

20%
Revenue Growth

139,000
Patients Treated

HEAL-IST Trial Enrollment
first clinical trial addressing IST

Creating
Sustainable, Valuable Training

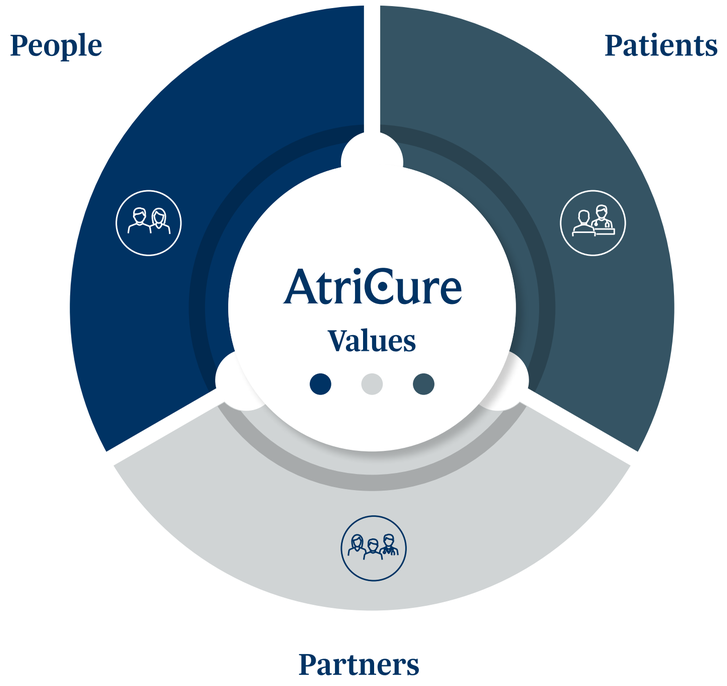
Reaching Over 1,000 Employees Worldwide
Jobs created & retained. Global headcount passes the millennium mark – with improvement to diversity metrics

EnCompass® Clamp Launched in the U.S.
providing a simpler and faster approach to ablating the heart in open-chest procedures

People Target Objective
established for Corporate Incentive Plan, prioritizing DE&I metric improvements

The AtriCure Difference

We have earned a reputation around the globe as a leading provider of best-in-class solutions for those affected by complex arrhythmias and pain after surgery.



Watch ***The AtriCure Difference*** Video

MISSION

We are passionately focused on reducing the global Afib epidemic and healing the lives of those affected by complex arrhythmias and pain after surgery.

VALUES

We work to heal the lives of Patients, empower our People and collaborate with our Partners to reduce the burden of Afib worldwide.

People

Our people act with unwavering integrity and transparency in all we do. While honoring the dignity of each person, we foster collaboration to achieve excellence across all areas. We sustain a humble culture of gratitude for each other and the good that we can bring to the world.

Patients

Our primary responsibility is to put patients first. We lead rigorous clinical science to determine the safest, most effective approaches and treatments. Our commitment to education generates consistent, predictable practices and standards of care. We undertake relentless innovation to reveal new ideas that improve the experience of providers and support the care they deliver to each patient.

Partners

We are committed to delivering the highest quality and most efficient solution to benefit our partners, including care providers, customers and shareholders. We strive to understand their needs and to offer the products, services and business value that meet those needs and work with our suppliers to ensure our ability to deliver.

AFIB: A SERIOUS PROBLEM

Afib is an irregular heartbeat (or arrhythmia) that affects more than 37 million people worldwide.[1]

Afib is tied to a higher risk of stroke, heart failure, dementia and many other serious health problems. Patients with Afib have a lower 5-year survival rate than patients with many types of cancer, yet Afib often goes untreated. As a result, Afib is a significant economic burden to healthcare systems globally. In the U.S. alone, Afib drives over 560,000 emergency room visits per year[2] and costs the U.S. healthcare system in excess of $26 billion per year.[3] Moreover, patients with Afib experience a decrease in general and mental health[4] and up to a 47% reduction in quality of life.[5] AtriCure was founded with the mission to reduce the global Afib epidemic and heal the lives of millions affected by this disease.

PROVIDING POST-OPERATIVE PAIN RELIEF

Recovery from cardiothoracic and thoracic surgeries can be complicated and painful. Cryo Nerve Block Therapy (cryoNB) harnesses the power of cryotherapy ablation to provide temporary pain relief for patients who undergo certain invasive cardiac or thoracic surgical procedures. This technology uses a unique freezing method to temporarily block pain signals from nerves in the affected area, providing an effect that is similar to a local anesthetic that also lasts up to one to three months following surgery.[6]

Cryotherapy was originally developed as a treatment for cardiac arrhythmias. AtriCure consulted with leading pain management experts to develop the cryoICE® cryoSPHERE® cryoablation probes, which are sterile, single use devices intended for use in blocking pain by temporarily ablating peripheral nerves in adult patients. Our cryoSPHERE probe is also indicated for ablation of peripheral intercostal nerves for patients of at least 12 years of age.

COMBATTING AFIB AND POST-OPERATIVE PAIN WITH INNOVATION, CLINICAL SCIENCE AND EDUCATION

Our focus is on treating the most serious types of Afib — persistent and long-standing persistent Afib — and managing post-operative pain. We offer patients solutions across our four franchises: open ablation, minimally invasive ablation, appendage management and pain management. We put patients first in all that we do, helping over 100,000 patients worldwide through our solutions in 2022.

Our ongoing research and development (R&D) activities support our business strategy to expand treatment options for patients who suffer from Afib, have a high risk of stroke or suffer from post-operative pain. We continue to invest in new products and clinical science to increase awareness of all therapies involving our products. Additionally, in partnership with many physicians, we use our knowledge and expertise combining technology and science to identify emerging therapies using our devices.

We currently employ R&D personnel across three offices in the United States (Mason, Ohio; Minnetonka, Minnesota; and Pleasanton, California) as well as in our Amsterdam, Netherlands office. In 2022, AtriCure was recognized as one of the top 10 MedTech companies spending the largest share of annual sales on R&D.[7]

	2022	2021
R&D Investment	$57.3 Million	$48.5 Million
	17.4% of Revenue	17.7% of Revenue
Employees Working in R&D	142	115
	13.8% of Employees	13.4% of Employees

We make investments in support of our key business pillars: **Innovation**, **Clinical Science** and **Physician Education**. In 2022, we launched several new initiatives in support of these pillars.

INNOVATION

We are passionate about providing innovative, high-quality treatment options for our physician partners. In April 2022, **we launched our EnCompass Clamp® in the United States** for ablation of cardiac tissue during cardiac surgery. Building on our Isolator Synergy™ Ablation System, the EnCompass Clamp provides a simpler and faster approach to ablating the heart in open-chest procedures. The device includes new features that allow for easier placement using a magnetic guide, which enables more efficient procedures by minimizing tissue dissection.

As we look to develop new therapies, we strive to ensure that they are aligned with the rest of our portfolio and reduce the burden that patients suffer. While our roots date back to the Cox-Maze Procedure, which celebrated its 35th anniversary in 2022, we are focused on investing further in product innovation to create faster, less-invasive treatment options for patients.

CLINICAL SCIENCE

Our clinical trials and studies are primarily conducted with internal resources and are performed globally. We have invested in numerous prospective clinical trials, including **11 ongoing clinical trials as of the end of 2022**.

In June 2022, we announced that **the first patient was treated in the HEAL-IST™ trial**, which aims to evaluate the safety and effectiveness of AtriCure's Isolator® Synergy™ Clamp for the treatment of drug-refractory patients diagnosed with Inappropriate Sinus Tachycardia (IST). IST is a chronic condition characterized by elevated resting heart rate and exaggerated response to exercise or stress. While IST affects millions of people around the world, especially young women between ages 20 and 40, currently there are no effective or approved treatments for this debilitating condition. Our HEAL-IST trial is the first clinical trial addressing this large unmet need.

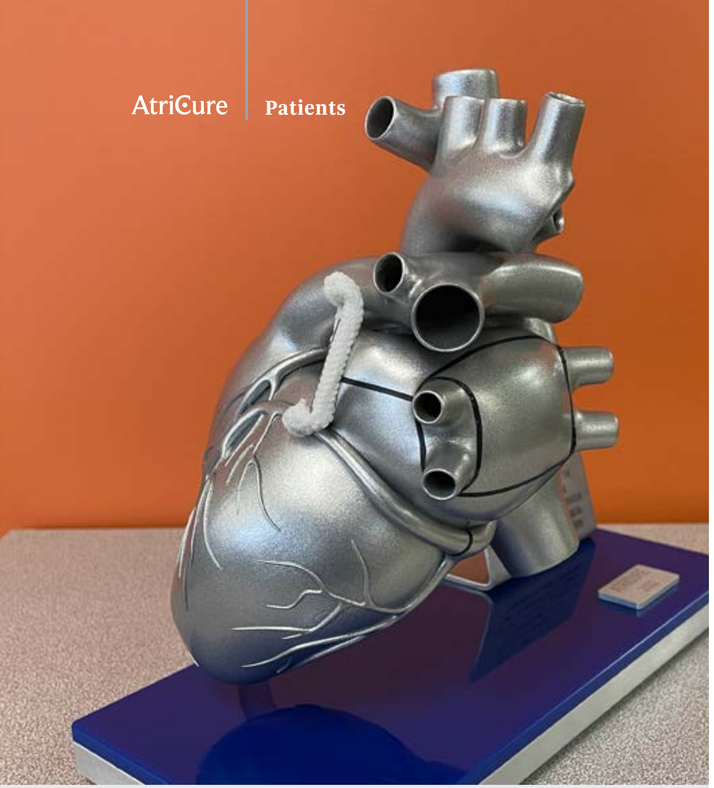
In April 2022, **AtriCure received IDE approval to conduct the Left Atrial Appendage Exclusion for Prophylactic Stroke Reduction (LeAAPS) Trial**. LeAAPS is a seminal trial that will define clinical practice and treatment guidelines for stroke reduction in at-risk cardiac patients. The study will evaluate the effectiveness of left atrial appendage exclusion for the prevention of ischemic stroke or systemic arterial embolism in patients undergoing cardiac surgery with risk factors for atrial fibrillation and stroke. LeAAPS is a multicenter, multinational, prospective, double-blinded, randomized (1:1), event-driven, superiority trial involving up to 6,500 subjects across up to 250 sites (U.S. & International). LeAPPS is the largest, prospective, industry-sponsored, cardiac surgery device trial to date in both scope and scale. Our first patient enrollment was announced in January 2023 and remains ongoing.

ADDRESSING GLOBAL DISPARITIES THROUGH CLINICAL TRIAL DIVERSITY

AtriCure is committed to implementing the FDA's guidance regarding racial and ethnic diversity in clinical trials for medical products, and we strive to ensure adequate representation of women and other traditionally underrepresented demographic subgroups in our clinical trials. Women and ethnic minorities face long-standing barriers to participating in clinical trials.[8] For example, certain clinical trial inclusion criteria may unintentionally exclude certain demographic subgroups, such as women who are excluded for fear of fetal consequences from the trial.

To address these concerns, AtriCure has made intentional plans to include patients in our clinical trials that represent a broad range of demographics and geographies. We strive to design studies that capture the diversity of the patients who are affected by the diseases and conditions we are studying. We are taking the following steps to ensure adequate representation of women and racial or ethnic minorities in our clinical investigations:

- Provide training to investigational site personnel to ensure adequate representation
- Continuously re-educate sites on the importance of recruiting and retaining diverse subjects for the clinical investigation, as appropriate and necessary
- Regularly review enrollment data to investigate whether there is under-representation of certain demographic populations
- Consistently review withdrawal rates for under-represented subgroups and compare these rates with those in the overall clinical investigation population
- Approach sites without bias or consideration for specific demographic populations
- Provide informed consent materials in multiple languages and collaborate with sites, Institutional Review Boards and Ethics Committees on recruitment materials.



The Cox-Maze procedure was introduced by Dr. James Cox in 1987, a major milestone in treating Afib patients. For patients with Afib needing open heart surgery to fix a coronary or valve issue, the Society of Thoracic Surgeons recommends performing surgical ablation (Cox-Maze procedure) at the same time, giving it their highest level of recommendation—Class I.[9] AtriCure has a robust lineup of clamps, pens and probes that can be used for ablating cardiac tissue with either bipolar radiofrequency or cryothermal energy. Several AtriCure pens also have the ability to pace, sense and stimulate.

CLINICAL SCIENCE (Continued)

AtriCure has made a significant investment in ISRs to advance scientific knowledge about our products and therapies as well as increase awareness and ensure patient access to our therapies. These investments support independent research studies in which AtriCure provides the financial support to an investigator who sponsors a study for the development of medical knowledge relating to existing or future AtriCure products. Between 2020 and 2022, there was a substantial increase in clinical science publication activities resulting in manuscripts and conference abstracts appearing in 24 different journals and online publications and being presented at 16 different conferences worldwide. In 2022, publication activities engaged approximately 100 physicians at 72 institutions in 9 countries.

PHYSICIAN EDUCATION & ADOPTION

Providing thorough training to physicians and extended care teams on the safe and effective use of our devices is paramount to ensuring our products generate the best outcomes for our patients. By educating and training physicians on how to use our products, we are promoting their continued adoption and aspire for our solutions to become the standard of care. As of December 31, 2022, we have trained over 3,000 healthcare professionals through in-person and virtual learning options, such as online courses, mobile labs and in-facility trainings.

We believe that investments in physician education are critical for us to succeed in our mission to address the global Afib epidemic and pain after surgery, and we endeavor to continuously enhance our programs. For example, we have spent the last several years developing an inanimate model, or “cadet”, for our physician training activities. **The use of cadets is an excellent advancement in sustainable education practices** because it allows us to provide training and research options to physicians that do not involve the use of animals or cadavers, provides the ability to train people in any location and reduces the use of required sterile supplies since tissue is no longer used.

In recent years, several members of our senior leadership team have advocated for developing education programs focused on women’s heart health. In 2022, **we launched the Women’s Cardiac Health Awareness initiative**, which brings together leaders in the fields of cardiac surgery, electrophysiology and thoracic surgery to educate peers about the importance of improving the heart health of women. The initiative kicked off with an online event featuring a panel of highly regarded physicians to discuss the unique needs of women in the prevention, screening and treatment of Afib. To date, we have hosted three separate education events with more than 2,500 attendees. The Women’s Cardiac Health Awareness initiative is a huge step forward in our effort to encourage a collaborative approach to addressing gaps in cardiac healthcare for women.

Product Quality and Safety

Our employees are instrumental in every step of our mission to heal patients around the world – from developing new products to advancing our manufacturing efforts, we ensure quality in everything we do. To us, quality means consistently satisfying regulatory requirements while exceeding customer expectations by delivering products of the highest value in a timely manner. To fulfill our promise, we are committed to our Quality Policy: **PULSE**.

QUALITY MANAGEMENT SYSTEM

Our Quality Management System (QMS) governs processes for development, manufacturing, sales, marketing, distribution and servicing of our devices. Our QMS provides a framework for management responsibility, resource allocation and the availability of information necessary to support the operation and monitoring of these processes through a robust organizational structure. Our QMS demonstrates conformance to the rigorous regulatory requirements and applicable international standards for medical devices, including compliance with the European Union Medical Device Regulation (EU MDR) as of 2022. We are registered with the FDA as a medical device manufacturer. We currently operate three facilities that are certified to the ISO 13485:2016 medical device standard, one of which underwent the ISO 13485:2016 certification process in 2022. We participate in the Medical Device Single Audit Program (MDSAP), allowing for a single regulatory audit of our quality management system to cover regulations for five countries (Australia, Brazil, Canada, Japan and the United States).

OUR PROGRESS

We have not had any material product recalls during each of the last three years. Since the end of 2017, the number of product complaints and FDA Medical Device Reporting events related to AtriCure products have decreased significantly.

2022

Product Complaint Rate

0.68%

Five-year improvement rate
(% change end of 2017 to end of 2022)

Down 41%

FDA Medical Device Reporting Rate

0.02%

Down 75%

As of the release of this report, all products have been submitted to our Notified Body under EU MDR. We have received EU MDR certificates for nine Class III devices and one Class IIb device.

OVERSIGHT AND TRAINING

The Compliance, Quality and Risk Committee of our Board of Directors oversees our QMS and compliance with international regulations, including FDA and EU MDR requirements. Our Vice President of Quality is accountable for promoting the awareness of applicable regulatory requirements throughout our organization, developing positive and effective relationships with relevant regulatory agencies and informing senior leadership through regular management reviews about the effectiveness of the QMS. The Quality Department is responsible for planning, maintaining and administering the QMS and establishing a culture of continual improvement that enables us to proactively respond to the evolving regulatory environment.

Our Quality Policy is communicated across all levels of the organization, and copies are prominently displayed throughout each of our facilities. We provide ongoing QMS training for employees in line with local and international regulations and standards to ensure our employees are qualified for the jobs they perform. In addition to job-specific training, we hold other internal training events focusing on a variety of topics, ranging from design for manufacturability, design control, complaint handling, reliability methods, statistical techniques and other related topics.

PRODUCT DEVELOPMENT

Product safety is evaluated during product development and monitored through several mechanisms after product launch. Within the development cycle, we follow industry regulations and best practices for approaching design and process development in a methodical manner. The team uses various risk analysis techniques to capture and characterize potential risks, track mitigation efforts, and verify resolutions. Comprehensive verification and validation activities are completed to ensure the final design and process meet the intended product specifications. At key milestones throughout the project, objective independent review is conducted by subject matter experts to assure engineering analysis and testing is thorough and robust prior to product release. Prior to full commercial launch, products are generally distributed in a limited manner, allowing for preliminary evaluation of user experience and refinement of training processes. Commercially distributed products are monitored through post-market surveillance processes to ensure any patient safety issues are identified and addressed, as necessary.

CLINICAL TRIALS

Standards and guidelines for our clinical trials and product protocols are overseen by our Chief Scientific Officer. We perform clinical trials directed by qualified personnel who adhere to all relevant regulations and the highest standards of medical and clinical ethics. Our clinical trials are primarily conducted with internal resources to allow us the appropriate oversight and quality assurance from our robust clinical and scientific affairs teams. All clinical trials utilize Institutional Review Boards and have independent safety adjudication of any adverse event (major or serious) in line with FDA's 21 CFR part 812 regulation for medical devices and local regulations in the European Union.

USE OF ANIMALS IN RESEARCH

We are committed to animal welfare and follow all relevant regulations and laws that are designed to ensure the responsible use of research animals for patient safety. All animal testing performed for product development is governed through an Institutional Animal Care and Use Committee agreement in line with the U.S. National Institute of Health guidance. All biocompatibility testing protocols are designed to minimize in vivo animal testing whenever possible, in accordance with ISO 10993-2 best practices for animal welfare. When it is necessary to perform in vivo animal testing, it is performed at external laboratories per ISO 10993-2 best practices.

People

At AtriCure, patients are at the heart of what we do every day. Regardless of their position, each and every AtriCure team member knows that they are positively impacting patients' lives. We foster collaboration to achieve excellence across all areas and sustain a humble culture of gratitude for each other and the good that we can bring to the world.

AtriCure experienced significant employee growth across all functions over the last decade. In the last year, our workforce grew by 20%, **bringing our total headcount to over 1,000 employees** for the first time. In 2022, we enhanced our Human Capital Scorecard to help our leaders measure, manage and improve our human capital management practices. The scorecard focuses on leading human capital indicators of performance that are linked to our business strategies, and tracks key metrics such as headcount, demographics and turnover.

EMBRACING OUR EMPLOYEES WITH A HYBRID AND REMOTE WORK ENVIRONMENT

AtriCure has always provided work flexibility, and we are committed to supporting our employees with a hybrid and remote work environment. We have developed systems and workflows to make the option of hybrid work more possible for certain roles. Over half of our global workforce is eligible to work on a hybrid or flexible schedule. Many of our departments also offer part-time or reduced full-time opportunities, which allows employees to create schedules that suit their unique situations. Our approach to hybrid and remote work helps ensure that our employees can fulfill our business needs while balancing work with their personal lives.

EMPLOYEE ENGAGEMENT

We strive to engage with our employees across every level of the organization, celebrate their personal milestones and cultivate a sense of trust and transparency. We conduct engagement surveys of our employees at least annually. Our award-winning culture is regularly cited in these surveys as one of the best things about working at AtriCure. **Employees have voted us as a Cincinnati Top Workplace eight out of the past nine years**, and we have received similar accolades at our other office locations. In 2023, **our Minneapolis office was named a National Standard Top Workplace for the third time**, and in 2022, **our Amsterdam office was certified for the first time as a Great Place to Work®**, a recognition we received again in 2023.

Our longstanding "Heart of AtriCure Award" program is another way we recognize our employees. These awards recognize employees who have shown exceptional performance, exemplified our patient-first focus, and embodied our values at the heart of everything they do. Recipients are nominated by other employees and receive their awards from our CEO at All Employee Meetings throughout the year. Over 120 AtriCure employees have received the award since the program's inception in 2007.

Best Workplaces™ Great Place To Work. NETHERLANDS 2023

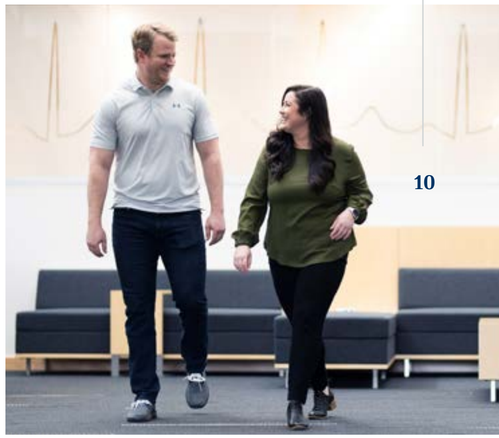
2x Winner
Great Place to Work

TOP WORK PLACES 2023 Cincinnati.com The Enquirer

8x Winner
Top Workplaces Cincinnati

StarTribune TOP WORK PLACES 2023

3x Winner
Top Workplaces Minneapolis



NUMBER OF EMPLOYEES WORLDWIDE

2022	1,031
2021	857

"The Engineering Development Program (EDP) gave me a better understanding of the medical device life cycle through the rotations I experienced in Quality, Manufacturing, Product Development, and Clinical Education. I was given high-impact and high-visibility projects that allowed me to improve my technical engineering skills but also my communication and leadership skills. The EDP mentors helped guide me along the way, giving me the opportunities to learn and grow into the engineer that I am today.
—Rachel Budke, Quality Engineer

TALENT ATTRACTION AND RETENTION

We attract ambitious individuals to AtriCure and provide mechanisms for them to take ownership over their career paths and trajectory so they can build a long-term future with our company. Over the last five years, voluntary turnover rate among our employees has remained consistently below 10%, outperforming the industry average. We also promote employee retention by allowing internal mobility within the company. In 2022, 17% of all open positions were filled by current employees. Moreover, approximately 15% of all eligible employees received promotions in 2022. We have also made targeted efforts to increase the number of diverse candidates in our pipeline and have expanded our recruiting channels to connect with new communities. Please read more about these efforts in our "Diversity and Inclusion" section, page 13.

UNIVERSITY PARTNERSHIPS

We are improving our recruiting efforts through marketing programs that will highlight our culture and build awareness of our value proposition for potential employees. We are also investing in the next generation of leaders by recruiting students to AtriCure, including high school, college and recent graduates. We have built intentional relationships with universities and colleges to source interns and co-op students, including post-bachelor educational institutions that provide specific training in the cardiac and surgical space. Our commitment to cultivating early pipeline talent created 70 intern and co-op student experiences in 2022, representing 18 different schools.

TALENT DEVELOPMENT

We believe employee development is an important part of the way we drive retention and foster a strong culture of learning. To enable employees to flourish during their time at AtriCure, we have invested in programs to drive ongoing career development. We provide a range of training courses and online resources for employees, as well as opportunities for coaching and mentoring. In 2022, we rolled out a new leadership development program called "AMPLIFY". This program is aimed at mid-level leaders across the company to enhance and develop their leadership skills through instructor-led courses in areas of emotional intelligence; persuasion and influence; diversity, equity & inclusion; and essential business skills.

Our AtriCure YOUniversity provides a series of competency-based courses for global employees to develop new skills and nurture their existing strengths on a regular basis. As part of our bi-weekly open forums, we offer micro-learning opportunities for employees to learn, develop and engage with their colleagues.

We also offer an Educational Assistance Program, which provides tuition reimbursement support to employees pursuing undergraduate and graduate degrees. This reimbursement also covers registration, administrative fees, laboratory fees, books and transcripts. We provide up to $5,000 per calendar year to reimburse undergraduate study, including Associate's and Bachelor's degrees, and up to $7,500 per calendar year to reimburse graduate study. We are proud to have supported 34 employees through the Educational Assistance program since 2018.

The Engineering Development Program (EDP) is an accelerated rotational development program for engineers who are early in their career. Employees in the program experience four 6-month rotations through different departments: Quality, Operations, Manufacturing, Product Development and Professional Education. AtriCure is developing similar programs to launch in other functional areas and departments.

TALENT MANAGEMENT

Our annual performance review process offers all employees the opportunity to have meaningful conversations with their managers about their performance, growth and opportunities for improvement. In 2022, we introduced the philosophy of Talent Mastery, where we made an aspirational commitment to spend as much time focusing on our talent as we do on our business strategies. Under this philosophy, we believe our leaders will better help attract, develop and retain talent. We also introduced enhanced talent planning procedures to assess current and future business needs, identify high potential leaders and develop a healthy talent pipeline. Our talent planning processes include leadership reviews and specific DE&I strategies for each function. We also successfully implemented a formal mentorship program that is designed to allow employees to explore professional growth by interacting with leaders outside of their department. This program enables participants to gain an experienced leader's perspective on their career aspirations that is separate from the traditional performance feedback structure.

HEALTH AND SAFETY

In line with our commitment to improving health outcomes, one of our top priorities is to ensure the health and safety of our employees in the workplace. We have implemented multiple safety programs and regularly perform safety hazard evaluations within our facilities. Programs include our Emergency Site Action Plan for emergencies such as fire response, severe weather threats and shelter in place incidents, as well as our Certified First Responders safety program that include Red Cross training of employees in CPR, AED usage and first aid practices.

Our Environment, Health and Safety (EHS) program, overseen by the Environmental Health and Safety Manager and our Safety Committee, includes regular audits and encourages all employees to report any hazards or concerns they have regarding unsafe practices, conditions or equipment. Our managers are required to ensure that employees receive training on safety regulations and AtriCure policies. Our Safety Manager investigates all EHS issues and reports instances of potential non-compliance to the Environmental Health and Safety Manager or Safety Committee.

In our company's history, no employee fatalities have occurred because of work-related injuries or illnesses.

COMPENSATION AND BENEFITS

AtriCure is committed to being a market leader in compensation through our highly competitive and equitable program, which is an integral part of our efforts to attract and retain world-class talent. Our compensation program provides pay that reflects the following primary factors: level of responsibility, individual performance, internal fairness and external competitiveness. The program also includes annual incentive awards for salaried employees that are payable upon achievement of annual financial and management objectives. Nonexempt employees are eligible for discretionary bonuses.

We offer many other sought-after benefits that help employees live their best life in and out of work. All full-time U.S.-based employees are eligible for medical, dental and vision insurance; paid leave for both vacation and illness; a 401(k)-retirement plan that includes a company matching contribution up to 4%; and life and disability insurance. Our compensation program includes an Employee Stock Purchase Plan (ESPP), under which U.S.-based employees can become owners of the company by purchasing shares of our common stock at a discount.

We also offer a variety of other unique benefits to make AtriCure an employer of choice:

- Tuition reimbursement
- Employee referral program
- Financial coaching services
- Supportive programs for expanding families, including flexible pregnancy and new parent leave; adoption, surrogacy and fertility services; and parental supplies
- Identity theft protection
- Employee advocate program, operating as a healthcare concierge service to provide employees with a personal healthcare assistant who can help with open enrollment, benefit questions, in-network provider searches, finding a therapist and making appointments
- Medicare assistance program for working or retiring adults and family members who are Medicare-eligible and may not have fully explored the benefits of Medicare coverage
- Wellness platform, "Sonic Boom," to bring well-being in fun and exciting ways to all employees by encouraging interactions with coworkers

We respect the labor rights of all members of our workforce in accordance with relevant laws. Our international employee benefits vary due to local regulations and offerings. We ensure compliance with all statutory and mandatory benefits that vary by country, such as medical, disability, retirement/pension, workers compensation, accident, social benefits and paid leave. None of our employees are represented by a labor union.

DIVERSITY, EQUITY AND INCLUSION (DE&I)

At AtriCure, we are driven by the belief that diverse skills and experiences produce better outcomes and more innovative solutions to improve patients' lives. Our leaders lead from the front by creating an environment that fosters a sense of belonging and ignites passion within their team. This leader-led approach to building an equitable and inclusive workforce has a longstanding commitment to fostering a workplace that rejects discrimination, celebrates differences, and promotes equality.

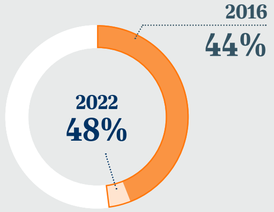
DE&I Framework

With input from management and employees, we further developed our DE&I framework to align our DE&I strategy with the company's core values. The DE&I framework guides our long-term vision and is grounded in the following objectives:

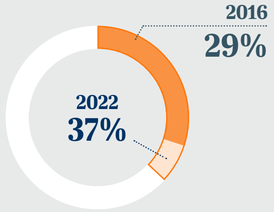
- Attract and develop employees that mirror the diversity of the communities, partners and patients we serve
- Create a diverse talent pipeline by fostering awareness of STEM and healthcare careers for women and ethnically diverse groups
- Foster a culture of inclusion and belonging where all employees are valued and empowered
- Enhance DE&I understanding and behaviors through education and development
- Drive accountability through DE&I Action Plans
- Increase awareness and advocate for diversity in medical research and clinical trials through healthcare partnerships
- Explore opportunities to invest in local economic growth by supporting women and ethnically diverse groups, while collaborating with our partners to engage communities to promote heart health awareness

In 2022, we realized positive progression on all of our DE&I goals, including our workforce gender and ethnicity metrics. As an additional measure of accountability for progress on DE&I, **we introduced a new component to our annual incentive plan focused on specific metrics and initiatives**, such as increasing diverse hiring channels, expanding our co-op program company-wide and further increasing workforce diversity. Our Board of Directors was also awarded the National Association of Corporate Directors (NACD) DE&I Award for implementation of forward-thinking DE&I practices. See further discussion of this award in the "Corporate Governance" chapter.

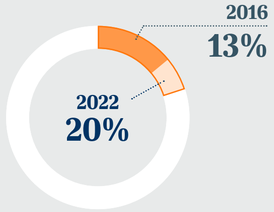
2022 Employees



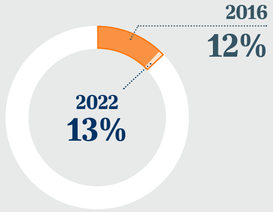
Women in the workforce, roles filled by women globally



Women in management positions*



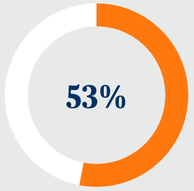
U.S. ethnically diverse employees in the workforce



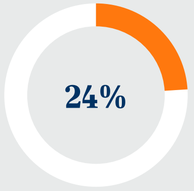
U.S. ethnically diverse employees in management positions*

**Management Positions–Managers/Sr. Managers who have direct reports, all Directors/VPs/ELT*

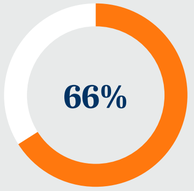
2022 New Hires



Women globally



U.S. ethnically diverse



Women, U.S. ethnically diverse, or both (combined)

Pay Parity

We conduct an annual assessment of pay parity for our entire workforce. In this year's analysis, prepared by an external law firm, the results concluded that **we have achieved pay parity** across gender and ethnicity, validating that our compensation practices have been designed to effectively provide equal pay for work of equal value. We are committed to regularly analyzing and evaluating the effectiveness of our compensation and benefit programs to help us ensure pay parity across regions, roles, gender and ethnicity.

Recruiting Diverse Talent

In order to improve the diversity of our talent base, we have increased the number of recruiting channels for diverse and underrepresented candidates and developed community collaborations to build relationships with minority STEM applicants. Our recruiters have a goal to present a diverse slate of candidates for every open role at AtriCure and diversity is an important factor in our candidate assessment framework. Last year, we developed strategic partnerships with educational institutions, job boards and staffing firms to increase our diverse hiring channels by 33%. These outreach efforts include our ties to Historically Black Colleges and Universities and other organizations that engage talent from underrepresented communities.

Our DE&I initiatives also extend far beyond the recruitment phase. The AtriCure Engineering Leadership Development Program provides young engineers with cross-functional experience and mentorship that guides them toward a management career track. About 60% of the participants in this program have been women or ethnically diverse.

Our Women in STEM Employee Resource Group has hosted panel sessions and events with experts from local universities, AtriCure board members, and professional associations on how to mentor and support women pursuing careers in engineering and other STEM disciplines. In 2022, we hosted over 35 incoming freshmen from the University of Cincinnati for a daylong program to reinforce the value of STEM education and coach them on success factors for their upcoming semester. This provided our employees with an opportunity to mentor students from underrepresented communities who desire to work in the engineering field. We hope this connection will help strengthen our co-op program pipeline with more diverse voices and help create a broader spectrum of technical leaders for our future.

DE&I Training

Raising awareness of diversity through employee training programs is an important component of our learning and development curriculum. All employees participate in unconscious bias training annually and participate in continuing education programs focused on other DE&I topics. We also conduct DE&I focused leadership training sessions for our senior leaders. In addition, our managers and recruiters are trained in inclusive hiring practices to help create more consistent, equitable experiences for all candidates. These trainings are conducted in person, through webinars and using courses offered through other training channels such as LinkedIn Learning.

Anti-Harassment Policy

We are an equal-opportunity employer and have a zero-tolerance policy for discrimination, sexual harassment, or other harassment based on race, color, ancestry, national origin, caste, religion, creed, age, mental and physical disability, sex, gender (including pregnancy, childbirth, breastfeeding, or related medical conditions), sexual orientation, gender identity or expression, medical condition, genetic information, marital status, military or protected Veteran status, an employee's reproductive health decisions or those of their dependents, or on any other basis protected by law. We have also implemented a Harassment-Free Workplace policy and ensure that every employee is trained on workplace harassment upon hire, and either annually or biannually thereafter, depending on state law.

Our workplace policies and practices are built on treating everyone with dignity and respect. This focus shapes how our colleagues engage with one another and with our customers and partners around the world. We encourage our employees to voice any concerns they may have, and we strictly prohibit retaliation against anyone for issuing a complaint related to discrimination or harassment.

Culture of Giving

At AtriCure, we are dedicated not only to our patients, but also to the communities around us. We know that we can bring good to the world by graciously and passionately helping others. We participate in various charitable, community and volunteer activities as a company, within departments and as individuals. We are proud to support these meaningful efforts as we continue to foster a culture of giving at AtriCure. We encourage volunteering and community involvement through our Volunteer Time Off (VTO) program, which allows employees to take up to two paid days off to volunteer with non-profit organizations of their choosing. Through the VTO program, we aim to facilitate community engagement opportunities for our employees that are meaningful, purposeful, and enrich and inspire their lives. In 2022, individual **employees donated over 1,600 total hours of their time through the VTO program** in addition to other departmental and group volunteer activities.

Beyond our extensive education and training programs to aid healthcare professionals in advancing their knowledge and surgical techniques, we also work to increase awareness of Afib and cardiac health in our broader communities. We have developed a deep relationship with the American Heart Association (AHA), which is a natural fit with our mission to reduce the burden of Afib. Each year across the United States, AtriCure teams show the power of working together for a common purpose as they support the AHA's mission for healthier lives. Our people participate in many AHA events, and AtriCure leaders serve on the boards of both the Cincinnati and Twin Cities AHA chapters.

In the Cincinnati area, we have partnered with the Adopt A Class program to support economically challenged schools. Throughout the years, AtriCure employees have engaged with students through monthly visits, educational activities, mentorship opportunities and field trips that expose them to a professional work environment in order to promote job and career readiness. Our educational lessons often focus on STEM content and hands-on experiments, such as learning how the human heart pumps blood and how to use a microscope. This year, we are supporting two classrooms, and over the last five years, we have worked with approximately 200 students. The program is a great opportunity for us to give back to our community and help mentor children while opening their minds to new career options.

Supply Chain Management

Developing strong relationships with our suppliers and other business partners is essential to our ability to execute our growth plans. We have been focused on increasing transparency and partnership with key suppliers as part of our efforts to ensure that we and our customers are able to receive the products in a timely manner and with a high level of quality.

OUR PROGRESS

In recent years, we have invested in the leaders and team responsible for global sourcing so that we can more strategically evaluate the capabilities and efficiencies of our supply chain, monitor commodity and inventory levels and maintain on-time delivery to customers. In 2022, we continued to strengthen our communication and transparency with our suppliers by hosting a Supplier Summit, which brought together a group of our key suppliers to provide better visibility into our needs and plans to enhance production planning, introduce more automation, and launch efforts to increase capacity while reducing waste in the future. We expect that we will hold a Supplier Summit annually going forward.

BUSINESS PARTNER CONDUCT STANDARDS

Our Business Partner Conduct Standards establish our expectations for business partners throughout our supply chain. These expectations include, but are not limited to:

- Conducting business activities in full compliance with applicable laws, regulations and standards
- Conforming to the highest level of ethical business practices
- Relying on proper use of assets, including information, processes and technology
- Meeting AtriCure's commitment to human rights, equal opportunity in the workplace and a safe and healthy work environment
- Reporting any concerns of questionable behavior to AtriCure

Using a risk-based approach, we perform due diligence to review and evaluate potential suppliers prior to establishing a contract. This process includes our assessment of a supplier's ability to adhere to our Business Partner Conduct Standards. To our knowledge, there have not been any grievances reported with respect to human rights within our supply chain. For more information on our commitment to human rights, please refer to our UK Modern Slavery Act Statement.

SUPPLIER AUDITS

Our Supplier Management Program governs the selection, classification, monitoring and evaluation procedures we utilize for all our suppliers. “Class A” suppliers are suppliers or subcontractors of key raw materials or components in which failure could cause a significant degradation in the safety or performance of our devices. We regularly audit Class A suppliers for compliance with our quality management system requirements, and we require all new suppliers to be ISO certified for manufacturing and product quality. Ninety-five percent of AtriCure’s Class A supplier facilities participate in third-party certification and audit programs, such as ISO 13485 or ISO 9001. Other supplier classes are subject to periodic assessments and monitored for nonconforming trends.

MAINTAINING TRACEABILITY

Our material control system provides us with visibility across our supply and distribution chains, allowing us to trace everything from raw materials to finished products. Maintaining traceability at AtriCure begins with our inspection procedures. Once received by AtriCure, raw materials and components for our products undergo a risk-based inspection process and are controlled using lot numbers with electronic system controls. Our finished products are also controlled by serial or lot numbers, depending on product type, and our product labeling practices adhere to both domestic and international standards for medical devices. A product certification form or packing slip containing the serial and lot numbers is included for each order of finished goods sent to our customers as well as items purchased and inspected for product manufacturing. Such documentation ensures that the item meets our specifications and helps differentiate from potential counterfeit products. Our devices include software that allows for communication only with AtriCure generators, which is an additional measure to prevent potential counterfeit devices from pairing with our equipment.

Our efforts to maintain traceability of our products are aligned with the FDA’s Premarket Approval (PMA) requirements, which include product labeling provisions related to safe and effective use and tracking for medical devices. We maintain lot traceability for all devices we manufacture to manage records needed to trace patients if necessary to protect public health. These procedures help us monitor end-to-end traceability and identification through the various stages of manufacturing and distribution.

CRITICAL MATERIALS

To manage and minimize supply chain risks for critical materials, we maintain open and frequent lines of communication with our key suppliers. This includes crucial suppliers or critical subcontractors as defined by the European Union Medical Device Regulation.

Our monitoring efforts extend beyond our direct suppliers so that we can proactively identify potential concerns. For example, we analyze raw materials that could potentially be affected by supply chain disruptions, or specific components that may potentially become obsolete, so we can identify and plan mitigation steps. We maintain inventory levels of components and raw materials specific to each part or device, and use forecasts derived from historical demand and anticipated future demand to determine order quantities and lead times. Purchased components are generally sourced from a single supplier, but alternatives to these suppliers are available in the event additional supplies would be needed. Partnership and communication with key suppliers have provided us better visibility into their ongoing ability to meet our needs. If and when we secure second sources for critical materials for products under PMA, we take steps to ensure these sources are aligned with all applicable PMA requirements.

We work directly with our suppliers to routinely monitor the use of conflict minerals that go into our products, including Tin, Tantalum, Tungsten and Gold (“3TG”), that may come from the Democratic Republic of the Congo and surrounding nations. We publish our efforts in this area in our annual Conflict Minerals Report.

Product Design and Lifecycle Management

We continuously innovate to develop less invasive, simpler to use and more efficient products that enhance the experience of our physician partners and support the care they deliver to each patient.

REUSABLE GENERATORS

Our products for cardiac tissue ablation either heat tissue using radio frequency (RF) energy or cool tissue using cryothermal energy transfer to create focused tissue effects. Our ablation product platforms consist of disposable handheld units that connect to compact RF power generators or cryoICE BOX generators for surgical operations. We design our generators to be reliable and long-lasting. Our most widely distributed generator has been proven to have a usable lifespan of multiple years, and in some cases, greater than a decade. As we design new disposable handheld units, we seek to maintain compatibility with our existing generators whenever possible.

We request that our direct customers in both the U.S. and E.U. return any generators at the end of their usable life to our service centers in Mason, Ohio or Amsterdam, Netherlands. At our service centers, we attempt to service and reprocess returned units, requalify them and provide refurbished units back to customers. Refurbishment of generators is not always possible, particularly when components are destroyed beyond the point of repair or discontinued due to design changes. However, since 2018, our service centers reprocessed and refurbished over 110,000 pounds of reusable equipment, representing approximately 90% of equipment returned to our service centers. Customers in regions outside the U.S. or E.U. may perform repairs on their generators independently or send equipment to AtriCure for potential repair and reuse.

REDUCING ETHYLENE OXIDE USE FOR PRODUCT STERILIZATION

Our devices for use in cardiac surgery are sterilized and provided in a sealed primary package for patient safety. Each device undergoes a fully validated sterilization process prior to release for use. Ethylene Oxide (EtO) sterilization is a common method used to keep medical devices safe by rendering them free from viable microorganisms. EtO is an effective bactericidal, virucidal, fungicidal and sporicidal agent. Within the medical device industry as well as AtriCure's product portfolio, EtO sterilization is used for approximately half of the devices that are produced, due in large part to its compatibility with a broad range of materials and its proven effectiveness. Despite these benefits, there is heightened awareness of concerns involving emissions of EtO by sterilization providers. The U.S. Environmental Protection Agency (EPA) has changed the way they calculate risk for the amount of EtO safe to breathe, as EtO is categorized as a human carcinogen and a toxic air pollutant. Despite continued debate over EtO emission limits and risk, the industry is continuing to move forward with efforts to reduce EtO emissions, while still providing essential life-saving devices to the public.

In response to concerns surrounding EtO, AtriCure is evaluating opportunities to: 1) reduce EtO concentration levels used during our device sterilization cycles; 2) shorten EtO processing times; and 3) research suitable alternative sterilization modalities. We are partnering with our sterilization service providers to test lower EtO concentration levels to determine effectiveness in achieving sterilization objectives. Through cycle development and execution of sterilization validation efforts, we hope to ultimately receive regulatory approval to implement a better medical device sterilization standard that requires less EtO.

ONGOING INITIATIVES

Efforts are underway to demonstrate compliance with the U.S. EPA Toxic Substances Control Act for all our products, which we expect to occur by 2025. We are also performing lifecycle analyses for our electrical equipment per IEC 60601-1-9, which lays out general requirements for safety and performance of medical electrical equipment.

Environmental Sustainability

We strive to minimize our impact on the environment so that our people, patients and partners can thrive over the long term. We know that we have a role to play in protecting our planet for future generations. We are focused on sustainability and achieving long-term results as we establish programs to monitor and optimize our resource use while we continue to grow our business.

OUR FACILITIES

Mason, OH We currently occupy three locations in Mason where we maintain our global headquarters, as well as our research and development, administrative, manufacturing, warehousing and distribution functions. We continue to grow our presence in Ohio as part of our long-term plans.

Minnetonka, MN Our Minnetonka location includes administrative and product development space. This has been a strategic location for AtriCure to attract and retain industry talent.

Pleasanton, CA Our California facility was born from past acquisitions. This location is primarily used for product development.

Amsterdam, Netherlands This location is the headquarters for our European subsidiaries and houses administrative functions for our global operations.

OUR PROGRESS

We are in the process of evaluating our environmental policies and procedures using the environmental management system criteria for ISO 14001 as a guide. We have ongoing efforts to improve environmental performance at our facilities, including software upgrades for enhanced data monitoring and more robust recycling protocols covering electronics, shipping materials, alcohol used in sterilization and general waste. These efforts are primarily focused on our Mason, Ohio campus, where all our manufacturing operations are conducted.

Over the course of 2022, **we expanded our manufacturing and distribution operations to a new building on our Mason campus**. During this expansion, we installed equipment to improve the facility's environmental performance, including an efficient HVAC system, LED lighting with occupancy sensors and additional insulation. This new building was brought into full operation in 2023. As this expansion work continues, we are establishing processes and monitoring systems so that we can better understand our energy consumption, water usage and waste management practices.

ENVIRONMENTAL COMPLIANCE

We are committed to following all local, regional and national laws and regulations governing hazardous waste, non-hazardous waste and wastewater treatment. At our Mason Campus, all chemical and bio-hazardous waste streams are handled by third-party environmental services contractors and disposed of according to applicable regulations. We track our waste with the Environmental Protection Agency (EPA), which classifies AtriCure as a Small Quantity Generator in Ohio. Our wastewater treatment system utilizes pH control and ion exchange as the primary means of removing pollutants from process wastewater.

Corporate Governance

Our Board of Directors demonstrates our commitment to the highest standards of corporate governance in directing the affairs of the company to optimize long-term shareholder value while also maintaining the company's reputation and integrity. Our company has separate Chief Executive Officer and Board Chair positions, which enhances oversight of management by the Board, Board independence, accountability to our stockholders by the Board, and our overall leadership structure. Furthermore, this structure allows the Chief Executive Officer to focus on managing the business, rather than requiring a significant portion of his efforts to be spent on also overseeing Board matters.

The Board has adopted Corporate Governance Guidelines and charters for each of its five committees (Audit; Compensation; Compliance, Quality and Risk; Nominating and Corporate Governance; and Strategy), which describe certain duties of the Board and its committees. The Nominating and Corporate Governance Committee oversees and implements all policies and practices related to corporate governance as well as environmental and social responsibility matters. For more information, please visit the Corporate Governance section of our website.

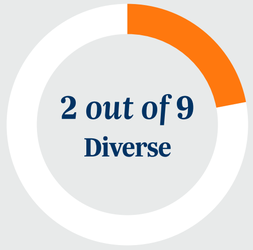
The Nominating and Corporate Governance Committee evaluates Board nominee candidates to create a balance of independence, sound judgment, business specialization, technical skills and diversity. During 2022, our Board of Directors was composed of eight independent directors and our President and Chief Executive Officer, Michael H. Carrel.

NATIONAL ASSOCIATION OF CORPORATE DIRECTORS (NACD) AWARD

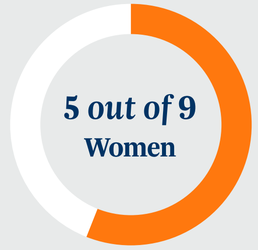
In 2022, **we received the Diversity, Equity & Inclusion Award from the National Association of Corporate Directors (NACD)** as the top company in the Small Cap – Public Company category. This award recognizes boards that have improved their governance procedures and created long-term value for stakeholders by implementing forward-thinking diversity, equity and inclusion (DE&I) practices. We believe that the diversity of our Board of Directors helps to set the "tone at the top" for our DE&I initiatives. Our Board Chair B. Kristine Johnson is one of only a few women Board chairs in the medical technology industry.

> ***This award is an immense testament to the efforts of the people at AtriCure, including our Board of Directors, who understand that DE&I have to be embedded in our culture if we are to do our best work in developing innovative products and therapies that improve patients' lives.***
> ***—B. Kristine Johnson***

ATRICURE BOARD OF DIRECTORS



Ethnic Diversity



Gender Diversity

As of December 31, 2022

Ethics and Compliance

Compliance is deeply embedded in our culture at AtriCure. We are committed to maintaining the highest standards of business conduct and ethics. We take responsibility for our actions, act courageously and strive to do the right thing every time. At AtriCure, we are committed to doing business the right way.

OUR PROGRESS

We continue to invest in expanding and developing the team responsible for compliance program design, implementation and monitoring. We have holistically evaluated our compliance program to identify and implement enhancement opportunities and have added team members with expertise in privacy, international compliance, monitoring and data analysis. We believe this practice of periodically evaluating and enhancing our compliance program is critical to our assessment and management of common industry risks and drives continuous improvement in our compliance program. It is a best practice.

Our recent efforts have also been focused on updated policies and enhanced communications, training and data monitoring to further integrate compliance into company culture and strengthen our ability to evaluate program effectiveness. We are aligning our policies and procedures with the most recent updates to the AdvaMed Code of Ethics (U.S.) (refer to Voluntary Industry Codes of Ethics on the next page). We also incorporate the MedTech Code (Europe), APAC Med Code (Asia Pacific), MecoMed (Middle East and Africa) and the AdvaMed China Code into our program and practices, as applicable, for a truly global approach to compliance.

AtriCure's first annual Compliance Week was held in 2022, during which we provided our global workforce with compliance-related awareness communications, quizzes, contests and teachable moments. Looking beyond our direct workforce, we have implemented a risk-based approach to annually evaluating the compliance procedures of third-party international distributors. Our standard distributor agreements contain provisions requiring compliance with anti-corruption provisions and compliance with laws. Distributors are required to annually certify compliance with good ethical practices. Further, we provide training to third-party distributors so that our compliance expectations are understood by these key business partners.

OUR CODE OF CONDUCT

Our Code of Conduct reflects our values — Patients, People & Partners — and the business practices and principles of behavior that support this commitment. Our Code of Conduct, which was most recently updated in 2021, is an integral part of our business conduct compliance program and applies to all our officers, directors and employees, collectively "our people". We provide the Code of Conduct in multiple languages so all our people can read it in their native language. Our people receive training on our Code of Conduct when onboarded and annually thereafter. We also provide periodic refresher trainings to reinforce key messages and to support specific job responsibilities. All employees must annually acknowledge in writing that they have read, understood and acted in accordance with our Code of Conduct.

Our Code of Conduct is supplemented by an additional Code of Ethics for the Chief Executive Officer and Senior Financial Officers to support adherence to policies and procedures related to our Code of Conduct, including avoidance and handling of conflict-of-interest situations, adequacy of disclosure procedures and internal controls of over financial reporting. Current versions of both our Code of Conduct and our supplementary Code of Ethics are available on our website at: https://ir.atricure.com/corporate-governance/highlights.

100%

of Employees Completed Required Code of Conduct Training in 2022

REPORTING VIOLATIONS OF OUR CODE OF CONDUCT

We provide several channels for our people to report potential violations of our Code of Conduct or related incidents. Reports can be made to a manager; a member of the human resources, compliance or legal departments; or through our confidential, third-party reporting tool, EthicsPoint. Our people have the option to submit reports anonymously through the webpage hosted on EthicsPoint's secure servers or by telephone to call centers operated by EthicsPoint. A web link to EthicsPoint is prominently displayed on our company website and intranet, and EthicsPoint is accessible in eight languages to promote reporting of matters across our global operations. We raise awareness of EthicsPoint reporting through our annual Compliance Week communications distributed to global employees, regular reminders in the company newsletter and on electronic displays throughout the buildings, as well as through targeted activities such as education sessions for our sales staff. In addition, the Compliance department has an "open door policy". It encourages everyone to contact any member of the Compliance team with any questions or concerns.

Our Chief Compliance Officer (CCO), Chief Legal Officer, Board Chair and Audit Committee Chair are promptly notified of reports made to EthicsPoint. Depending on the type of reports, certain members of the Audit Committee and/or the Compliance, Quality and Risk Committee (CQRC) of our Board of Directors are also notified of reports that relate to their respective committee's area of oversight responsibility. The CCO ensures that prompt and thorough investigations of all reports are conducted. Investigation results and documentation are periodically reviewed by the CQRC. We protect those who speak up and will not tolerate retaliation against anyone who asks a question, raises a concern, or participates in an investigation in good faith.

COMPLIANCE OVERSIGHT

The CQRC of our Board of Directors is tasked with the oversight and review of Code of Conduct matters and other compliance requirements. Members of the CQRC meet regularly with our CCO and executive leadership and receive reports regarding the effectiveness of our compliance program, review the results of compliance audits, and recommend proposed changes to the Board for approval.

We conduct compliance risk assessments to identify significant risks related to compliance with laws and regulations. The results of these assessments support our compliance planning and ERM processes, as well as help identify any potential gaps in policies or procedures. We also periodically conduct assessments of our compliance program using external consultants.

ANTI-CORRUPTION

Our stance against corruption is simple: we steer clear of offering or accepting anything that could even appear to be a bribe or an attempt to influence a business decision. Our updated Anti-Corruption Policy supplements our Code of Conduct and establishes a framework for compliance with all applicable anti-bribery and anti-corruption laws, such as the federal Anti-Kickback Statute, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar laws in other countries where we do business. We are committed to complying with these laws and similar regulations by holding AtriCure employees, and those acting on our behalf, to the highest ethical standards to maintain the trust of our stakeholders.

VOLUNTARY INDUSTRY CODES OF ETHICS

We have adopted and implemented voluntary industry standards related to ethical business conduct. We are a member of the Advanced Medical Technology Association (AdvaMed), a U.S. trade association for medical device manufacturers. In the U.S., we have affirmed that the company has agreed to abide by the AdvaMed Code of Ethics, and we have implemented policies and procedures to implement the AdvaMed Code as part of an effective compliance program. These standards are intended to ensure that such interactions are transparent and comply with applicable laws, regulations and government guidance. Outside the U.S., we have implemented and follow complementary standards, including the MedTech Europe Code of Ethical Business Practices, AdvaMed China Code of Ethics, MecoMed Code of Ethical Business Practices and APACMed Code of Ethical Conduct.

Our healthcare compliance policies are centered on four fundamental principles:

1. Keeping the medical decision-making process free of improper influence
2. Promoting products lawfully
3. Disclosing accurate pricing information to assure proper reimbursement
4. Treating everyone we encounter in the course of our business with respect and fairness

LOBBYING

We do not perform individual lobbying as a company, nor do we employ registered lobbyists. We are a member of various trade associations, including AdvaMed and the Medical Device Manufacturers Association (MDMA), to which we pay standard membership dues annually. AdvaMed and MDMA represent the collective interests of their members to help shape the policymaking process and act as a common voice on behalf of their members before the U.S. Congress and other government agencies. We are also a member of MedTech Europe and BeMedtech, the Belgian federation of the medical technology industry. MedTech Europe engages with European Union regulators, politicians and other decision-makers to help shape policies to promote innovation for healthcare needs and expectations.

MARKETING AND LABELING POLICIES

We require that our employees provide physicians and other healthcare providers with information about our products that is consistent with their FDA cleared or approved label. We do not promote the use of our products for purposes other than those specified on the product label. We also require that all marketing and promotional materials adhere to our Commercial Materials Review Policy. Pursuant to this policy, marketing and promotional materials are reviewed by subject-matter experts to ensure that product information and procedures for using our products are consistent with product labeling; that all materials are truthful, accurate and not misleading; and that any claims made are supported by sound scientific and clinical data. Our sales representatives are not allowed to promote, discuss, assist or advise in the off-label use of the company's products.

LOOKING AHEAD

We plan to continue enhancing the maturity of our compliance program and related policies and procedures in line with guidance from the Office of the Inspector General of the U.S. Department of Health and Human Services and the U.S. Department of Justice. In particular, we have plans to enhance our internal compliance monitoring protocols, supported by automation where possible.

Information Security and Data Privacy

To maintain the trust and confidence of our stakeholders, we have taken appropriate technical and organizational measures for maintaining information security and data privacy. These measures include establishing:

- A cybersecurity program that entails risk assessment and prevention measures to facilitate communication, training, awareness and incident response programs
- A data privacy program that provides structure to protect Protected Health Information (PHI) and Personally Identifiable Information (PII) in accordance with applicable laws
- Privacy and information security policies and procedures that guide our privacy and security programs as well as provide a framework for monitoring compliance and addressing potential non-compliance

INFORMATION SECURITY PROGRAM AND OVERSIGHT

Our Board, assisted by the Compliance, Quality and Risk Committee (CQRC) and Audit Committee, is responsible for information security and data privacy oversight. The CQRC oversees compliance with information security and data privacy laws, while the Audit Committee has oversight responsibility for cybersecurity risks related to accounting, audit and financial matters. On a routine basis, the CQRC is briefed by IT leadership on information security matters, including but not limited to, the current cybersecurity landscape, progress on information security initiatives and accomplishments and an information security dashboard.

The Vice President of Information Technology, assisted by the broader IT team, is responsible for setting the strategic direction and priorities for information security, coordination of enterprise-wide compliance with information security policies and procedures, as well as day-to-day information security management. In addition, we work with trusted and leading third parties to help us assess and strengthen our information security program maturity.

To guide our current and future efforts, we have adopted the National Institute of Standards and Technology (NIST) Cybersecurity Framework and Zero Trust Framework. The NIST Cybersecurity Framework models the best practices for security and the capabilities needed to identify, protect, detect and respond to cybersecurity risks and events, while the Zero Trust Framework addresses security challenges. We evaluate our physical, electronic and administrative safeguards on a continuous basis to ensure they are effectively deployed across the business.

Information security awareness trainings are a compliance requirement for employees. We have increased the frequency of training campaigns and have already seen improvements in employee responses to internal testing as a result of our efforts over the past year.

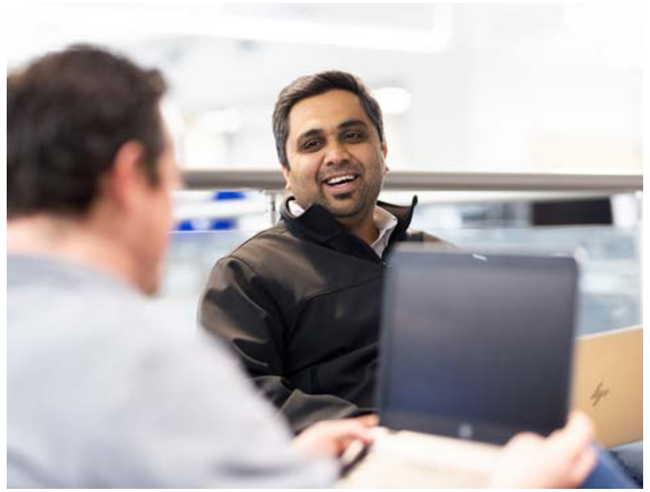
DATA PRIVACY

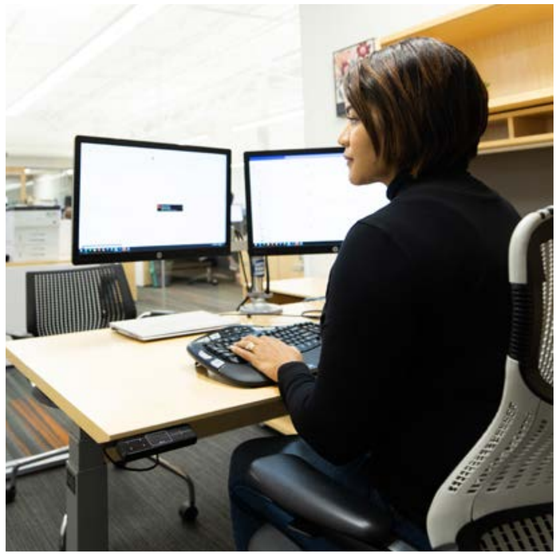
In 2022, we focused on strengthening AtriCure's privacy policies, procedures and company-wide awareness. With an emphasis on training, we have taken steps to enhance our organization's competence on various requirements such as creating and maintaining a record of processing activities, cross border data transfer protocols and data processing agreements.

Consistent with the Health Insurance Portability and Accountability Act (HIPAA) and Health Information Technology for Economic and Clinical Health Act (HITECH), we have established a security program for safeguarding access to PHI and PII. Importantly, we do not handle the PHI of our customers, the PII and PHI of patients treated by our customers with AtriCure devices, or PHI related to AtriCure-sponsored clinical research. Such data is intentionally not collected or maintained by AtriCure through our systems or personnel. We require employees to minimize their exposure to PHI and PII and refrain from making or keeping records containing PHI.

AtriCure respects the privacy rights of everyone who interacts with us, and we are committed to compliance with applicable privacy and data protection requirements, including the European General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), recently enacted California Privacy Rights Act (CPRA) and HIPAA. For more information, please see our Privacy Notice.

We maintain procedures to investigate and respond to data breaches. These procedures include mechanisms to ensure timely and appropriate notifications to relevant parties and regulators as required by data protection laws. In addition, we have designated a team of employees to execute our data breach response plan, as needed. We maintain a third-party insurance policy for information security risks, which is renewed annually and includes coverage for liability, business loss, data loss, cybercrime, cyber extortion and breach response. We have also put in place a business continuity standard for the backup and recovery of data and systems in the case of events such as natural disasters and system failures or errors.





Sustainability Accounting Standards Board (SASB) Index

The SASB Standards guide the disclosure of sustainability information by companies to their investors. AtriCure has aligned disclosures in the following index to SASB's metrics for the Medical Equipment and Supplies industry. Data and information pertain to efforts in fiscal years 2020, 2021 and 2022 unless otherwise stated.

Disclosure Topic	Accounting Metric(s)	2022	2021	2020	SASB Code
Affordability & Pricing	Ratio of weighted average rate of net price increases to the annual increase in the U.S. Consumer Price Index				HC-MS-240a.1.
	Weighted Average Rate of Net Price Increases	+0.3%	+0.7%	+0.4%	
	U.S. Consumer Price Index	+6.5%	+7.0%	+1.4%	
Affordability & Pricing	Description of how price information is disclosed to customers or to their agents	Pricing is shared with our customers via a quote, local agreement, or GPO/Integrated Delivery Network contract with terms and conditions language that holds both parties accountable to the confidentiality of the agreement details.			HC-MS-240a.2.
Product Safety	Number of product recalls/total units recalled	1 (4 units)*	1 (64 units)*	0	HC-MS-250a.1
Product Safety	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	***FDA's MedWatch Safety Alerts for Human Medical Products Database***			HC-MS-250a.2
Product Safety	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	***FDA Manufacturer and User Facility Device Experience (MAUDE) database***			HC-MS-250a.3
Product Safety	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	0	0	0	HC-MS-250a.4
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	$0	$0	$0	HC-MS-510a.1
Business Ethics	Description of code of ethics governing interactions with healthcare professionals	Refer to ***Voluntary Industry Codes of Ethics*** section of this report, page 22, and ***AdvaMed Code of Ethics on Interactions with Health Care Professionals (AdvaMed Code)***.			HC-MS-510a.2
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	$0	$0	$0	HC-MS-270a.1
Ethical Marketing	Description of code of ethics governing promotion of off-label use of products	See ***Marketing and Labeling Policies*** section of this report, page 23.			HC-MS-270a.2

*Non-reportable (voluntary)

Disclosure Topic	Accounting Metric(s)	2022	2021	2020	SASB Code
Product Design & Lifecycle Management	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	See ***Environmental Compliance*** and ***Reducing Ethylene Oxide Use for Product Sterilization*** sections of this report, page 18-19.			*HC-MS-410a.1*
Product Design & Lifecycle Management	Total amount of products accepted for take-back and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	See ***Product Design and Lifecycle Management*** chapter of this report, page 18.			*HC-MS-410a.2*
Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	(1) 100% — We currently operate three facilities that are certified to the ISO 13485:2016 medical device standard and participate in the Medical Device Single Audit Program (MDSAP). (2) 95% of AtriCure's Class A supplier facilities participate in third-party certification and audit programs for manufacturing and product quality, such as ISO 13485 or ISO 9001. See ***Quality Management System*** section of this report on page 8 and ***Supplier Audits*** section of this report, page 17.			*HC-MS-430a.1*
Supply Chain Management	Description of efforts to maintain traceability within the distribution chain	See ***Maintaining Traceability*** section of this report, page 17.			*HC-MS-430a.2*
Supply Chain Management	Description of the management of risks associated with the use of critical materials	See ***Critical Materials*** section of this report, page 17.			*HC-MS-430a.3*

Activity Metric(s)		2022	2021	2020	SASB Code
Number of units sold by product category					*HC-MS-000.A.*
Ablation		79,000	68,000	55,000	
LAAM		83,000	68,000	52,000	
Other Devices, Accessories and Generators		96,000	85,000	64,000	
Approximate number of patients reached globally by AtriCure					
Patients reached	**Cumulative from 2004 – 2022**				*HC-BP-000.A*
Ablation	492,000	56,000	46,000	35,000	
LAAM	426,000	83,000	68,000	52,000	
Total	**918,000**	**139,000**	**114,000**	**87,000**	

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