

mannkind

# environmental, social & governance

MNKD 2021

## about this report

*This report was developed in an effort to share details regarding MannKind's approach to environmental, social and governance (ESG) as implemented through December 31, 2021. We believe continuous improvement, updates, and insights into our ESG practices strengthens our ability to best provide long-term value to our patients, employees, investors, health care providers, communities in which we reside, and other valued stakeholders.*

# introduction



**Our mission is to give people control of their health and the freedom to live life.**

Our strategy is focused on developing innovative medicines to help patients who have endocrine or orphan lung diseases.

## changing lives for the better

More carefree moments with family and friends. More health, more happiness, more freedom. At MannKind, we don't just want to help people manage serious medical conditions – we want to help them experience the very best that life has to offer.

With our innovative Technosphere® inhalation technology, our team of dedicated scientists and medical professionals are developing therapeutic products for people with endocrine and orphan lung diseases.

Our ultra rapid-acting inhaled insulin, Afrezza®, is changing the way diabetes is treated and allowing people to live life without limits.

We are driven to find new ways to change lives for the better. To help people live **life more humann.**<sup>SM</sup>



## our humann values

At MannKind, our values serve as the foundation of our corporate culture. Inspired by our employees, they embody the spirit and drive of our founder Alfred E. Mann, and reflect how we aspire to drive our business forward. They define who we are, how we act, and guide our interactions every day – both with each other and the customers we serve. Our employees embrace five key humann values:

### do right

Employees strive to keep it real with each other and those they serve, treating others how they'd like to be treated – with integrity and humanity – even when no one is looking. And we always do the right thing. In our eyes, there's no alternative.

### win together

MannKind believes that we're strongest as a team. United, we can do extraordinary things. We proactively break down barriers and build strong relationships across functions and geographies – rolling up our sleeves and sharing ideas, perspectives, and feedback to help each other succeed.

### own it

Our team sees every challenge as an opportunity, and approaches each one prepared, engaged, and accountable. Our commitment to continuous improvement drives our performance and delivers a lasting impact on every life we touch.

### be tenacious

Fueled by passion and a high sense of urgency, we don't wait for tomorrow if we can do it today. We set aggressive goals and strive to surpass them – overcoming obstacles and delivering insistently on our priorities every day.

### push boundaries

Employees look for creative solutions to the most pressing problems. We think beyond what is possible – seeking open feedback and new ideas, encouraging expansive thinking, and challenging conventional wisdom at every turn.

## board of directors

Effective corporate governance is essential to developing long-term company success and shareholder value. Our Board of Directors is primarily responsible for performance oversight for MannKind, and for ensuring it conducts business in a financially, socially and environmentally responsible manner.

The Board has also established high standards for company leadership and its employees which are detailed in [guidelines](#) and protocols published on our corporate website.

### independence

Our current Board is primarily independent (89%; one is an officer), and is comprised of a group of individuals that are elected annually based on a majority vote by stockholders. As a general rule, there is separation of the positions of Chairman of the Board and Chief Executive Officer (CEO) with the belief that this continued practice reinforces the board's independence and creates an environment that encourages objective oversight.



- Code of Business Conduct and Ethics
- Anti-Corruption Policy
- Audit Committee Charter
- Compensation Committee Charter
- Nominating & Corporate Governance Committee Charter
- Policy Regarding Stockholder Recommendations of Director Nominees
- Process for Securityholder Communications with the Board of Directors

## risk oversight and committees

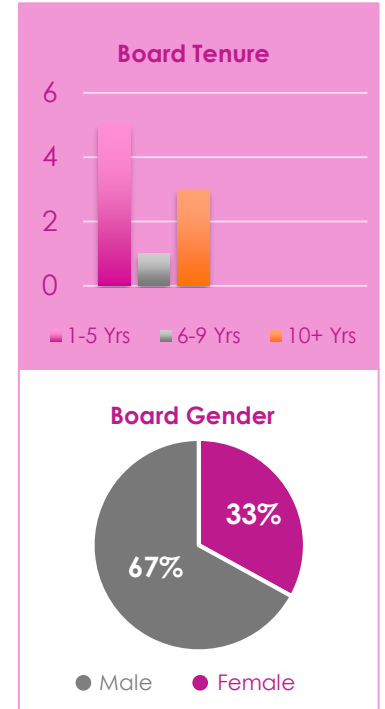
The Board of Directors has three standing committees – an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee – all of which operate under written charters. Only independent members of the Board serve on the committees. A key function of the Audit Committee is informed oversight of the company's Enterprise Risk Management (ERM) program that assesses, identifies and mitigates the most significant risks to the company.

## board diversity and representation

MannKind's Board is comprised of different genders, ethnicities, backgrounds and experiences. The current makeup is 33% female, 11% ethnically diverse and has an average tenure of approximately 8 years.

Our current directors consist of leading experts in executive management, the healthcare industry, life sciences & medicines, and financial practices. Each has also served in director capacities on boards of various public and private companies.

For more information on MannKind's Board and its corporate governance practices, please visit our [website](#) and our 2021 [Proxy](#) Statement.



## honest and ethical conduct

MannKind promotes an organizational culture that embraces a high standard of ethical conduct and compliance with applicable laws and regulations that govern our business and industry. Our Code of Business Conduct and Ethics (Code) reflects the business practices and principles of behavior that support this commitment.


Our Code is expected to be adopted (and requires annual training) by all employees, the Board, and others conducting business on behalf of MannKind. The integrity and reputation of MannKind depends on the honesty, fairness and integrity brought to the job by each person associated with us. Unyielding personal integrity is the foundation of corporate integrity. Please visit our corporate website to view our complete [Code](#).

A series of policies and guidelines at MannKind support our Code and are summarized below. For full details please refer to policies shared publicly as part of our [governance documents](#).

- **anti-corruption and anti-bribery:** MannKind strictly prohibits attempts to inappropriately influence – or be influenced by – government or any individuals or entities to achieve improper purposes related to the Company's business. Our anti-bribery policy maintains strict compliance with the U.S. Foreign Corrupt Practices Act (FCPA), and is applicable to the company's business and people worldwide.

- **insider trading and related persons transactions:** Employees who have access to confidential (or “inside”) information are not permitted to use or share that information for stock trading purposes or for any other purpose except to conduct MannKind business. The prohibition on these transactions also applies to members of the households of all MannKind employees and the consultants of the Company or its subsidiaries.
- **conflicts of interest:** Employees are responsible for avoiding conflicts of interest that occur when their personal interests may interfere in any way with the performance of their duties or the best interests of MannKind.
- **interactions with healthcare professionals and organizations:** We are committed to the appropriate use of our products and recognize the importance of providing healthcare professionals and organizations with the information needed to make fully informed prescribing decisions. All interactions and communications are conducted in a manner that is fair and balanced, scientifically rigorous, and compliant with applicable laws and regulations.
- **equal opportunity, nondiscrimination and anti-harassment:** MannKind values diversity and is firmly committed to providing equal opportunity and a positive working environment in all aspects of employment. We do not tolerate discrimination or any unlawful harassment by or toward employees, or with those MannKind has business, service, or any professional relationship.
- **non-retaliation:** It is our policy to comply with all applicable laws that protect our employees, and the policy is designed to prevent retaliation or other action for reporting suspected violations.



A photograph of two women riding bicycles on a paved path. The woman in the foreground is wearing a bright blue t-shirt and light-colored shorts, riding a pink bicycle. The woman behind her is wearing a grey t-shirt and leggings, riding a white bicycle. They are both smiling and looking towards the right. The background features palm trees and lush greenery under a bright sky.

**MannKind conducts an annual survey as well as periodical polls to evaluate employee perception of the corporate culture and ethics and compliance practices in an ongoing effort of continuous improvement. We are proud to consistently earn high marks for ethical behavior, promoting a culture of safety and compliance, and providing employees with resources to comfortably raise concerns. The Leadership Team addresses results that fall below expectations with an action plan and communicates this plan with employees.**

## privacy and protection of personal info

At MannKind, we take privacy and the security of personal information very seriously.

In the course of our business, MannKind naturally collects, uses, maintains, processes and discloses information provided by consumers, patients, health care professionals, employees, vendors and more. Some of this information may contain certain personal information, so MannKind has established reasonable and appropriate privacy protections. These safeguards include procedures and technical security measures to protect the privacy and security of personal information.

All employees of MannKind who have access to Protected Health Information, Personal Health Information, Personally Identifiable Information or Sensitive Data are required to take part in annual training to ensure they understand and comply with company obligations.

life more humann.



**DATA PROTECTION**

## drug safety integrity

MannKind ensures the integrity of its products during the manufacturing process and along the supply chain. The company has not had a recall of Afrezza or FDA enforcement action taken in response to a Good Manufacturing Practice violation. We pride ourselves on upholding the highest level of standards as it relates to drug safety integrity.

## effective quality management system

We are committed to maintaining the effectiveness of our Quality Management System to ensure the quality of our products. MannKind constantly works to accomplish this by:

- Manufacturing safe and effective pharmaceutical products and medical devices
- Meeting or exceeding regulatory, company and customer requirements
- Establishing and reviewing Quality Objectives
- Reviewing and improving our policies, procedures and processes
- Ensuring the control of outsourced activities and quality of purchased materials

## clinical trial conduct

We monitor clinical trials through audits and inspections conducted by the company as well as by third parties. These inspections verify that our policies and clinical conduct are in accordance with Good Clinical Practices.

## coronavirus response

With the emergence of the pandemic in 2020, MannKind swiftly pivoted its practices to ensure continued access to medication for individuals. We established a COVID Response Team to support the health and well-being of employees, and the majority of our corporate and non-manufacturing employees shifted to a work-from-home status. In 2021, we collectively returned our teams to various facilities on an adjusted in-person schedule, and continue to follow all pertinent guidelines relative to safety (e.g. vaccinated or weekly testing, PPE, social distancing, enhanced cleaning procedures) – adapting as the individual State and/or federal mandates dictate.

Supply of Afrezza® has not been affected by the coronavirus, and MannKind continues to regularly monitor our supply chain for potential impact. MannKind sources critical raw materials from suppliers in the United States and Europe, and we remain in close communication with key suppliers to best ensure a reliable supply of insulin. Afrezza is readily available in U.S. pharmacies, and if needed, pharmacies can order additional supplies from wholesalers or the company with expected delivery within 1-2 days.

Our U.S. manufacturing facility remains fully operational, producing Afrezza and Tyvaso DPI clinical supplies and production to support the launch of Tyvaso DPI. As the global situation evolves, we will continue to take the necessary steps to safeguard our employees, our manufacturing activities, and reliable supply of product.

At MannKind, we endeavor to create inhaled therapeutic products that help people manage serious medical conditions and experience the very best life has to offer. An equally important company mission is working with stakeholders and partners to help increase access to our medicines – particularly for those most in need.

## advocacy in action

MannKind's Market Access team works diligently to identify and advocate for change that benefits patients living with diabetes, including those who wish to access Afrezza but are challenged by obstacles. In 2021, we worked with the Centers for Medicare and Medicaid Services (CMS) to implement a policy change allowing approval for Medicare patients living with diabetes to select both Afrezza and Continuous Glucose Monitors (CGMs) so that patients no longer have to choose between the two diabetes tools.

## product accessibility

MannKind established AfrezzaAssist<sup>SM</sup> to provide patients and healthcare providers a one-stop support center to help navigate the insurance approval process, identify best cost options and financial assistance, as well as product education and training. Whether a patient has commercial insurance, no insurance, or is new to Afrezza, MannKind provides supportive options.

**access to  
medicines**

**life more humann.**



### **Afrezza savings card**

For patients who have commercial insurance, MannKind provides co-pay assistance with the Afrezza Savings Card. The Card helps patients pay as little as \$15/per month.

### **Direct purchase program**

For patients without commercial insurance or for those who have high out-of-pocket costs, MannKind provides a Direct Purchase Program. Through this program, patients will pay \$99-\$199 per box of medication. Greater details are available via AfrezzaAssist or at [insulinsavings.com](https://insulinsavings.com).

### **Free starter supply**

Healthcare providers looking to newly prescribe Afrezza for their patients may take advantage of a free starter offer. Delivered through AfrezzaAssist, the offer allows patients the benefit of starting on Afrezza quickly while insurance coverage is being adjudicated.

**diversity, inclusion  
& belonging**

**life more humann.**



*MannKind strives to provide a work environment where diversity of background, thought, and perspective is valued and respected. We are committed to building and supporting an inclusive environment that welcomes everyone, no matter their differences. This approach provides a sense of belonging, nurtures a healthier and supportive workplace, and helps to drive optimum performance in support of our mission to help people take control of their health.*

## employees nationwide

MannKind employs people in more than 30 states nationwide, with the majority based out of our R&D and manufacturing facility in Danbury, Conn. At the conclusion of 2020, there were 241 employees, and by the close of 2021 we had built to a head count of 349 – an increase of 45% YOY. This momentum directly correlates to MannKind's continued expansion of its pipeline and manufacturing capacity.

## diverse talent

We are committed to offering an inclusive and diverse working environment. MannKind strives to recruit and retain diverse talent as we believe our team should reflect the communities in which we serve.

### At year-end 2021:

43%

Female  
(self-identified)  
employees  
companywide

38%

Ethnic Minority  
(self-identified)  
employees  
companywide



## supporting our employees and families

We established a Total Rewards benefits package to provide options and optimally support each employee's individual and family unit needs today – and on into retirement. In addition to a market competitive base salary with an ample PTO/holiday schedule, employee referral bonus, and work-life flexibility, MannKind offers a wide range of incentive programs and support in times of need. Following are some key offerings, and a full view of our Total Rewards to thrive with MannKind is available in the [Careers](#) section of our corporate website.

- **annual bonus or sales incentive program:** Every employee at MannKind is eligible for a variable compensation plan. Plans are intended to motivate each MannKind employee to do his or her part to help drive company performance and to share in the rewards when both Company goals and individual performance goals are met. Bonus/Sales incentive Compensation targets are designed to be at or above market, aligned to a pay-for-performance culture.
- **annual stock award program:** At MannKind, we align the interests of employees with the interest of shareholders. We proudly offer an annual stock award program open to all employees, so all employees of MannKind have an ownership stake. When our investors benefit, we benefit along with them.
- **retirement savings program:** Our 401(k) plan is designed to allow employees to save for retirement. The plan provides a competitive matching contribution and a variety of investment choices so that employees can tailor their retirement planning to their individual needs.
- **employee stock purchase program:** Employees are eligible to participate in our Employee Stock Purchase Program, and may purchase shares of common stock at a discount via post-tax payroll deductions.

- **paid parental leave:** For new parents, we proudly offer four weeks of paid leave that is available for use within one year of post-birth, adoption or foster care event.
- **employee recognition programs:** Our Mannitarian Recognition Program rewards employees who go “above and beyond.” Any employee may nominate another employee with both financial and non-financial recognition.
- **employee assistance program:** We know life is complicated, and sometimes we all just need a little help. Our Employee Assistance Program (EAP) helps manage employee family's total financial, and mental, emotional and physical well-being.
- **survivor benefits:** MannKind offers employees Basic Life and Accidental Death & Dismemberment insurance, which can provide peace of mind for their families.



## recognition

MannKind earned multiple awards in 2021, including six from Comparably's best places to work categories – Best Corporate Culture, Best Company Career Growth, Best Company Happiness, Best CEO, Best Company Compensation and Best CEOs for Women.

It is MannKind's policy to conduct our business in an environmentally responsible manner that minimizes environmental impact. We are committed to identifying, minimizing and, if practicable, eliminating the use of any substance or material that may cause environmental damage.

# mannkind

We practice continuous improvement in reducing waste generation and disposing of all waste through safe and responsible methods.

MannKind firmly believes in working to minimize environmental risks by employing safe technologies and operating procedures, and employees are always prepared to respond appropriately to accidents and emergencies. Employees companywide proudly comply with all applicable environmental laws.

## **LEED and energy star certified building**

When MannKind moved its West Coast office in 2017 to Westlake Village, Calif., it prioritized a site recognized for sustainability. The building is not only certified Energy Star, but has achieved Silver LEED certification classification, and is equipped with electric vehicle (EV) charging stations.

Developed by the U.S. Environmental Protection Agency (EPA) in partnership with the U.S. Department of Energy (DOE), Energy Star certifications identify that a building is among the top 25% most energy efficient buildings of its type. The Leadership in Energy and Environmental Design (LEED) is a rating system administered by the U.S. Green Building Council (USGBC), and is recognized as the leading international program for sustainable building design and construction. Attaining LEED certification demonstrates environmentally responsible building practices in terms of energy efficiency, water usage, air quality, and choice of building materials.

## **energy compliance with Connecticut DEEP**

Each year, we utilize energy to manufacture medicines that help people live life more humann. MannKind steadfastly remains within Connecticut Department of Energy and Environmental Protection (DEEP) guidelines to be responsible stewards of the environment.

As product demand increases, and as we continue to produce future medicines, the expectation is that production will increase, and energy use will naturally as well. This does not impede our efforts to reduce energy consumption and/or the transition to renewable energy sources. And no practice is too small or too large for consideration as MannKind's Project Lightbulb proves at its Danbury facility. MannKind employs local State initiatives for replacing lightbulbs with more energy-saving light emitting diodes (LEDs). Lightbulbs may sound small, but our manufacturing facility utilizes an estimated 10,000 lightbulbs, so replacements can be impactful.

## **water usage and treatment system**

Water is a valuable resource and MannKind treats it with respect. Water is a necessity in manufacturing medicines – whether it be for creating steam for humidification or for complying with intensive cleaning standards and guidelines. In Danbury, water is sourced from the City for use throughout MannKind's facility. Once water is used, it is returned through Publicly Owned Treatment Works (POTW) to clean it. Water that we altered for use is treated on-site at MannKind to ensure proper Ph and temperature levels in accordance with CT Department of Energy and Environmental and Protection regulation. MannKind maintains a permit through the State of Connecticut to operate its water treatment system on-site and maintains thorough records for government inspection and compliance.

## waste management and PiE

It is always our intention to minimize and properly dispose of waste that naturally accumulates from research, development and manufacturing of medicines, as well as general and administrative services. Pharmaceuticals in the environment (PiE) can have serious health consequences, and MannKind maintains strict disposal processes that are in compliance with the Research Conservation and Recovery Act (RCRA). We maintain multiple teams focused on proper waste management relative to proper waste management, including solid, construction bulk, proprietary, biohazard, sharps, and more. MannKind also monitors stormwater catch basins-to ensure run-off from the facility is clean and non-impactful to the environment.

## recycling

MannKind's manufacturing facility and California office maintains recyclable waste programs, including paper, plastic, glass, metal, battery, and other materials.

For more information regarding  
MannKind's ESG practices, please contact:  
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