



Natera's 2022 ESG + Social Responsibility Report



About this report

This report was prepared to address disclosures and material issues related to Natera’s business and operations. It provides transparency into Natera’s sustainability and social initiatives. The report details a comprehensive summary of our environmental, social, and governance (ESG) commitments, initiatives, and goals.

The following were referenced in the development of this report:

- Sustainability Accountability Standards Board (SASB)
- SASB’s guiding metrics for the Health Care Delivery, Biotechnology and Pharmaceuticals, and Medical Equipment and Supplies industries
- CDP
- Task Force of Climate Related Financial Disclosures
- The Greenhouse Gas Protocol
- UN Sustainable Development Goals
- UN Universal Declaration of Human Rights

Report period

- January 1, 2022 to December 31, 2022

Reporting scope

- This report encompasses all of Natera’s operations, locations, distribution locations, and employee location boundaries globally.
- 2025 goals have a baseline year of 2021.

Materiality

- Based on materiality assessment completed in 2021–2022

Currency references

- US Dollars

Additional information can be found on our ESG website: <https://www.natera.com/esg>

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01

Letter from our CEO



Letter from our CEO



Our work at Natera enables us to be present for some of life's most important healthcare moments —planning a family, personalizing cancer care, and managing chronic kidney disease, just to name a few. As we serve patients and their families, we also take seriously our commitment to create a better, more sustainable future.

I am pleased to present Natera's 2022 Environmental, Social and Governance (ESG) Report, in which we outline progress on key ESG initiatives and provide a transparent look at how we continue to improve efforts in these areas.

Since our inaugural report published in August 2022, we have made meaningful progress.

With support from the board and executive leadership team, employees across Natera continued to bring us closer to our 2025 goals. These goals were developed based on the learnings of our materiality assessment that helped us to prioritize the topics that matter most to our business and stakeholders.

”
“As I reflect on the year, I am incredibly proud of the significant progress we made on our ESG initiatives in such a short amount of time. We remained true to our mission and core values, all while extending a positive impact that is responsible and purpose-driven.”

Key highlights include:

- Reducing our non-biohazardous waste footprint per test kit and beginning the transition to 100% recyclable material in test kits.
- Advancing efforts to become more energy-efficient within our sales fleet.

- Collaborating with suppliers on initiatives to decrease their Scope 1 and 2 emissions.
- Developing company-wide Diversity, Equity and Inclusion training and additional programs to support employee resource groups.
- Deepening our community engagement with programs in alignment with the United Nations Sustainable Development Goals.
- Maintaining effective corporate governance practices that help us to align our operational responsibilities with our social impact.

As I reflect on the year, I am incredibly proud of the significant progress we made on our ESG initiatives in such a short amount of time. We remained true to our mission and core values, serving 1.4 million patients and performing more than 2 million tests – all while extending a positive impact that is responsible and purpose-driven.

Steve Chapman, CEO of Natera

A handwritten signature in black ink, appearing to read 'Steve Chapman', written over a light blue horizontal line.

2022

2022 Company highlights



2022 Company highlights



1.4M
patients served



>3,000
Natera employees



>7.7M
tests performed since
company inception

2M
tests performed
in 2022



\$820M
in revenue
for 2022



\$316M
investment in research
and development



>360
issued or pending
patents since
company inception

41
new patents issued
in 2022



146
peer-reviewed publications since
company inception

39
peer-reviewed
publications in 2022

03

Our business objectives
and ESG strategy



Our mission

We are a leader in cell-free DNA testing, and we aim to make personalized genetic testing and diagnostics part of the standard of care to protect health and inform earlier, more targeted interventions that help lead to longer, healthier lives.

We believe in advancing molecular diagnostics with integrity and scientific rigor, and support the integration of information provided by our tests into health care decision making. Our tests are clinically validated in nearly 150 [peer-reviewed publications](#) with over 2 million patients included in studies.

Natera's environmental, social, and governance commitments align with our business strategy and reflect our core values—how we care for people, our communities, our industry, and our world. We work to ensure the safety of and access to our clinically validated tests, nurture a diverse workforce, and uphold the highest ethical standards.

In particular, climate change may impact our business by increasing operating costs due to additional regulatory requirements, physical risks to our facilities, energy limitations, and disruptions to our supply chain. We understand that our greenhouse gas emissions contribute to climate change and we are committed to mitigating our climate risk as our business continues to grow.

This report outlines our approach to Environmental, Social, and Governance matters throughout our operations to identify areas of opportunity and share our successes from 2022.

Our ESG program areas of focus

Pursuing environmental stewardship



- Climate risk & resiliency
- Energy, waste, & water reduction
- Renewable energy
- Green building
- GHG emissions management
- Supply chain engagement
- EH&S

Empowering our people, patients & communities



- Access & affordability
- Diversity, equity & inclusion
- Human rights
- Human capital development
- Employee engagement
- Pay equity
- Charitable giving
- Volunteerism
- Clinical trial diversity

Leadership & governance



- Board oversight
- Leadership oversight
- Cyber security
- Code of ethics & conduct
- Data privacy

Our core values

We are founded on **eight** core values that inform our daily operations. These values provide a framework to achieve our vision and mission at Natera. Engaging all stakeholders on these values is an important aspect of aligning what we do with what we say.

1. A person behind every sample

We treat every sample that comes to our labs as a real person, knowing that the work we do with these samples will have an impact on the lives and families behind them.



2. Embrace diversity

Our operations are built around a mosaic of people, ideas, and experiences.



3. Be accountable, take ownership

Responsibility is at the core of our organization. Patients rely on us to deliver accurate genetic information and support throughout their journey.



4. Think team

We work together, sharing a common purpose—our mission.



5. Lean and nimble

Our proprietary technology platform enables us to quickly innovate new solutions in cell-free genetic testing.



6. Show me the data

Data drives our decision-making processes. Our innovation within the genetic testing space is backed by a deep scientific foundation.



7. Be ready to change the world

Our focus is improving the health of patients while creating a positive impact for our people, communities, and planet.



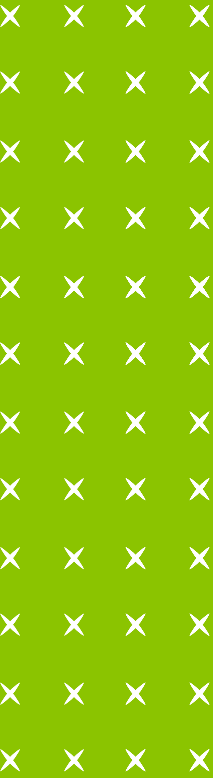
8. Integrity is in our DNA

We infuse every interaction with honesty, respect, and the utmost care.



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2022 Materiality assessment



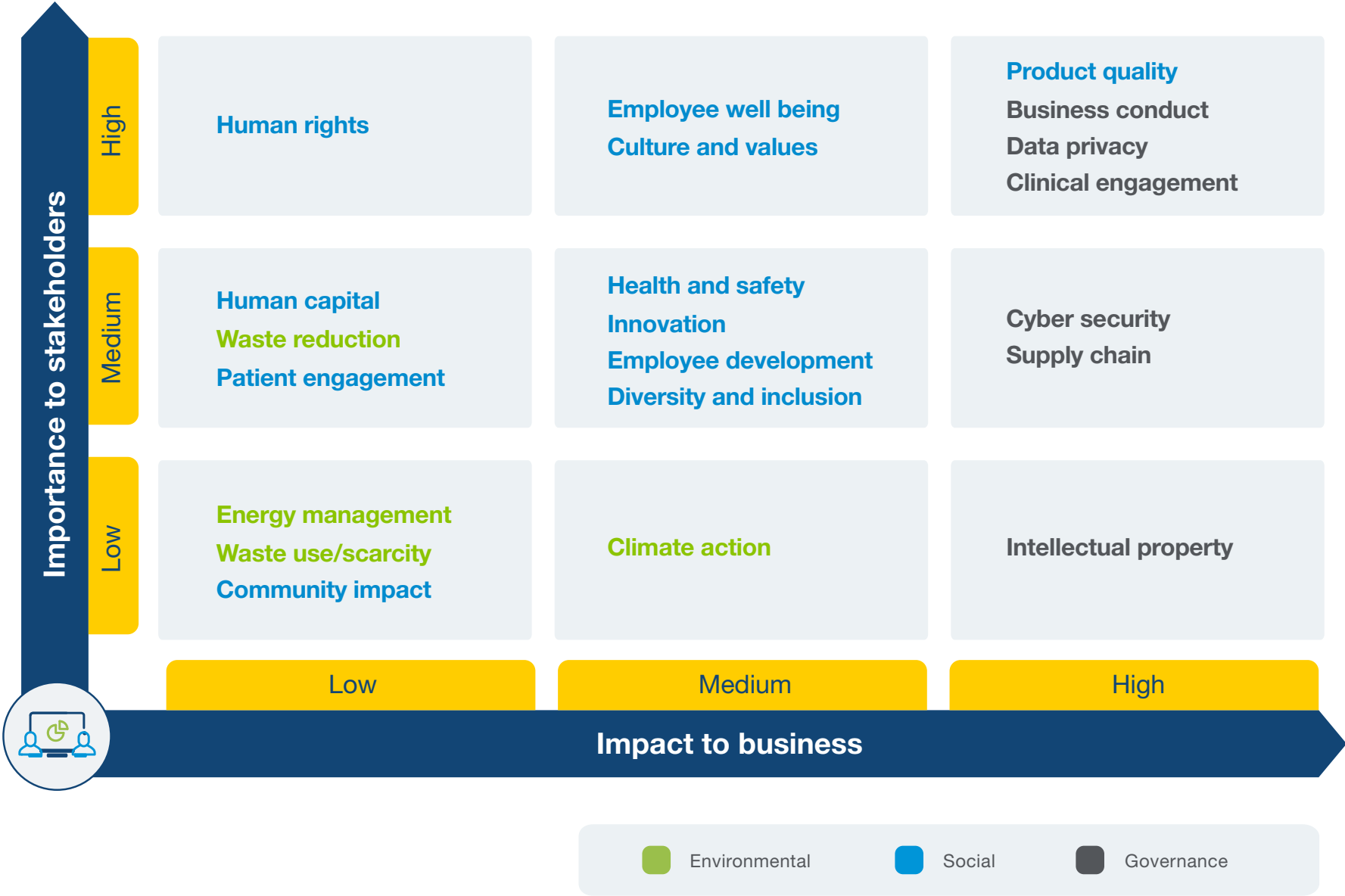
Materiality assessment

To better prioritize and understand the most material topics to the business and stakeholders, Natera surveyed all full-time and part-time employees. This survey asked employees to rank 22 ESG topics on their relative importance, and received nearly 500 responses. Additionally, our ESG core team collaborated to assess the materiality of these topics to the business as a whole.

Using the results from both stakeholder engagements, we identified five areas to prioritize our ongoing ESG strategy. We will build upon these focus areas to create long-term value and impact for both the company and communities around us.

The most material topics to both Natera and our stakeholders were in the following areas:

1. Product quality
2. Business conduct
3. Data privacy
4. Clinical engagement
5. Culture and values



05

2025 ESG goals



Our 2025 ESG goal progress

Our 2025 Environmental, Social, and Governance Goals

In April 2022, we hosted our inaugural Environmental, Social, and Governance Summit, bringing together members of the board, executive leadership, and senior business leaders to create Natera’s 2025 ESG goals. We will report on the progress of these goals in our annual ESG reports. The 2025 ESG goals have a baseline year of 2021.

Goal area	Goal	Progress update	Goal area	Goal	Progress update
Waste	- Reduce non-biohazardous waste footprint per test kit by 25%¹ - Achieve 80% non-biohazardous waste diversion for our Austin and San Carlos sites²	- Reduced kit weight by 8.8%; 90,500 pounds of material removed from total 2022 kits¹ - Currently 55.6% waste diversion, focused efforts on employee training, transitioning to 100% recyclable material in kits²	Empowering our people	- Achieve 100% of people managers to complete annual Diversity, Equity, and Inclusion (DEI) training - Perform annual pay equity analysis and adjust as appropriate	- Company-wide training to launch in 2023 - Completed for 2022, in process for 2023
Energy	- Transition 50% of sales fleet to electric vehicles³ - Achieve My Green Lab Certification at Austin and San Carlos sites	- Electric vehicle option added to fleet car program³ - Initial evaluation for submission completed	Community impact	Log 20,000 employee volunteer hours from 2021 to 2025	10,500 hours since 2021
Supply chain	Collaborate with 25 of Natera’s top 100 critical suppliers to have Scope 1-2 emissions reduction initiatives	21% of suppliers have Scope 1-2 initiatives	Governance	- Increase diversity of executive leadership - Provide updates on ESG initiatives to board twice annually	- Gender diversity increased at all leadership levels in 2022 - Completed for 2022

Environmental

Social

Governance

1. Intensity emissions reduction target - Scope 3 Category 4: Upstream Transportation and Distribution, Category 5 Waste Generated in Operations Reduction
2. Intensity emissions reduction target - Category 5 Waste Generated in Operations Reduction
3. Intensity emissions reduction target - Scope 1: Fleet Vehicles
4. Intensity emissions reduction target - Scope 1: Natural Gas, Scope 2: Electricity, Scope 3: Waste Generated in Operations
5. Scope 3: Purchased Goods and Services, Capital Goods, Upstream Transportation and Distribution, Waste Generated in Operations, Business Travel

Alignment with the United Nations Sustainable Development Goals

Natera supports the **United Nations (UN) Sustainable Development Goals (SDGs)** and has answered their call to action to end poverty, ensure prosperity, and protect the planet. We have utilized the SDGs as a framework to develop our ESG strategies and initiatives. At Natera, we recognize our role in combating climate change and advocating for an equitable future. Natera’s 2025 ESG goals, volunteerism and programs are in alignment with components of the UN’s SDGs as detailed below.

Environmental



Goal 7: Affordable and clean energy: Natera is evaluating onsite renewable energy opportunities for our operations to reduce our reliance on the electrical grid while reducing our Scope 2 emissions.



Goal 12: Responsible consumption and production: Currently, Natera has a responsible waste management process and we are working toward 80% waste diversion for our San Carlos and Austin facilities.



Goal 13: Climate action: Natera is utilizing the Greenhouse Gas Protocol to make informed decisions to help combat climate change by actively reducing our Scope 1, 2, and 3 emissions.

Social



Goal 2: Zero hunger: Natera donates excess food to local nonprofits helping support people in vulnerable situations in our communities.



Goal 3: Good health and well-being: Natera is working to support equitable access to healthcare through investments in research and development, and contributions to clinical trials.



Goal 5: Gender equality: Natera is an equal opportunity employer and is working to end discrimination against women and ensure equitable access to reproductive health resources. We commit to completing an annual pay equity analysis and adjusting for alignment as appropriate.



Goal 10: Reduced inequalities: Natera is dedicated to social and economic inclusion through our Compassionate Care Program.

Governance



Goal 16: Peace, justice, and strong institutions: Natera is committed to full transparency and ethical decision making, and the premise of this approach is outlined in our Code of Conduct.

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Pursuing environmental
stewardship



Sustainability at a glance



113,328
metric tons
of carbon generated
(Scope 1-3 total)

0.06
metrics tons
of carbon
generated per test



2.5M
pounds of waste
diverted from landfill



11.5M
kilowatt hours
of energy used

5.54
kilowatt hours of
energy used per test



90,500
pounds of material
removed from
test kit packaging

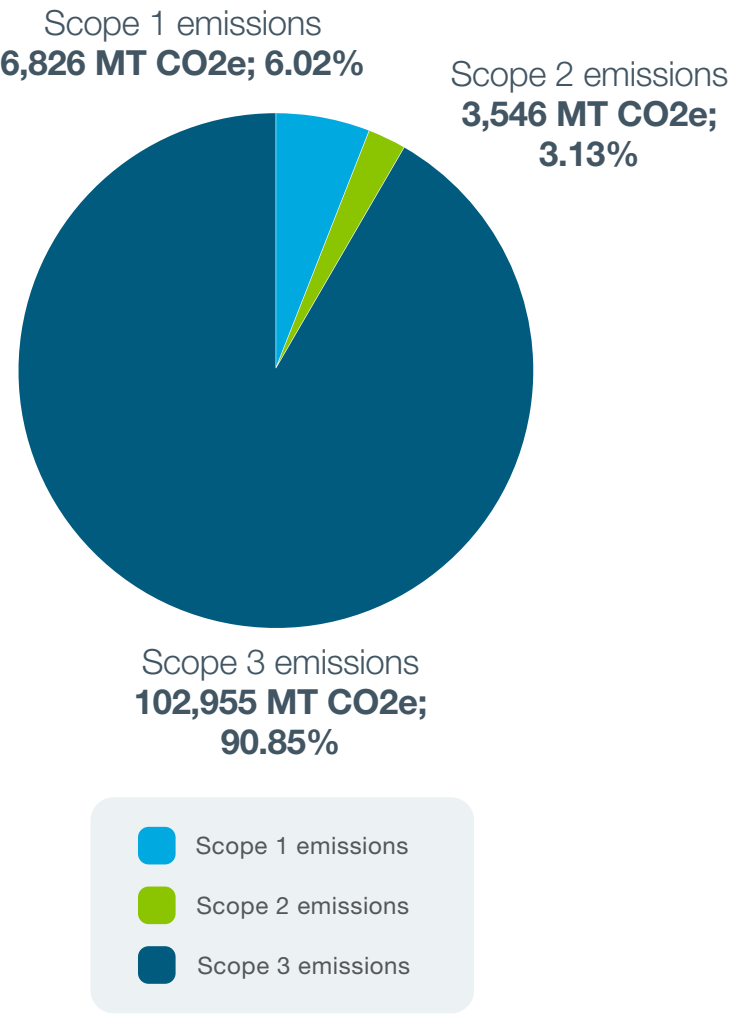


10M
gallons of water used

4.87
gallons of water
used per test



5,206
pounds of
food donated
(Scope 3 emissions)



Overview

As we work toward our mission of protecting health and informing interventions that help lead to longer, healthier lives, it is imperative we do our part to improve the health of the planet and to support global efforts in this regard. We recognize that in our work to improve the state of disease globally, we must also contribute to a stable climate, clean water supplies, and clear skies. A healthy environment and stable climate create a strong foundation to better withstand and prevent threats to human health.

Natera has policies and programs in place to comply with all applicable local, state, and federal environmental policies, laws, and regulations, and expects our suppliers and contractors to do the same. Our aim is to surpass the parameters set forth in these policies in our ongoing operations—we are committed to conducting sustainability and environmental audits at least annually.

As part of Natera’s sustainability and ESG program, an executive steering committee engages in sustainability projects to reduce the environmental impact of our laboratory operations, corporate offices, and supply chain.

It is our responsibility to quantify our greenhouse gas emissions, waste, and water usage, and to reduce our environmental footprint within these areas.

Our environmental sustainability program addresses the following: emissions reduction, water conservation, energy conservation, sustainability in supply chain management, waste reduction, employee engagement, sustainable building design, and operations. We believe that sustainability is every employee’s responsibility; to that end, we promote and maintain a culture of sustainability and environmental responsibility, including



through our employee-led Green Team that empowers employees to drive sustainability projects throughout our operations.

In 2022, we hosted our inaugural Earth Month celebration, during which employees participated in earth-friendly volunteerism events in communities across the country, and presented sustainable innovation ideas at our first “Sustainability Shark Tank.”

Climate resilience

Our climate resiliency strategy and reporting align with the Task Force on Climate-related Financial Disclosure (TCFD) Reporting framework as outlined in the four reporting categories: governance, strategy, risk management, and metrics and targets. This information can be found in Natera’s Task Force on Climate-related Financial Disclosure Report (TCFD) at the end of this report.

Biodiversity and natural capital

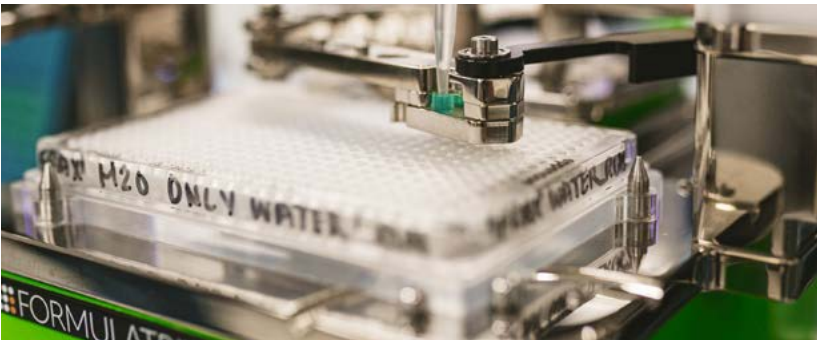
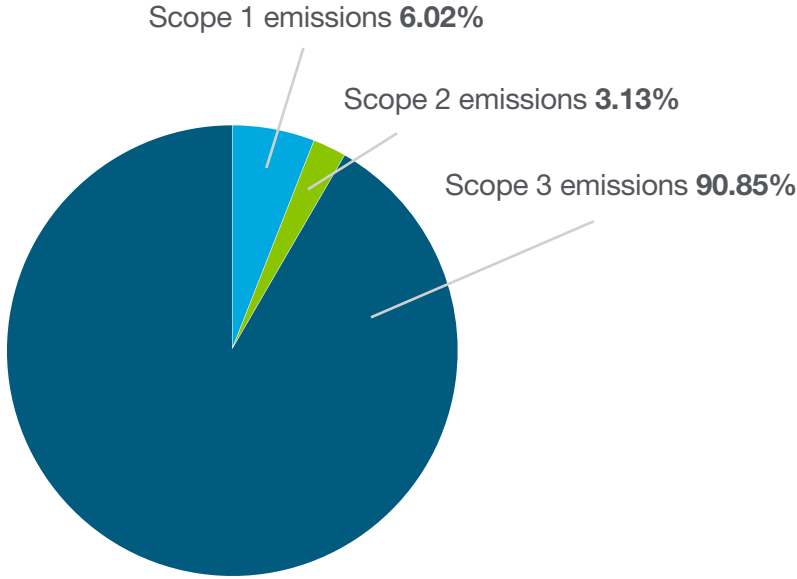
Natera acknowledges the importance of addressing global biodiversity loss, and the opportunity we have to mitigate our impact. Biodiversity encompasses species and also ecosystems, such as forests and coral reefs. These essential ecosystems perform critical functions such as carbon sequestration, climate regulation, crop pollination and flood protection. Biodiversity loss is a result of human activity through resource extraction, intensive agriculture and climate change.

Natera has prioritized identifying how our operations impact greater biodiversity loss, and we are committed to identifying and analyzing how biodiversity loss is also reflected within our supply chain by collaborating with key suppliers. As such, biodiversity will be integrated into our ESG strategy and framework. Currently, our 2025 ESG goals include initiatives that prioritize limiting the use of raw materials, reducing and diverting waste from landfills (pollution reduction) and engaging our supply chain on climate and environmental initiatives.

View Natera's environmental policy [here](#)

2022 greenhouse gas emissions

Natera has completed a complete greenhouse gas inventory assessment for 2022 operations across Scope 1, 2, and 3 emissions. In 2022, we generated 0.06 metric tons of carbon dioxide per test performed. Measuring our greenhouse gas emissions baseline empowers us to prioritize greenhouse gas emissions reductions across our Scope 1, 2, and 3 emissions.



In 2022, Natera generated 0.06 metric tons of carbon dioxide per test performed.

Reporting period

Start date	January 1, 2022
End date	December 31, 2022

Office information

Company headquarters	Austin, TX
Number of employees (plus contractors)	3,980
Total Square Footage	338,604

Office site name and size (ft²)

Austin, TX	157,137	Los Gatos, CA	1,400
San Carlos, CA	136,258	Flushing, NY	600
South San Francisco, CA	11,395	Indio, CA	1,524
Jupiter, FL	2,125	Kirkland, WA	1,038
Stony Brook, NY	1,200	Bay Ridge, NY	1,200
Colorado Springs, CO	1,713	Houston, TX	138
Columbus, GA	2,222	Redwood City, CA	5,000
Andover/Methuen, MA	1,151	Denton, TX	1,450
Staten Island, NY	960	Tukwila, WA	10,000
Plano, TX	1,469	Total Sites	20
Islip NY	624	Total 2022 Square Footage	338,604

	2021*		2022		% change from 2021
	tCO2e	%	tCO2e	%	
Scope 1: Direct energy use per primary source	6,005	6.3%	6,826	6.02%	14%
Mobile combustion	4,469	4.7%	4,685	4.1%	5%
Diesel	-	0%	39	0%	100%
Petrol	4,469.2	4.7%	4,646	4.1%	4%
Refrigerants	112.5	0.1%	16	0%	-86%
Natural gas	1,423	1.5%	2,126	1.9%	49%

	2021		2022		% change from 2021
	tCO2e	%	tCO2e	%	
Scope 2: Indirect energy use per primary source	2,661	2.8%	3,546	3.13%	33%
Electricity	2,661	2.8%	3,546	3.10%	33%
Grid (market-based)	2,660.8	2.8%	3,546	3.10%	33%
Grid (location-based)	2,551.8	2.7%	3,546	3.10%	39%

*Includes updated values for 2021 using additional primary data.

	2021		2022		% change from 2021
	tCO2e	%	tCO2e	%	
Scope 3: Other indirect emissions	87,380	91%	102,955	90.85%	18%
Business travel	3,878	4%	10,370	9.2%	167%
Air travel	3,462.8	3.6%	9,153	8.1%	164%
Taxi	103.7	0.1%	588	0.5%	467%
Accommodation	311.1	0.3%	629	0.6%	102%
Purchased goods and services	72,027	75%	78,428	69.2%	9%
Key suppliers	56,380.5	58.7%	61,513	54.28%	9%
Other purchased goods and services	15,646.9	16.3%	16,915	14.93%	8%
Capital goods	3,070	3.2%	1,622	1.4%	-47%
Lab equipment	3,069.5	3.2%	1,622	1.43%	-47%
Employee commuting and teleworking	514	0.5%	1,277	1.1%	148%
Employee commuting	310.1	0.3%	564	0.5%	82%
Train	3.3	0%	1.9	0%	-42%
Car	306.8	0.3%	562	0.5%	83%
Teleworking	204	0.2%	713	0.6%	250%
Upstream transportation and distribution	2,613	2.7%	5,890	5.2%	125%
Freight	2,613	2.7%	5,890	5.2%	125%
Air	1,920	2%	3,569	3.1%	86%
Road	688.7	0.7%	2,316	2%	236%
Facilities	4.4	0%	4.6	0%	4%
Downstream transportation and distribution - Phlebotomy	804	0.80%	1,930	1.7%	140%
Ground	804.4	0.8%	1,930	1.7%	140%
Phlebotomy	804.4	0.8%	1,930	1.7%	140%

	2021		2022		% change from 2021
	tCO2e	%	tCO2e	%	
Waste generated in operations	208	0.2%	484	0.4%	133%
Landfill	192.1	0.2%	453.4	0.4%	136%
Compost	0	0%	1.2	0%	100%
Electronic recycling	0.1	0%	0.02	0%	-63%
Recycling	14.5	0%	24.8	0%	71%
Waste to energy	1.2	0%	4.1	0%	242%
Processing of sold goods	510	0.5%	459	0.4%	-10%
Water	7.3	0%	8	0%	4%
Supply	2.6	0%	5.7	0%	118%
Treatment	4.7	0%	2	0%	-59%
Fuel- and energy-related activities	3,749	3.9%	2,415	2.1%	-36%
Well-to-tank (WTT)	3,695.2	3.8%	2,415	2.1%	-35%
Natural gas	243.6	0.3%	404.2	0.4%	66%
Gasoline	1,249.5	1.3%	1,206.1	1.1%	-3%
Electricity	988.6	1%	156	0.1%	-84%
EV	1.5	0%	-	-	-
Freight	1,212	1.3%	649	0.6%	-46%
Transmission and distribution (T&D)	53.5	0.1%	-	-	-
Electricity	54	0.1%	-	-	-
Downstream leased assets	0	-	71	0.1%	100%
End of Life treatment	0	-	2	0%	100%

Total for Scope 1, 2, and 3		
	tCO2e	%
2021	96,046	100%
2022	113,328	100%
% change from 2021		18%

Energy management & efficiency

We have measured our 2022 energy usage across Natera’s entire physical footprint. We are prioritizing areas of greatest impact to reduce overall use of fossil fuels, starting with implementing energy efficiency measures through lighting, lighting controls, building management systems, and by pursuing lab-specific certification to reduce energy usage. As we continue to expand lab operations, energy efficiency measures are prioritized in new construction.

In 2022, we deployed LED lighting in areas of new lab space construction in Austin and San Carlos. In San Carlos, boilers were replaced with high-efficiency boilers as part of ongoing building operations and maintenance, reducing our overall natural gas usage (Scope 1 emissions) onsite.

Renewable energy is part of our short-to-mid term strategy for energy management. To mitigate potential climate-related events, energy black-outs and demand energy response, we are also evaluating onsite energy storage opportunities to enhance operations and climate resiliency.

Total 2022 energy usage

Energy source	Value
Natural gas	385,268 therms
Electricity	11,429,978.5 kilowatt hours
Renewable energy	0 kilowatt hours

View My Green Lab’s website [here](#)



Waste

We are also prioritizing the reduction of the overall amount of waste generated in operations, in addition to reducing the amount of waste sent to landfill and incineration. We are committing to reducing our non-biohazardous waste footprint per test kit by 25% by 2025. In 2022, we generated 2.32 pounds of waste per test performed. We also reduced the weight of each kit by 8.8%, avoiding the creation of more than 90,500 pounds of material.

Waste stream	Total pounds*
Total landfill	1,886,950
Total incinerated	389,415
Total diverted (compost & recycling)	2,501,729

*Includes waste from all sites.

Circularity

We are prioritizing reducing our overall waste generated in operations and emissions associated with transportation and distribution, while continuing to improve the customer experience related to our test kits.

In 2022, we made the following changes to our kit to reduce its greenhouse gas and waste footprint:

- Prioritized the transition from virgin materials to pre-consumer and post-consumer recycled content.
- Eliminated unnecessary items from test kits, and reduced weight of individual components
- Transitioned kit materials to recyclable or compostable items.
- Reduced inventory in the field, resulting in fewer expired kits and reduced overall waste.
- Collaborated with local waste haulers to ensure end of life recyclability and compostability.

We commit to reducing our non-biohazardous waste output by shrinking our test kit footprint by 25% and diverting 80% of waste from our Austin and San Carlos sites.

Water usage

In our operations, we strive to first mitigate areas where there may be water leaks in order to address inefficiencies. Our facilities maintenance program entails identifying and addressing water leaks in a timely manner in order to mitigate unnecessary water usage and wastage.

We recognize that one of Natera's larger operations is located in San Carlos, CA, an area that has experienced significant water shortages in the last decade.

We have prioritized the My Green Lab certification methodology as an opportunity to deploy best practices in water reduction as it relates to laboratory operations. This project began in 2022 with the pursuit of certification of all labs by 2025.

We have also measured our 2022 water footprint per site. Our 2022 water usage across all sites was 37,997.15 cubic meters which is approximately 10,037,667.49 gallons.

Location	Building type	Square feet	Estimated volume (m3)
Austin, TX	Lab, Office	157,137	20,867.13
San Carlos, CA	Lab, Office	136,258	14,832.95
South San Francisco, CA	Lab	11,395	1,240.45
Jupiter, FL	Office	2,125	74.54
Stony Brook, NY	Office	1,200	63.14
Colorado Springs, CO	Office	1,713	90.13
Columbus, GA	Office	2,222	77.94
Andover/Methuen, MA	Office	1,151	60.56
Staten Island, NY	Office	960	50.51
Plano, TX	Office	1,469	77.29
Islip NY	Office	624	32.83
Flushing, NY	Office	600	31.57
Indio, CA	Office	1,524	80.19
Kirkland, WA	Office	1,038	54.62
Bay Ridge, NY	Office	1,200	42.09
Houston, TX	Office	138	7.26
Redwood City, CA	Warehouse	5,000	263.09
Denton, TX	Office	1,450	50.86
Total estimated volume (m3)			37,997.15

07

Empowering our people,
patients and communities



At a glance in 2022: our people, patients & communities



Diversity, equity, and inclusion

Program overview and initiatives

Our millions of patients around the world come from many backgrounds, cultures, and experiences. To drive the innovation that improves care for all, that diversity must be reflected among our employees. Our development, performance, and compensation programs are designed to attract and reward talented, diverse individuals who create value for our patients and our shareholders. Natera believes that a culture of inclusion and belonging leads to more innovative, dynamic, and high-performing teams.

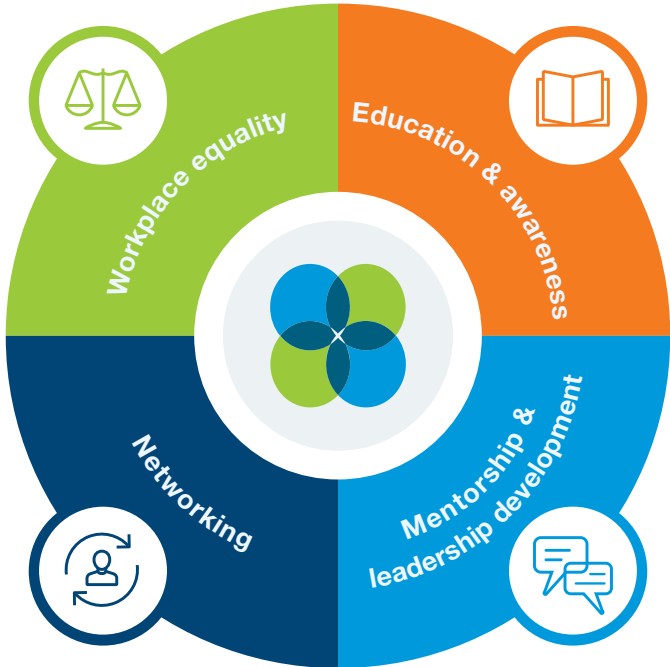
Our diversity program pillars

Workplace equality

- Implement and maintain best practices in hiring, promotion, and compensation
- Identify and retain quality employees
- Work to create opportunities to increase diversity in senior management roles

Networking

- Promote Natera and biotech career opportunities to students & alumni of HBCUs
- Build high-trust relationships that help employees flourish, thus increase employee retention



Education & awareness

- Foster inclusion and awareness around multicultural events and celebrations
- Grow awareness and education as it relates to inclusive language, barriers to equality and current events

Mentorship & leadership development

- Provide tools to equip employees to be inclusive leaders and team members

Natera launched a Diversity, Equity, and Inclusion (DEI) benchmarking project to better understand our strengths and opportunities as they relate to our overall DEI program, and to inform areas of opportunity for company-wide goals and initiatives. The benchmarking report was presented to executive leadership in 2022, and the opportunities identified align with our 2025 goal to provide DEI training to all managers annually.

Our 2022 Diversity Training provided employees with in-depth insight into diversity training fundamentals, unconscious bias, and how to effectively lead with a culture of belonging.

Gender identity*	%
Female	62.71%
Male	34.47%
Transgender female	0.08%
Transgender male	0.17%
Non-binary / Non-conforming	0.91%
Prefer not to disclose	1.66%

Race demographics	%
American Indian or Alaska Native	0.30%
Asian	22.50%
Black / African American	5.07%
Hispanic/Latino	8.68%
Hawaiian/Pacific Islander	0.80%
2 plus races	2.82%
White	47.08%
Not specified / Prefer not to disclose	10.93%

Minorities	40.16%
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Additional data points*	%
% of employees that are Veterans	0.96%

*Based on self-reported employee data



We aim for 100%
of management to
participate in annual
DEI training by 2025.

Photo of: Women of Natera celebrating International Women's Day, break the bias

Our approach to human rights

As an area of utmost importance to Natera, the implementation of Natera’s labor and human rights policies are overseen by Natera’s executive team, including the chief financial officer, chief operating officer, and head of human resources. This team coordinates efforts to identify, prevent, address, train on, and report all actual or potential human rights impacts. The fundamental principles of our Human Rights policy includes: Ethical and Responsible Business Conduct, Employee Rights and Fair Labor Practices, Diversity and Inclusion, a Safe and Healthy Workplace, Combating Labor Abuses (Child Labor, Forced Labor, and Human Trafficking), and Fair Labor Practices.

Natera employees—and all individuals—deserve to be treated with integrity, dignity, and respect. We honor our employees and their dedication and contributions to our mission, by taking seriously our ethical and legal obligations to them. Natera provides competitive compensation and benefits to our employees and prioritizes a work environment and company culture that supports and protects human and labor rights for all who are involved in our operations.



Employee engagement

Natera conducts surveys to gather feedback and better understand employee needs and engagement. We use this feedback to build on areas of strength and identify opportunities to take action to improve our employees’ experience.

For the second consecutive year, Natera was accredited as a Great Place To Work in 2022. The certification is based entirely on how current employees rate their experience working at Natera in an independently administered anonymous survey. Of those employees who responded to this survey, 90% said they were proud to work at Natera.



Employee resource groups

Our employee resource groups, Women of Natera (WoN), Diversity and Inclusion Group (DIG), Natera’s Green Team, and Natera Nurtures, are important sources of support, networking, and learning. These groups have their own employee leadership, budgets, and platform for fostering thoughtful dialogue, understanding, and growth—and they contribute to the overall culture of Natera. Approximately one in three Naterans was a member of an employee resource group as of December 2022.

Program	Year founded	Mission	2022 highlights
Natera Nurtures	2017	Aim to better our communities by providing resources and opportunities for Natera’s employees to volunteer and raise awareness around important causes	43 volunteer events 5 drives, 1600 items collected
Women of Natera (WON)	2018	Provide a platform for members to network and amplify female achievements, facilitate opportunities for professional development and ongoing learning, and champion the advancement of workplace equality across all levels of the organization	- Proposed expansion of reproductive benefits to ELT; approved to deploy in 2023 100+ mentees participated in mentorship program 10 hours of professional development via WON speaker series
Diversity & Inclusion Group (DIG)	2020	Resource to the organization in fostering a culture of inclusion and diversity	- DEI immersion workshops - Heritage month celebrations - Pride month celebration
Green Team	2021	Empower Naterans to learn how to reduce their impact on the planet at work and at home	- Launched inaugural earth month celebration - Hosted 6 educational events for employees



Community engagement

Volunteerism and giving

Volunteering is an integral component of our culture represented by our “Be Ready to Change the World” core value. Natera Nurtures, our volunteerism employee resource group, coordinated and promoted events in Austin, San Carlos, and across our remote communities for Naterans to participate in throughout 2022. In October, we celebrated our first annual volunteer month, during which we encouraged Naterans to support their communities across the country through volunteerism. In 2022, our employees volunteered 6,660 hours on behalf of Natera in communities around the United States.

	2021	2022
Volunteer hours	4,400	6,077

Through volunteerism, our employees supported nonprofits and charitable organizations that contributed to six of the United Nations Sustainable Development Goals in 2022.



Employee relief

Natera has employees across the globe. In 2022, we established financial support programs for employees experiencing challenges from the war in Ukraine and Hurricane Ian. We will continue to support our employees during disasters as part of our broader mission and core values.



We will contribute 20,000 employee volunteer hours to support our communities by 2025.

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Employee & leadership development



Employee & leadership development

Natera prioritizes employee growth and career development. We also recognize the importance of equipping managers and people leaders with skills and tools to lead teams effectively, while nurturing a culture of belonging.

Manager development

We created a development training program to support managers' growth and foster more effective manager-employee relationships. So far, more than 184 employees completed the six-session training in 2022.

Field team leadership development program

Natera runs a leadership development training program (LDP) for field specialists intended to develop individuals who are interested in a management role. Each year, a new cohort of 15 employees is selected through an application process. The LDP curriculum includes team management techniques, interview techniques,

networking courses, and helps individuals understand their strengths and opportunities. LDP students are exposed to company leaders throughout the program, and each cohort historically has a one-year promotion rate of more than 50%.

Clinical Genetic Molecular Biological Scientist (CGMBS) program

The Clinical Genetic Molecular Biologist Scientist (CGMBS) Program is a 12-month post baccalaureate training program that prepares Naterans to take the American Society of Clinical Pathology (ASCP) national board exam for molecular biology and to apply for a Clinical Genetic Molecular Biologist Scientist (CGMBS) license in California. The MB ASCP technologist is one of two unique certificates (clinical laboratory scientist [CLS]/clinical laboratory technician [CLT]) in molecular biology for medical laboratory technologists skilled in DNA and RNA testing.

Our in-house CGMBS program was built for Naterans desiring to further their career growth by gaining an in-depth understanding of all aspects of a molecular biology lab. Once accepted into the program, trainees are expected to maintain their full time workload in addition to attending didactic classes, practical sessions, and wet lab work for the duration of one year, followed by the ASCP national board exam.

The CGMBS program has been a part of our leadership development program and culture since 2015. Natera's rapid growth in the past few years called for more licensed technologists on the laboratory floors. Upon graduation from the program, scientists work in Natera's clinical laboratory. Since 2015, Natera's program has graduated 5 cohorts of 39 scientists, all of whom have achieved ASCP certification and CA licenses.

Mentorship

We encourage employees to explore opportunities outside of their current position, allowing them to expand their skills for future opportunities. We offer two formal mentoring programs to support the professional development of Natera employees. The Women of Natera employee resource group pairs women with female leaders in a year-long program that involves both group discussions and one-on-one mentoring. Last year, more than 100 mentees participated in the program. In addition, our Research and Development (R&D) team provides mentoring to entry-level employees, who acquire valuable skills and gain insight into career opportunities. Last year, approximately 45 employees participated in the mentorship program.

Human capital

Total headcount (full-time)	3010
Total headcount (full-time + part-time)	3021
Headcount (part-time)	11
Headcount (temp, contractors)	959
Women in leadership roles (%, Manager and above)	51.6%

Women – promotions	362
Total promotions	605
% Promotions (women)	59.83%
Women – new hires (# of women)	643
Women – new hires (% of total new hires)	65.08%
Total new hires	988



Employee benefits

Natera’s comprehensive benefits package is an integral part of employees’ compensation and is designed to give employees flexibility and choice. Annually, we review the benefits program to ensure it effectively aligns with the company’s financial objectives and is competitive with market practices while remaining cost effective for individuals and families. Our approach to employee benefits aims to be comprehensive in support for total health, including but not limited to family support, financial, mental, and overall physical wellness.

Employee access to testing

Many of our Natera employees are also patients. Natera tests are offered for free or discounted to employees and their immediate family members, which include domestic partners and legal dependents.

Comprehensive wellness

Medical, dental, and vision	Employee Assistance Programs (EAP)
Information sessions with genetic counselors	Wellness Rooms for nursing, meditation, and prayer
Flexible, no accrual-based paid time off policy (full time, exempt employees)	Daily catered lunch offering sustainable, local, and healthy food options including vegan and vegetarian options

Financial wellness

Flexible health and dependent care spending accounts
Health savings accounts
Retirement savings plans
401k company match
Employee stock purchase program
Life and accident insurance
Short and Long Term Disability insurance (company paid)
Charitable donation matching program
Employee referral bonus
Independent financial advice
Onsite electrical vehicle charging

Parental benefits

New parents leave policy • Maternity leave: 100% of net pay wages for 4 months • Non-birth parent leave: 100% of net pay wages for 1 month
Reproductive support • IVF financial support • Miscarriage testing support
Reproductive benefits • Fertility preservation support • Adoption and surrogacy support • Pregnancy, postpartum, and miscarriage support • Breast milk shipping • Menopause care support

Health and safety

Natera’s health and safety program was built in alignment with ISO9000 and ISO13485 standards. Employee training on topics from safety to documentation procedures to issue escalation ensures that all Natera employees uphold our rigorous safety standards, as defined by our quality management plan.

In the event of an emergency, our clearly defined emergency response procedures are designed to protect the safety of our people, our products and services, and the environment. We test these procedures annually and conduct quarterly safety inspections of all our facilities.

In 2022, Natera had eleven recordable injuries; overall our comprehensive program approach resulted in a lower incident rate than the OSHA national average. All incidents trigger a post-incident investigation to determine how to prevent such incidents from happening again.

Health and safety metric	2022
Recordable injuries	11
Total recordable rate*	0.37

*For every 100 employees, just over 0.37 people may experience a recordable incident. The incidence rate for total Occupational Safety and Health Administration (OSHA) recordable cases remained unchanged at 2.7 per 100 full-time workers in 2021.

Clinical trial diversity

Clinical trial diversity is an important component to the success of Natera’s studies, and it is monitored as part of all clinical studies. At Natera, clinical trial diversity is defined as the practice of including individuals from a range of races, genders, geographies, and demographics. Natera monitors the diversity of the patient population enrolled in studies for alignment with the disease population. Particular race, gender, and ethnic populations are more likely to be predisposed to certain diseases, therefore it is important that these populations are represented in each study, which contributes to the efficacy and accuracy of our study results as being more representative of real-world populations. For example, in the RenaCARE trial for chronic kidney disease (CKD), the trial timeline was extended to encourage enrollment of Black Americans, a population more predisposed to CKD overall.



Access and affordability

In 2022, Natera spent more than \$316.4 million on research and development and these funds were used in part to help achieve insurance coverage and improve access to care for more people.

We work with professional societies, guiding clinical organizations, commercial insurance payors, and government agencies, including the Centers for Medicare and Medicaid Services (CMS), to support access to and coverage for genetic medicine, testing, and screening. We understand that healthcare can be a significant financial burden for some families. Through our Compassionate Care program, Natera offers financial assistance and flexible payment plans for patients who qualify based on income. We are working with international partners to make our tests available around the world.



**Feeding the community
& reducing food waste**

We support communities where we live and work. Through 2022, Natera continued our partnership with Copia, a technology provider that connects food donations to nonprofits in need. As part of our employee benefits, Natera provides daily prepackaged meals to staff in Austin and San Carlos; unused meals are donated to our local communities in Austin and San Carlos through Copia. Our donations through Copia reduce our Scope 3 emissions* while providing nutritious food to underserved communities.

In 2022, Natera donated 5,206 pounds of food to our communities in Austin and San Carlos.

Food donation

Pounds of food donated	5,206
Meals donated	4,339
Gallons of water saved	515,434

Pounds of CO2 emissions saved	23,273
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*Scope 3 category 5: waste generated in operations



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Leadership and governance



ESG governance

Natera’s ESG governance structure is segmented into the following groups:

- Board of directors
- Executive leadership team
- ESG executive steering committee
- ESG core team

These groups can vote or weigh in on decisions as it relates to Natera’s overall ESG strategy and opportunities, climate resilience, and 2025 ESG goal progress. These strategic efforts are led by Natera’s director of ESG and sustainability.

At the board level, our nominating, corporate governance and compliance committee oversees Natera’s ESG initiatives on behalf of the board of directors, and helps drive strategy to improve our corporate citizenship. Progress toward Natera’s 2025 ESG goals and initiatives, as well as other ESG matters, are presented twice per year to the board of directors; specifically, in May and November in 2022. The chair of the nominating and governance committees attended Natera’s 2022 ESG Summit.

The ESG executive steering committee reviews sustainability projects to reduce the environmental impact of our laboratories, corporate offices, and supply chain. The executive ESG steering committee comprises the chief operating officer, chief financial officer, head of human resources, and the senior vice president of corporate affairs, and is led by Natera’s director of ESG and sustainability. The chief executive officer is updated as required.

View our nominating and corporate governance committee charter [here](#)

Governance body	Topics discussed	Frequency
Board of directors	• ESG strategy • Climate risk & resilience • 2025 goal progress	At least twice annually
Executive leadership team	• Climate risk & resilience • 2025 goal progress • Diversity, human capital • Sustainability projects	At least once annually
ESG steering committee (COO, CFO, SVP of Corporate Affairs)	• ESG strategy • Climate risk & resilience • Sustainability projects • 2025 ESG goal progress	Monthly
ESG core team	• ESG strategy • 2025 ESG goal progress • Sustainability projects • Climate risk & resilience	Monthly

Our board of directors

Board member	Independent	Gender
Roy Baynes	Y	M
Ruth E. Williams-Brinkley*	Y	F
Roelof F. Botha	Y	M
Rowan Chapman	Y	F
Steve Chapman	N	M
James I. Healy	Y	M
Gail Marcus	Y	F
Matthew Rabinowitz	N	M
Herm Rosenman	Y	M
Jonathan Sheena	N	M

*Added in March 2023

Board diversity & independence

Board Female Representation: 30%

Board Independence: 70%

2022 board changes

We are proud to announce that former Natera board member, Monica M. Bertagnolli, MD, FACS, FASCO, was recently appointed by President Biden as the new Director of the National Cancer Institute (NCI). Dr. Bertagnolli is the first female ever to serve in this prestigious role. We are grateful for Dr. Bertagnolli's contributions and congratulate her wholeheartedly on this great honor. Though Dr. Bertagnolli has stepped down from Natera's board as she transitioned to her new role, we look forward to continuing to work with her and the NCI in our mission to help cancer patients live longer, happier lives.

Code of conduct

Natera's code of conduct and our company values represent the standards by which we all must operate. All employees, including executive officers, of Natera, Inc. or any subsidiary of Natera (collectively, "Natera"), as well as Natera's board members, must abide by this code of conduct. We also expect Natera's contractors, consultants, suppliers, and agents to abide by our code of conduct in connection with their work for Natera. Our code of conduct was updated and published in Q2 2023.

View our code of conduct [here](#)

Data ethics and privacy

Natera takes the privacy of our patients seriously. We have implemented processes to help ensure we meet Health Insurance Portability and Accountability Act (HIPAA) and Clinical Laboratory Improvement Amendments of 1988 (CLIA) guidelines to protect personal health information and safeguard against information security issues. The audit committee receives quarterly updates on these matters, and the full board receives an annual update.

As part of our internal corporate governance and risk management process, Natera has completed a SOC 2 reporting through Systems and Organization Controls (SOC) Type II Attestation

Examination with an independent certified public accounting firm for the security principle. As such, Natera receives regularly refreshed Type 2 SOC 2 reports that are intended to meet the needs of a broad range of users. These reports include detailed information and assurance about the controls at a service organization relevant to security, availability, and confidentiality. Additionally, these reports provide assurance of confidentiality and privacy protection of the information processed by Natera's systems.

View our privacy policy statement [here](#)

View our cyber security policy [here](#)

Supply chain management and material sourcing

Natera’s global supply chain consists of suppliers, data centers, distribution centers, and customers. We have implemented processes to help ensure we hold our suppliers to the expectations and standards specified in Natera’s code of conduct as it relates to our values, human rights, the environment, and anti-bribery and corruption.

We expect our suppliers to:

- Comply with all applicable local, state, and federal environmental policies, laws, and regulations.
- Respect and protect human rights in alignment with the UN’s Guiding Principles.
- Conduct business operations ethically by anti-corruption and anti-bribery measures.
- Prioritize sustainability and social responsibility.
- Provide a healthy and safe work environment.

Our suppliers are critical to our business mission and strategy, and we acknowledge that their resiliency to climate change is an integral part of our own broader climate resiliency strategy.

We collaborate with our critical suppliers to strengthen continuity of our operations. A critical supplier of Natera’s is defined as any service provider or third party that could attract regulatory scrutiny or impose significant impacts on a business, including the risk of loss if the services provided are disrupted in any capacity.

Natera is committed to working with suppliers to reduce our Scope 3 emissions. Our goal is to partner with 25 of our top 100 suppliers to have Scope 1-2 reduction initiatives by 2025. As of December 2022, 21% of our top 100 suppliers have Scope 1-2 reduction initiatives and those suppliers’ additional climate action efforts were analyzed as part of our supplier engagement program.

Our supplier’s climate initiatives

Critical suppliers with net zero goal (% of top 100)	14%
Critical suppliers with renewable energy goal (% of top 100)	8%
Critical suppliers with Scope 1&2 reduction initiatives (% of top 100)	21%
Critical suppliers using CDP reporting (% of top 100)	10%
Critical suppliers with science-based targets (% of top 100)	7%
Critical suppliers disclosing Scope 3 emissions (% of top 100)	17%

Commitment to quality

Our focus is delivering the highest quality product to our patients and their health care providers. We review adverse events or recalls in quarterly Quality Management Review meetings and notify upper management and external regulatory authorities accordingly. We operate under the expectation that we have no reportable events (events that may have caused or contributed to a death or serious injury that must be reported to regulatory authorities). Natera currently has no reportable events within our last reportable time frame.

Our laboratories are CLIA-certified, which guarantees that test results meet or exceed the industry standard. Our laboratories are also ISO 13485-certified, the internationally agreed upon standard for demonstrating a quality management system.

View our quality policy and program overview [here](#)

Business ethics: Natera's commitment to transparency and ethical business practices

Our priorities

Scientific rigor. We invest significantly in scientific studies as part of our commitment to offer precise and highly accurate testing solutions with real-world value. Natera's tests are validated by more than 100 peer-reviewed publications that demonstrate high accuracy. Natera is the leader in peer-reviewed, published data across cfDNA applications.

Our list of peer-reviewed publications can be found [here](#)

Transparency. We are transparent about how our products can and should be used — by both health care providers and patients. Natera provides each patient a personalized, clinically validated test result to know their unique molecular biology and enable more informed health care decisions in critical health moments; we do not provide medical advice.

Accessibility. Natera collaborates with health care providers, payers, and advocacy groups to increase access to clinical genetic testing, educational information, and personalized health care.

Credibility. We promote and market our products after rigorous clinical validation, and only for clinically validated uses. All of our materials are reviewed by internal stakeholders, including our legal and compliance departments, for conformity to all applicable health care, legal, and regulatory requirements.

Privacy. We implement, maintain, and enforce policies and procedures to manage our operations in compliance with Health Insurance Portability and Accountability Act (HIPAA) and the Clinical Laboratory Improvement Amendments of 1988 (CLIA) guidelines to protect personal health information. We may use aggregated and de-identified personal health data that does not identify any individual information for research purposes, in all cases in accordance with applicable laws and regulations.

Respect. We approach our work and our communications with respect, honesty, and care for the communities we serve, with an appreciation that our work is deeply personal for each and every life we touch.

We provide information, not medical advice. We believe patient choice is an important part of the health care process and health care should be a partnership between patient and provider. We offer materials to help inform patients when speaking with their clinicians and making health care decisions. While Natera provides services that include genetic information sessions, anyone seeking a genetic or cfDNA test should consult their health care provider.

We educate and do not prescribe. We believe educational materials are important and helpful to those seeking information on conditions, diseases, and genetic testing. We provide these materials as an adjunct for patients who are seeking both medical care and guidance from health care providers. All testing options, even when initiated by patients, must be ordered by a licensed clinician.

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Awards and recognition





Great Place to Work-Certified™ Company

Thanks to our employees, we're proud to have earned the Great Place to Work Certification in 2022. The award is based entirely on what current employees say about their experience working at Natera.

[Great Place to Work-Certified™ Company](#)



Fortune 2022 Top 25 Best Workplaces in Texas

Natera received the #22 spot as one of the Best Workplaces in Texas as part of America's largest ongoing annual workforce study based on more than 1,000,000 employee survey responses and data from companies representing more than 6.1 million employees.

[Best Workplaces in Texas](#)



Fast Company World's Most Innovative Companies 2022

Thanks to Signatera™, Natera's personalized and tumor-informed molecular residual disease (MRD) test, the company was included in Fast Company's annual list of the World's Most Innovative Companies for 2022. Natera ranked sixth in the Health category and was recognized for our Signatera test's ability to monitor immunotherapy response.

[Fast Company world's most innovative companies 2022](#)



Women We Admire Top 50 Women Leaders in Healthcare of 2022

Sangeeta Bhorade, Chief Medical Officer for Organ Health was recognized as one of the Top 50 Women Leaders in Healthcare in 2022.

View Natera's peer-reviewed publications [here](#)

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TCFD appendix



Task Force on Climate-Related Financial Disclosure (TCFD) Index

Our priorities

Natera’s environmental and sustainability commitments align with our business strategy and reflect our core values—how we care for people, our communities, our industry, and our world. We take mitigating climate change seriously as we have experienced that climate change is not something to plan for—it is already here.

As part of our broader climate action and ESG strategy, we have adopted the recommendations set forth by the Task Force on Climate-related Financial Disclosure (TCFD). This report describes how climate change may impact our business and how we can transition to a low-carbon economy and adapt. Using the TCFD framework, we are addressing the four TCFD pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

We recognize that climate change poses risks to our current business model by increasing operating costs due to additional regulatory requirements, physical risks to our facilities, energy limitations, and disruptions to our supply chain. We understand that our greenhouse gas emissions contribute to climate change and are committed to mitigating our climate risk as our business continues to grow. We believe that pursuing sustainability initiatives to reduce our greenhouse gas emissions can create financial and operational efficiency opportunities for us. It is our intent to transparently report our greenhouse gas emissions and report our efforts to mitigate climate change.

Governance

Recommended disclosure	Comments/disclosure
Describe the board's oversight of climate-related risks and opportunities	Governance is the foundation of our broader ESG strategy, as well as our overall climate change strategy. Governance is important to our climate change strategy because it creates a framework that facilitates the company's identification, and management, of our climate risks, and it helps us organize ourselves in order to address the identified risks. Natera's ESG governance structure is segmented into the following groups: board of directors, executive leadership team, ESG executive steering committee, an ESG core team and an employee-led green team. These groups can vote or weigh in on decisions as it relates to our overall ESG strategy and opportunities, climate resilience and 2025 ESG goal progress. These strategic efforts are led by Natera's director of ESG and sustainability. The nominating, corporate governance and compliance committee of the board of directors is responsible for carrying out oversight of certain risks on behalf of the board. This includes providing oversight of Natera's policies and strategies relating to environmental, social and corporate governance. This responsibility consists of reviewing climate-related initiatives, greenhouse gas emission (GHG) data, climate-related risks and overall strategy. In late 2021, Natera hired a dedicated team member to lead our ESG and sustainability program, including measuring our GHG footprint in order to prioritize climate-related projects in order to reduce our environmental impact. The board of directors and the nominating, corporate governance and compliance committee reviews progress of Natera's 2025 sustainability goals semi-annually. During this update, additional sustainability and climate updates are presented by Natera's ESG and sustainability director. Items are presented to the board with the intent of reviewing and discussing how they integrate with overall company strategy and objectives. Board members' competencies on climate are based on previous experience. The chief executive officer is knowledgeable about the product overall, and is engaged in reviewing Natera's annual greenhouse gas inventories and projects. In addition, two of the board directors have previous experience working with health companies that have implemented carbon emissions reduction strategies and initiatives.
Describe management's role in assessing and managing climate-related risks and opportunities	The ESG core team is composed of the vice presidents and directors of Investor Relations and Reporting, Finance, Information Technology, Environmental Health & Safety, Legal, Diversity Equity and Inclusion employee resource groups, Facilities, Field Specialists, Communications and Public Relations, Compliance, Human Resources, Sustainability, and Procurement. This group collaborates via monthly email updates, bi-monthly meetings and an annual ESG review meeting. The core team oversees all climate-related issues including environmental compliance, and addressing operational and value chain related environmental opportunities and risks. The findings of the ESG core team are regularly communicated to the ESG steering committee by the ESG and sustainability director. Natera's senior director of facilities is part of the ESG core team, and also has responsibility for the company's "Business Continuity Plan" which details climate risks and mitigation impacts to the organization. Annually, the ESG core team discusses and reviews past climate event impacts to the business, and future potential climate risks to operations. Findings from these meetings are integrated into Natera's business continuity plan.

Strategy

Recommended disclosure	Comments/disclosure
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Warming trends are not expected to significantly diverge from current pathways until around the middle of this century as spelled out by the Intergovernmental Panel on Climate Change. Based on these predictions, we assume that physical risks are relatively similar across all climate scenarios until about 2050. Acute physical impacts are projected to escalate and continue, driven by an increase in frequency and severity of extreme weather events, such as extreme temperature, water stress, storms, and flooding. Beyond 2050, it is challenging to make projections of how the climate may evolve based on available data. We acknowledge that chronic longer-term (and potentially irreversible) shifts in climate patterns will increase over time, such as sea level rise, ice caps and glacier melts. These impacts are expected to be significantly more pronounced under a ‘no mitigation’ scenario compared to the lower temperature rise pathways. We have aligned with the definitions provided by TCFD about transition risks and physical risks, and we have a strategic understanding of how each could potentially impact our business operations. We have identified three different timelines relevant to Natera as it relates to climate impact: short-term, medium-term and long-term.

Natera’s definition of time horizons

These time frames have been identified and defined in regards to their relevance to our overall business operations, growth and strategy.

	From (years)	To (years)
Short-term	0	4
Medium-term	4	8
Long-term	8	28

Natera has identified site level and operational climate-related risks over the short, medium and long term. These are listed below.

Site/operations	Climate risks
Austin, Texas	Major risk from wind (hurricanes, tornadoes). Severe risk from extreme heat. Moderate risk of snow, freezing ice, wildfires, extreme rainfall/flooding (48 hour total of 1 inch of water or more).
San Carlos, California	Major risk from flooding, earthquakes, energy disruption Moderate risk from earthquakes. Minor risk from wildfires, heat and wind (tornadoes, hurricanes, severe storms).
Supply chain, distribution & logistics	Extreme weather events can impact supplies and test kits successfully reaching our facilities.

The process of climate scenario analysis is rapidly evolving, and it is iterative. We expect the approaches, tools and data quality to mature over time, which will contribute to our understanding of climate risks and opportunities. Natera intends to complete a full climate scenario analysis in the coming years as part of our continued climate resiliency strategy.

Strategy

Recommended disclosure	Comments/disclosure
Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning	Natera has identified climate related risks and opportunities in our operations, strategy and financial planning. Risks We acknowledge that climate events fall under our broader classification of a material event. Specifically, we understand the potential site level and supply chain risks that could lead to a material climate event as defined within this framework. As a publicly traded company, Natera would define a financially material event as one which would impact how someone outside the company, such as an investor, would value the company. This could include events that have a significant impact on company profits or other elements of our financial statements, such as significant changes in revenues, expenses, assets or liabilities. If an event is determined to be financially material by this definition, we would be obligated to disclose it publicly. Examples of strategic impacts could include gain or loss of key customers, changes in competitive position or market share, damage to brand reputation, or impacts to our ability to continue normal operations, process patient tests according to committed specifications or otherwise provide normal services to our patients. As a diagnostic testing lab, a material event might be one during or after which we are unable to operate our lab at all, or to receive and process tests and deliver results in the timeframe that customers expect. Opportunities Natera has identified two specific climate-related near-term opportunities with the potential to have a financial and or strategic impact on our business and operations.

Strategy

Recommended disclosure	Comments/disclosure
Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning	Direct operations: energy source Natera is involved in large-scale laboratory testing, and as such, it operates large appliances such as industrial refrigerators and sample processing machines. These result in large energy consumption which contributes to a larger Scope 2 footprint and results in higher energy costs. In 2021, the San Carlos Site processed almost 50% of the overall tests, making it one of the most relevant facilities for Natera. This site also consumed approximately 2,965 MWh, which represented almost a quarter of the total scope 2 emissions of Natera, making it also one of the most relevant hotspots. For these reasons, Natera is beginning to consider alternatives such as solar panels and other renewable energy options. As of now, Natera is reviewing the possibility of installing solar panels in San Carlos with an annual production of 671.1 MWh, which would cover 80 percent of the total electrical demand for this site. Upstream value chain: Development and/or expansion of low emission goods and services Medical kit waste is a big problem for the medical industry. Natera is working with its suppliers to increase package optimization to reduce waste and decrease the raw material inputs. By working with suppliers, Natera has reduced plastic usage by 30% in 2021. Natera will continue to work with kit suppliers to ensure all kit packaging is reduced in size and weight, and kit materials are made of sustainable materials that can be recycled or composted at end of life.

Risk management

Recommended disclosure	Comments/disclosure
Describe the organization’s processes for identifying and assessing climate-related risks	As part of our risk management strategy, Natera has embedded identifying and assessing climate-related risks into several processes. In 2021, Natera conducted a materiality assessment. To better prioritize and understand the most material topics to the business and stakeholders, we surveyed all full-time and part-time employees. This survey asked employees to rank 22 ESG topics on their relative importance, and received nearly 500 responses. Additionally, our ESG core team collaborated to assess the materiality of these topics to the business as a whole. From Natera’s materiality assessment, the topics of climate action, waste reduction, energy management, and water scarcity scored lower. However, given the science around climate change, we have committed to include climate-related reputational risks as part of our risk management process. Natera’s materiality assessment results can be found on pg. 12 of our 2022 ESG Report. Second, language about how Natera defines a climate-risk and relevant site specific climate risks has been integrated into our business continuity plan (BCP) (otherwise known as an enterprise risk management plan). Austin, Texas and San Carlos, California are the two sites that are reviewed as part of the BCP. Natera’s BCP program requires an annual exercise to assess and improve our team effectiveness in a disaster event. The annual exercise is owned and managed by Natera’s Crisis Management Team (CMT) and Assessment Teams. Natera’s director of ESG and sustainability contributes to the BCP and completes the annual exercise. Lastly, climate-related risks are reviewed with Natera’s ESG core team on an annual basis, or as relevant, if there has been a significant recent climate related event. This core team provides feedback about what the site specific climate-related risks are, in addition to what the risks are to our supply chain, and how to mitigate both. This team evaluates past climate events and how learnings can be applied to preparing for future events. This annual review also results in compiling items to address with specific suppliers during quarterly business reviews, specifically those that represent our distribution and logistics. Findings from the aforementioned processes regarding identified climate risks are then presented to the additional governing bodies on an annual basis at minimum—the ESG executive steering committee and the board of directors.
Describe the organization’s processes for managing climate-related risks	Climate risk analysis is built into our business continuity plan and the annual business continuity review and exercise; which entails reviewing potential risks, their potential business impact, and how to navigate them. We have identified the following risks at a site level and operations level, and have identified how to handle each risk should they arise.

Risk management

Recommended disclosure	Comments/disclosure
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	In 2022, Natera added climate-related risk reviews to the company’s broader business continuity plan (enterprise risk management plan). In this business continuity plan, we have identified the relevant physical climate risks to our two large physical laboratory locations in San Carlos, CA and Austin, TX. Historical climate related events are considered and reviewed as part of this broader plan. This business continuity plan is reviewed annually with the operations, facilities, environmental, health & safety and sustainability teams. Annually, climate-related risks are reviewed and discussed by the ESG core team, and findings are subsequently reviewed and discussed by the ESG steering committee. Overall, annualized Scope 1, 2 and 3 greenhouse gas emissions data are presented to all the climate governing bodies as well: employee-led green team, ESG core team, ESG steering Committee and the board of directors. Data trends between reporting years are reviewed and assessed, as well as the overall trend of emissions generated per test performed.

Metrics and targets

Recommended disclosure	Comments/disclosure												
Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process	Guiding metric to assess climate-related risks: Natera has defined a material impact as any time a test cannot be processed, which can be a result of a climate related-risk or other business factors. Natera has reviewed past climate-related events to define a material impact to the company as it relates to future climate-related events.												
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2022 greenhouse emissions: reference page 20 of 2022 ESG Report. <table><thead><tr><th></th><th>tCO2e</th><th>%</th></tr></thead><tbody><tr><td>Scope 1</td><td>6,826</td><td>6.02%</td></tr><tr><td>Scope 2</td><td>3,546</td><td>3.13%</td></tr><tr><td>Scope 3</td><td>102,955</td><td>90.85%</td></tr></tbody></table>		tCO2e	%	Scope 1	6,826	6.02%	Scope 2	3,546	3.13%	Scope 3	102,955	90.85%
	tCO2e	%											
Scope 1	6,826	6.02%											
Scope 2	3,546	3.13%											
Scope 3	102,955	90.85%											
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Natera has created short-term targets to manage climate-related risks which are included in Natera’s 2025 environmental goals. These goals have a baseline of 2021 and sunset at the end of 2025. Climate related metrics and targets can be found on Page 14 of our 2022 ESG report here.												

Natera will continue to utilize the TCFD framework to assess and update our climate change strategy.

Information about our broader ESG efforts can be found at www.natera.com/esg.

