

a future we create

2021 environmental, social, and governance report

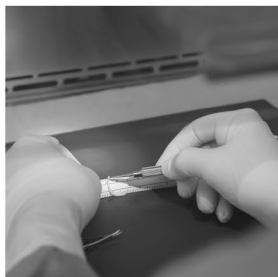
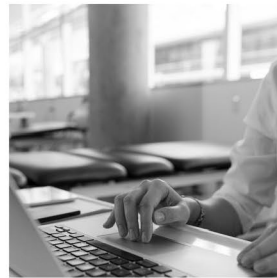
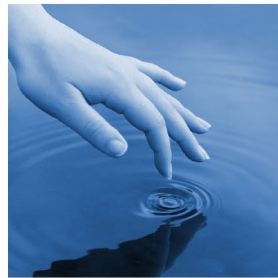


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Reporting Framework

This marks Axogen's first ESG report. We have composed these disclosures based on our assessments of our industry, our peer group, and what we believe to be some of the most relevant questions to our long-term success. In doing so we have been inspired by many of the Sustainability Accounting Standards Board (SASB) questions, within the Sustainability Industry Classification System, for both Medical Equipment and Supplies and Biotechnology and Pharmaceuticals.

As we continue along this path, we accept that there will be new discoveries, that additional data will be generated, and we will need to respond to changing circumstances. As such, we will continue to evaluate these topics in the future and, accordingly, our disclosures may evolve over time.

Cautionary Statements Concerning Forward-Looking Statements

This ESG report contains "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations or predictions of future conditions, events, or results based on various assumptions and management's estimates of trends and economic factors in the markets in which we are active, as well as our business plans. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," "continue," "may," "should," "will," "goals," and variations of such words and similar expressions are intended to identify such forward-looking statements. The forward-looking statements may include, without limitation, statements related to the impact of COVID-19 on our business, hospital staffing challenges and its impact on our business, statements regarding our growth, our financial guidance and performance, product development, product potential, regulatory process and approvals, APC renovation timing and expense, sales growth, product adoption, market awareness of our products, anticipated capital requirements, including the potential of future financings, data validation, expected clinical study enrollment, timing and outcomes, our assessment of our internal controls over financial reporting, our visibility at and sponsorship of conferences and our educational events, regulatory process and approvals and other factors, including legislative, regulatory, political and economic developments not within our control. The forward-looking statements are and will be subject to risks and uncertainties, which may cause actual results to differ materially from those expressed or implied in such forward-looking statements. Forward-looking statements contained in this press release should be evaluated together with the many uncertainties that affect our business and our market, particularly those risk factors described under Part I, Item 1A., "Risk Factors," of our Annual Report on Form 10-K for the most recently ended fiscal year, as well as other risks and cautionary statements set forth in our filings with the U.S. Securities and Exchange Commission. Forward-looking statements are not a guarantee of future performance, and actual results may differ materially from those projected. The forward-looking statements are representative only as of the date they are made and, except as required by applicable law, we assume no responsibility to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances, or otherwise.

letter from the ceo

Dear Stakeholder,

I am proud to present Axogen's inaugural Environmental, Social, and Governance (ESG) report highlighting our Company's commitment to the patients who drive our mission, the communities we serve, and to our pursuit of advancing the science of nerve repair in ethical and sustainable ways.

In 2022, we will celebrate our Company's 20th anniversary by recognizing our growth and, more importantly, the mission that has remained unchanged since our founding: we are passionate about restoring nerve function and quality of life to patients with peripheral nerve injuries.

Like many other companies, we continued to see challenges related to the COVID-19 pandemic, but we continued to drive forward in executing our strategic imperatives. We reported \$127.4 million in revenue in 2021 and we remain a high-growth company. We define a high-growth company to be in the high teen to low 20 percent growth post the current COVID disruptions. Our best-in-class gross margin of 82% has allowed us to invest in marketing and sales, research and development, and infrastructure. We have continued to operate with our patients as our top priority, and with a strong focus on our Company's growth to realize our mission. In the pages that follow, you will see our commitment to governance, operations, and products all geared toward

maximizing our impact on patients struggling with nerve damage. This ranges from creatively pivoting to adjust to supply chain issues, to adding digital tools to expand our outreach to surgeons and patients, to advancing our innovation pipeline with new products in development and clinical studies to expand our treatment algorithms.

We are also profoundly focused on our employees and the communities we serve. In 2021 we initiated new programs in Diversity, Equity, and Inclusion (DE&I) to continue to broaden our reach to talent, launched our first Employee Resource Groups, and continued to foster our Axogenic Values. We expanded educational opportunities for our employees, adding many online training modules to our learning management system.

I hope you enjoy this report, as inspired by the Sustainability Accounting Standards Board's (SASB) topics for disclosures. In the coming years, we plan to expand our alignment with SASB and other reporting frameworks. I look forward to continuing to report on our progress as a Company.



Karen Zaderej
Chairman, CEO, and President

about axogen

Our Mission

Every decision at Axogen is made with our mission top of mind: We are passionate about restoring nerve function and quality of life to patients with peripheral nerve injuries.

Our Vision

Build the preeminent peripheral nerve Company by:

- Being the company where exceptional people want to work.
- Increasing awareness of the impact of nerve damage on quality of life.
- Providing innovative, clinically proven, and economically effective solutions to transform and improve patients' lives.
- Being the trusted resource and partner for patients, clinicians, providers, and payers.
- Driving sustainable, long-term growth.

our story

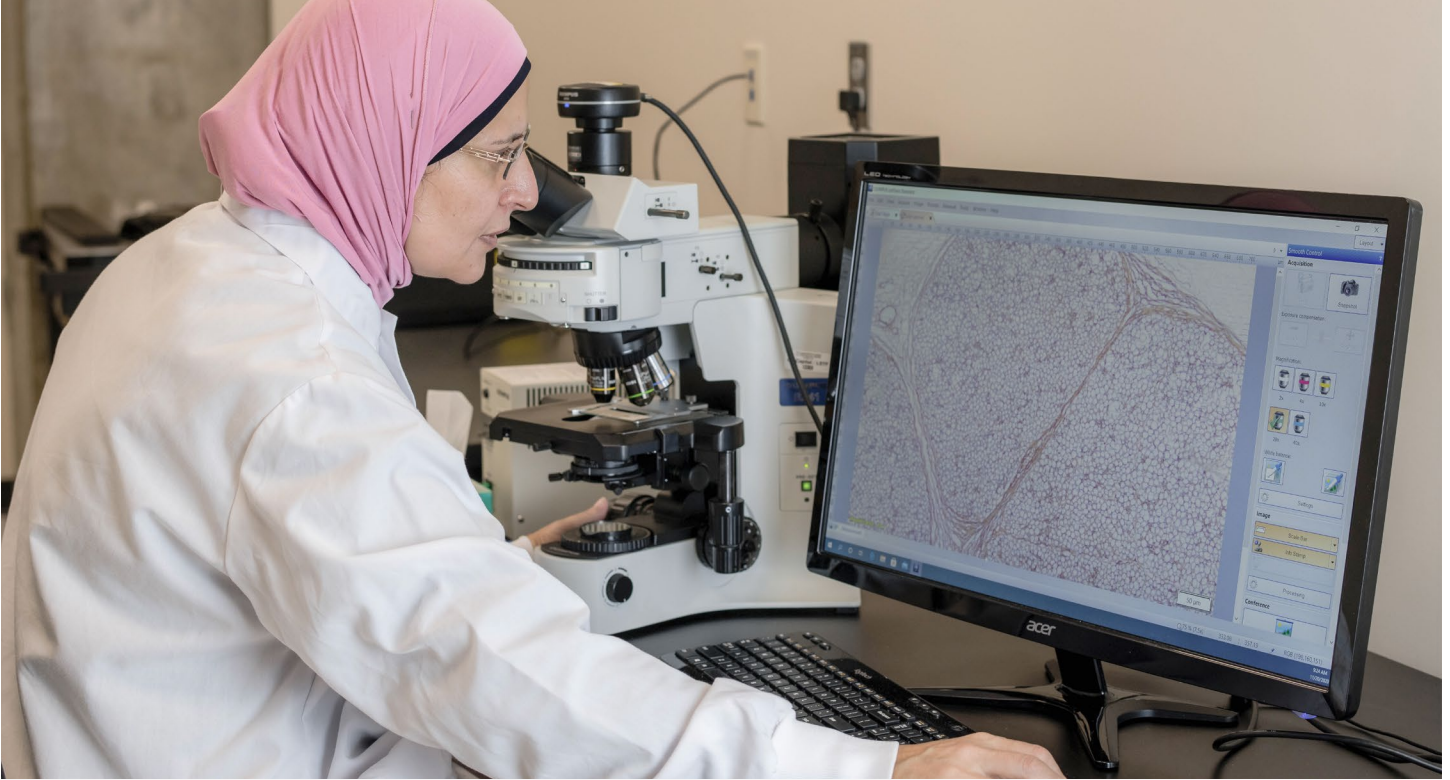
Every day, people suffer traumatic injuries or undergo surgical procedures that impact the function of their peripheral nerves. Physical damage to a peripheral nerve, or the inability to properly reconnect a peripheral nerve, can result in the loss of muscle or organ function, the loss of sensory feeling, or the initiation of pain. Axogen's comprehensive portfolio of products can help patients regain the ability to kiss, smile, hug, walk, eat, touch, run, feel—some of the many things healthy peripheral nerves allow us to do.

At Axogen we pride ourselves on being the leading company solely dedicated to improving quality of life for patients suffering from peripheral nerve damage, which can limit their ability to move and feel or to live pain free. Our mission to provide meaningful surgical solutions to the clinicians

who treat these patients is what drives us at every level of the business. We are a purpose-driven team motivated by the patients whose lives we are able to improve. At Axogen employee meetings we make a point to focus on the patients impacted by our products as a key metric that speaks to the success of our work.

We expect a lot from our team at Axogen, and the full team is aligned in our dedication to the patients and clinicians we serve. Our efforts to consciously cultivate a patient-first culture have contributed to our success. Our platform for nerve repair includes a comprehensive portfolio of surgical solutions to help restore nerve function and patient quality of life.

“Our efforts to consciously cultivate a patient-first culture have contributed to our success.”



Our R&D team actively explores potential new technologies and enhancements to our existing portfolio of nerve repair surgical solutions.

Our products and techniques have been extensively evaluated by nearly 450 surgeons and clinical investigators, and results have been published in more than 180 peer-reviewed clinical publications. These powerful clinical outcomes are made possible by collaboration between our purpose-driven team, clinicians, and patients.

Axogen is building the peripheral nerve repair market, expanding applications, and increasing adoption of our products, technologies, and techniques—all with the

goal of addressing unmet patient needs and advancing a meaningful pipeline of nerve repair solutions. We believe our track record of growth, market expansion, and clinical results has established a solid foundation for continued success.

our products

Axogen takes pride in pioneering regenerative medicine solutions and being the only Company solely dedicated to peripheral nerve repair. Our products and techniques are addressing unmet patient needs. Current standard-

of-care procedures for long-gap nerve injuries often involve removing a nerve from another part of the patient's body to repair the damaged nerve, which can cause a loss of function and sensation at the donor site. Standard-of-care procedures for small-gap nerve injuries often result in tension at the repair site, which can inhibit proper regeneration, and result in impaired function and risk of pain.

We are expanding adoption of our products in a wide variety of nerve repair surgeries including extremity trauma, compression surgeries such as carpal tunnel

Repair Transected Nerves

Repairing transected nerves is critical for the return of sensation and motor function.



[Avance® Nerve Graft](#) is Axogen's biologically active off-the-shelf processed human nerve allograft for bridging severed peripheral nerves without the comorbidities associated with a second surgical site.



[Axoguard Nerve Connector®](#) enables connector-assisted tensionless repair for short-gap nerve injuries.

Protect Damaged Nerves

Protecting damaged nerves during the healing process is important for more consistent patient outcomes.



[Axoguard Nerve Protector®](#) wraps and protects the injured nerve, to reinforce the nerve reconstruction and minimize the potential for soft tissue attachments.

Terminate Nerves when repair is not possible



[Axoguard Nerve Cap®](#) protects a nerve end or stump and separates the nerve from the surrounding environment to reduce the development of a symptomatic or painful neuroma.

Assess Nerve Damage

Assessing nerve damage and evaluating nerve regeneration is an important aspect of patient care.



[AxoTouch® Two-Point Discriminator](#) can help measure return of sensation after a nerve injury.

revisions, oral and maxillofacial applications, breast reconstruction neurotization, and the surgical treatment of pain. Nerve repair in the extremities due to traumatic injuries is currently Axogen's largest clinical application; however, most of the Company's current active accounts are still at an early stage of penetration, which allows for continued market expansion and growth. With our launch of Axoguard Nerve Cap® in 2020, our products address nerve connection, nerve protection, and now nerve termination.

Our products are used by a wide variety of specialists such as reconstructive plastic surgeons, hand surgeons, and oral and maxillofacial surgeons. We are proud of Axogen's role in revolutionizing the science of nerve repair; we will continue to expand our portfolio of products and develop new nerve repair applications where we believe we can bring meaningful solutions to current clinical challenges.

our patients

Every year, over 900,000 people are impacted by peripheral nerve damage. There are many causes of nerve damage – from accidents to compression to surgical procedures – leaving patients with pain, loss of sensation or movement, and/or a reduced quality of life.

Our commitment to improved patient outcomes has been at the core of our business since the Company's founding, and today fuels Axogen's innovative product portfolio, physician education initiatives, clinical research, and patient awareness campaigns. We see a tremendous and untapped opportunity to make a meaningful difference for those who suffer the effects of peripheral nerve damage.

Our Patient Ambassadors

The life-changing impact of a nerve injury is best described by those who have experienced it. Axogen has dedicated significant resources to increasing patient awareness and education by amplifying voices of patients and bringing the science of nerve repair to life through its Patient Ambassador program.

**David M., Avance Nerve Graft and Axoguard Nerve**

Protector: David suffered a gunshot wound when he and his wife unknowingly interrupted a home invasion, severing David's sciatic nerve, impacting his ability to walk, and leaving him in debilitating pain.

Fortunately, David's surgeon removed a painful neuroma and significant scar tissue that had developed around the injured nerve, resolving the pain, and then repaired the resulting nerve gap with Avance Nerve Graft and Axoguard Nerve Protector. David is grateful to be pain free and continues to regain both sensation and motor function to his injured leg.

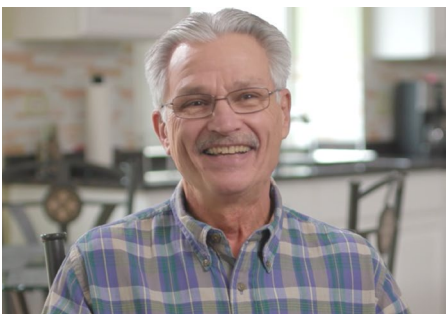
**Jessica, Avance Nerve Graft and Axoguard Nerve**

Connector, Resensation®: After a stage 2 breast cancer diagnosis, Jessica underwent a bilateral mastectomy and months of chemotherapy. As a nurse, she recognized that the nerves providing sensation to her breasts would be removed as part of her double mastectomy. She was thrilled to learn about the Resensation surgical technique and asked that the procedure be included during her natural tissue

reconstruction. Jessica is grateful to feel whole again now that sensation has returned to her chest.

**Pablo, Axoguard Nerve Graft and Axoguard Nerve**

Connector: A benign tumor was found encompassing a large portion of Pablo's chin, affecting the inferior alveolar nerve on both the right and left sides of his face. Following tumor removal and jaw reconstruction, a bilateral reconstruction of his IAN was performed using Avance Nerve Graft and Axoguard Nerve Connector. Post-surgery, Pablo is back to face-to-face meetings with clients and enjoying his family's social life.



David, Axoguard Nerve Protector: Following his 49th marathon, David suffered from a compressed peroneal nerve, rendering it difficult to walk, much less run. His peroneal nerve was decompressed and wrapped using Axoguard Nerve Protector. David was able to run again and complete his 50th marathon.

Testimonials from patients regarding our products are not necessarily indicative of the effectiveness or viability of our products. These testimonials are individual experiences, reflecting real life experiences of those that have received surgeries using Axogen products. However, they are individual results and results may vary. We do not claim that they are typical results that patients will generally achieve. The testimonials are not necessarily representative of all of those who will receive surgeries using Axogen products.

These testimonials are applicable to the specific individuals giving such testimony and may not be indicative of future outcomes for prospective patients. Axogen cannot and does not guarantee specific outcome metrics.

governance

Axogen has an nine-person board of directors that offers oversight to the organization with four key committees: Audit; Compensation; Governance, Nominating, and Sustainability; and Quality, Compliance and Portfolio Management; and an advisory board made up of scientists, surgeons, and regulatory experts. Axogen's ESG commitment lives within the Governance, Nominating and Sustainability Committee, and the Compensation Committee.

Axogen's Executive Management Team is charged with setting the direction and execution of the Company, and the senior leadership team has a deep functional knowledge to lead the day-to-day execution of the Company's strategic priorities.

ethics

At Axogen, ethics is not merely "checked off" our



to-do list. Instead, we accept that our patient-centered mission requires us to be ever diligent to prevent and detect fraud, abuse, and misconduct. This acceptance occurs within the atmosphere of our daily work; our employees work and train together to support this mission.

Toward those ends, we adopted and operate in accordance with the principles set forth in the AdvaMed Code of Ethics and our policy requires all of our employees to abide by it. Additionally, our Healthcare Compliance Committee

monitors changes in international, federal, and state health care laws and regulations to ensure we are in compliance with relevant requirements. All promotional content, marketing materials, and educational support materials must go through a rigorous process for approval by cross-functional stakeholders and leadership prior to being used.

Additionally, we require all employees to annually complete online training on our ethics policies and tie accountability and disciplinary measures to possible violations of these policies. Any violation of these policies could result in significant action, up to and including reduction in benefits or termination of employment (subject to applicable law).

Our policies also make clear that violations of certain applicable laws may also result in criminal prosecution of responsible individuals. The Executive Compliance Committee meets at least quarterly and addresses enforcement, inspection, training, reporting, and resolution of code of ethics and associated matters.

Below are some of our comprehensive codes of conduct and protectionary policies:

- [Code of Business Conduct and Ethics](#)
- [Whistleblower Policy](#)
- [Anti-Fraud Policy](#)
- [Anti-Human Trafficking Policy](#)
- [Business Partners Code of Conduct](#)

Additionally, Axogen follows the U.S. Department of Health and Human Services, Office of Inspector General (OIG) recommendations on employee and third-party vendor screening and evaluations. All employees and business partners are reviewed monthly for exclusion screening. Additional third-party due diligence screening is conducted which includes financial, IT, reputational, or political risk of our critical suppliers, foreign third-parties, domestic and international distributors, and other business partners.

We also monitor the effect of our actions. In 2021, we had zero monetary losses related to legal proceedings associated with bribery, corruption, or false marketing claims.

responsible procurement practices

All of the Company's suppliers and distributors involved in the design, development, manufacturing/processing, and distribution of Axogen products are evaluated and approved via our corporate supplier management process. Supplier management is risk-based, evaluating the potential impact a supplier's activity can have on Axogen operations. Component, packaging/labeling, contract manufacturing and sterilization, contract laboratory, and tissue agencies are categorized as Class A (Tier 1) suppliers due to the potential impact they may have if a problem were to occur. The tools used to evaluate and manage these suppliers include quality agreements, questionnaires, audits performed by Axogen to ensure supplier compliance with ISO 13485:2016: Quality Management System Standard and 21 CFR Part 820: Current Good Manufacturing Practice, and the review of third-party certifications. Of the 21 Class A suppliers utilized by Axogen, 16 (71%)



have been audited by a third party (either ISO certified, or FDA registered and inspected).

cybersecurity and data privacy policy

Axogen understands the critical nature of its data security and has a dedicated in-house team of IT specialists managing these risks. We conduct periodic assessments of our security posture for all critical cybersecurity areas, including data security, and we review the policies/controls that interface with third-party business systems, enterprise applications, and associated touchpoints. We also engage with, evaluate, and mitigate our risk with multiple third-party experts, including: our phased implementation of Center for Internet Security (CIS) controls and sub-controls; our delivery of Company-wide security awareness trainings covering topics such as phishing, ransomware, social engineering, and network security; and other cybersecurity hygiene. We also use third-party experts to review our cybersecurity plans, conduct system

audits, and employ penetration and phishing testing to gauge our results and improve upon any deficiencies. Some of this year's data security improvements include launching a unified Single Sign On (SSO) and Multi-Factor Authentication (MFA) enterprise application across our network; implementing a new classification system for our data assets; and preparing to implement additional security software and hardware-based solutions to reduce the likelihood of a data security breach.

We look at data security as a process where potential vulnerabilities require tailored solutions and updates. Part of that process includes evaluating our results: in 2021, we experienced three email-based phishing attempts. All attempts at compromising our data were blocked internally by our security monitoring systems. Accordingly, no known corporate or customer data was obtained by these attempts. Additionally, we have had zero known security breaches, zero known breaches involving personally identifiable information, and zero known instances of customers affected by an Axogen security breach in 2021.

operations

covid response

With our background in biotechnology and health science, we have taken a proactive approach to navigating the COVID-19 pandemic. We created a COVID-19 Task Team that analyzed how our operations might be affected. This assessment resulted in instituting several new and updated protocols designed to keep our employees safe while still serving our customers and providing the products nerve injury patients need.

We built a back-up distribution center in our Alachua office to ensure uninterrupted product shipments; we updated our processing and distribution facilities to allow for our teams in Dayton and Burleson to return at full capacity; we implemented revised safety protocols that allowed our Alachua and Tampa employees to return to office on a rotational schedule; we

safely returned the R&D team fully to our labs to continue important development work, and we implemented additional tools that enabled many of our clinical studies to execute enrollment and subject follow-up.

We returned many of our surgeon education programs to an in-person format while also continuing to provide many of the virtual education options that were effectively introduced during the pandemic. Our field-based team returned to supporting HCPs onsite in health care facilities, following all Company and facility specific safety protocols including compliance with required vaccination policies. Axogen employees at all Company facilities received additional online training and followed safety protocols including: social distancing, temperature screenings, masking and quarantining procedures, contact tracing and decontamination

protocols, and other policies in accordance with Center for Disease Control (CDC) guidance and health care facilities' requirements, and infection monitoring programs.

All Axogen employees were trained on these new work and travel policies, face coverings, vaccination programs, and modified office arrangements. As the pandemic unfolded, our team monitored these developments and re-evaluated our procedures in response to the evolving external environment. We disseminated this information through numerous virtual COVID-19 educational programs, periodic emails, and a dedicated intranet page.

Our efforts necessitated the creation of a confidential communication system through which we could track employee vaccinations, exposures, and test results. Information gathered shows that in 2021, 37

employees reported positive COVID test results and approximately 83% of our employees were vaccinated against COVID-19.

During the pandemic, employees in our Alachua and Tampa offices transitioned to rotational in-office schedules in reduced contact office environments. We formed a Better Together Task Force, comprised of employees from all areas of the Company to research, discuss, and recommend the best path forward for an effective transition to our next normal. The result is a hybrid work schedule that includes core in-office collaboration hours, flex days with the option to work from home, and designated time to focus on individual and small group projects. We have plans to discontinue rotational schedules in 2022 but will monitor pandemic developments and CDC guidance to ensure that we can do so safely. We believe this balanced schedule allows us the best opportunity to foster innovation and collaboration while supporting our employees' need for flexibility.



facilities & growth

Axogen employs nearly 400 professionals at five physical locations, with a remote sales force operating in the many markets the Company serves. Axogen's headquarters office is in Alachua, Florida, a growing center of biotech and regenerative medicine adjacent to Gainesville, Florida, and the University of Florida. In October 2020, we opened a second corporate campus equipped with state-of-the-art labs and meeting space in Tampa, Florida. Our global distribution facility is in Burleson, Texas, and our tissue processing center is in Dayton, Ohio. In addition, we are building a state-of-the-art biologics processing center (APC) in Vandalia, Ohio which is expected to begin processing at the beginning of 2023. Over the next few quarters, the Dayton processing center will be ramped down as the operations are transferred to the APC.

Throughout 2021, all five facilities had significant activity, all of which helped to spur the growth of the organization and helped to realize its mission, while engaging Axogen employees every step of the way and staying true to the Company's commitment to local economic development by focusing a significant portion of project budgets in the local community.

Corporate Campus in Tampa, Florida

Axogen hit an important growth milestone in October 2020 with the opening of our second corporate campus, located in Tampa, Florida. The opening, and the time spent since then finalizing the office space and immersing our organization within the Tampa community, has been a pivotal time for the organization.

We are expanding our presence in a community that supports innovation and recruitment while also laying a strong foundation for continued growth and

expansion. The 75,000 square-foot facility includes a world-class research center at the heart of the facility and includes specific labs for general research, tissue processing, electro-mechanical development, cell culture, chemistry, and advanced manufacturing—all complete with beautiful views of downtown Tampa. This state-of-the-art lab space emphasizes the importance we place on research, science, and innovation. The building also includes modern training facilities, offices, meeting rooms, and employee gathering spaces and is in the fast-growing

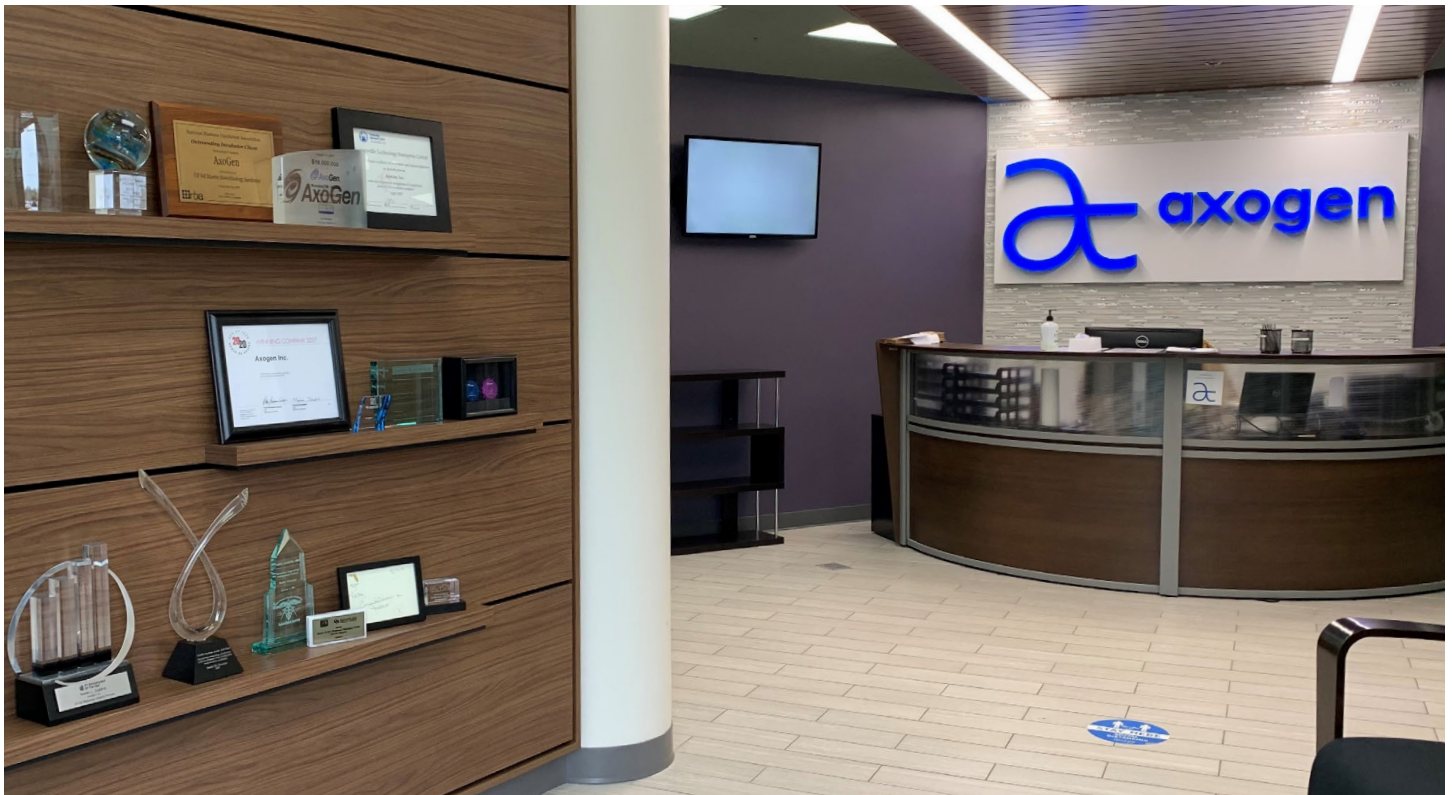
neighborhood of Tampa Heights.

We selected a site that allowed for the work, live, play lifestyle that appeals to employees and provides engagement for recruiting. This urban setting near transportation allows options of urban, suburban and rural living for employees with good schools in an exciting and vibrant city. Nearby is the Hillsborough River and Armature Works with the Riverwalk, providing opportunities for walking, cycling and gathering.

The office was built to hurricane standards,



Axogen's new corporate campus in Tampa includes a variety of amenities and an open town hall area for employee gatherings.



The Alachua campus underwent significant renovations during 2021.

including a back-up generator on the roof to maintain operations in the lab in the event of a storm or power outage. The office was also built with energy efficiency efforts and water conservation in mind, including water fountains designed to refill reusable water bottles.

As we designed and opened the new office—even during the COVID-19 pandemic—our mission and our employees were at the forefront of everything we did. We worked closely with an employee committee to decide on design features

and the look and feel of the office. This ranges from the art on the walls to the fact that executives are situated in the center of the office space, while employees have prime window views.

Headquarters in Alachua, Florida

While offering relocation assistance to employees interested in moving to our new Tampa campus, Axogen also continued to focus on its employee base in Alachua to support continued growth and to enhance the employee experience. The Alachua campus is in Progress Park,

an innovation center for biotech companies near the University of Florida and Shands. The location offers the opportunity for networking with other start-up biotech innovators as well as the hiking and cycling of the San Felasco State Park located down the road.

“As with the Tampa campus, employee input and engagement were paramount, with Alachua staff offering suggestions on updates and improvements.”



All tissue processing will transfer to the new Axogen Processing Center (APC), which is located just outside of Dayton in Vandalia, Ohio, in 2023.

The Alachua campus underwent significant renovations during 2021, including the addition of a permanent backup distribution facility with freezers connected to backup power and an automated carbon dioxide exhaust system. For employees, we upgraded the breakroom with new furniture, created a new covered outdoor break area, and we constructed a larger and updated nursing mother's room. New carpet, fresh paint and bathroom upgrades throughout the building and updated signage helped round out the renovations.

As with the Tampa campus, employee input and engagement were paramount, with Alachua staff offering suggestions on updates and improvements. To allow for a cohesive aesthetic across facilities, Alachua's lobby was upgraded to have a similar look to the new Tampa facility.

Processing Centers in Dayton, Ohio

We currently lease space for processing from Community Tissue Services. This arrangement has been a good synergistic partnership since 2015. To support the growth of our operations, while also allowing us greater control of our safety and manufacturing protocols, we decided to relocate our Dayton Processing Center (DPC).

The new Axogen Processing Center (APC), which is located just outside of Dayton in Vandalia, Ohio, will represent a significant upgrade of the facility. The ISO 14644-7 processing rooms have redundant HVAC systems running in parallel, so if one of the systems goes offline for either preventive maintenance or an unexpected failure, the backup system will ramp up to carry the load. The facility was designed with future growth in mind. We have plans to add clean rooms, and have the connections and space for additional Heating Hot Water Boilers and Chillers for increased capacity. The APC will also feature enhanced fire protection and sensing, building security, and space for future growth.

APC has also been developed with a number of sustainability measures, all of the restrooms have blower type hand dryers eliminating paper towels; all lighting is LED and operated via motion sensors for energy savings; all HVAC for ISO rated rooms is on a hydronic system (water based), as opposed to the typical direct use of electricity for cooling and gas for heating, resulting in tighter control of the temperature/relative humidity and lowered energy consumption; a dedicated recycle compactor is on site for cardboard recycling; and all new water fountains are equipped with the ability to refill reusable water bottles with filtered water to reduce the need for plastic bottles.

While we currently employ approximately 65 professionals at our two Dayton locations, the new APC will consolidate our local staff and can accommodate up to 250 employees.

Distribution Center in Burleson, Texas

Axogen's Distribution Center in Burleson, Texas supports the distribution of all products to customers globally. Upon the completion of processing at the Dayton Processing Center, products are shipped to Burleson where they are stored and distributed. In addition to the distribution of Axogen products, the facility also handles labeling and processing of all case stock. Axogen has a service-called case stock which allows a hospital to place a short-term consignment order for a given case. This allows a hospital to only stock the products needed for typical day-to-day traumatic injuries or surgeries while also providing flexibility for a large or unusual procedure that may require multiple grafts.



Axogen's Distribution Center in Burleson, Texas, supports the distribution of all products to customers globally.

Over the past two years, we have made several alterations to the Burleson plant to help support the growth of our organization and to improve the flow of work. This includes expanding our lease—we have grown to occupy seven suites in the building (nearly 70,000 square feet)—and making alterations to floor plans to allow for efficient operations flow. These improvements include environmental measures such as the addition of LED lighting throughout the facility.



environmental

Environmental Impact

As a biotech company of our size, we believe our impact on the environment is modest. However, we are continuously evaluating how we can be the best possible stewards of the environment, and follow local, state, and federal environmental regulations.

We are taking steps in our operations and facilities, as outlined in this report, to positively impact the environment wherever possible. As part of the future we create, in 2022 we plan to conduct a new environmental analysis of all our operations. Our expected next steps, which we plan to report on in the future, include:

- Implementing the recommendations of the Task Force on Climate Related Financial Disclosures.
- Creating a new environmental monitoring program that will be broken down by each of our locations.
- Evaluating and launching new recycling initiatives and programs.
- Working toward ISO 14001 certification, which sets out criteria for an environmental management system.

products

clinical studies

We understand that to build the preeminent peripheral nerve repair Company we need to continually conduct research to effectively transform and improve patient lives. Notwithstanding our desire to develop next-generation solutions, patient safety is our primary mission. To ensure we are meeting these goals, we employ a quality assurance system, including operational techniques and activities, to verify that our requirements for quality of the clinical investigation-related activities have been fulfilled. We follow Good Clinical Practices (GCP), an international ethical and scientific quality standard for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of clinical trials. Our commitment includes adherence to ICH E6 (R2) for medicinal products and ISO-14155:2020: Clinical Investigation of Medical



State-of-the-art lab space was built in at our Tampa facility.

Devices for Human Subjects. As part of this process, we require our clinical research employees to train and re-certify on GCP annually.

Additionally, our internal conduct, management, and/or oversight of Clinical Trials are governed by numerous Standard Operating Procedures, digital and in-person trainings, and audit procedures. These protocols start within a clinical management plan and address proper written protocols, document and database management, informed consent, adverse events, site visits, regulatory

requirements, investigational sites/ investigators, Contract Research Organizations, data retention in an electronic Trial Master File (eTMF) system, and State-of-the-Art Analysis under ISO-14971:2019: Medical Devices: Application of Risk Management to Medical Devices.

We also follow all applicable regulatory standards and guidance documents including Society of Clinical Data Management (SCDM) Good Clinical Data Management Process (GCDMP) Guidelines, FDA Guidance for Industry: Computerized Systems Used in Clinical Investigations, 21 CFR Part 11: Electronic Records; Electronic Signatures, 21 CFR 312.57: Recordkeeping and record retention, 21 CFR 812 Subpart G: Records and Reports, International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH) GCP E6 (R2) Good Clinical Practice Use, ISO-14155: 2020 Clinical Investigations of Medical Devices for Human Subjects, 21 CFR 50 Protection of Human Subjects, 21 CFR 54 Financial Disclosure by Clinical Investigators, 21 CFR 56 Institutional

Review Boards, 21 CFR 312 Investigational New Drug Application, 21 CFR 812 Investigational Device Exemptions.

In 2021, we had six enrolling clinical studies: RECONSM, the pivotal study supporting the BLA (Biologics License Application) submission for Avance Nerve Graft; RANGER[®] Registry, the largest multi-center clinical study in peripheral nerve repair with more than 2,600 repairs; MATCH[®] Registry, comparing Avance outcomes to autograft and synthetic conduits; Sensation-NOW[®], a multi-center registry study in breast neurotization; REPOSESM, a prospective, randomized, controlled study of Axoguard Nerve Cap vs neurectomy; and RETHINK PAINTM, a study designed to capture the patient's pain journey from onset of chronic pain to nerve repair.

“We follow GCP, an international ethical and scientific quality standard for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of clinical trials.”

All our enrolling clinical studies are U.S. or U.K. based. We have no monetary

losses because of legal proceedings associated with clinical trials in developing countries. None of our clinical trials, including those conducted by third parties, were terminated for failure to follow good clinical practice standards. No FDA Sponsored Inspections related to clinical trial management and pharmacovigilance have resulted in a Voluntary Action Indicated (VAI) or an Official Action Indicated (OAI) and we have had zero fatalities associated with our products as reported in the FDA Adverse Event Reporting System.

product safety

Axogen provides solutions to help patients recover from peripheral nerve injuries. To date, over 50,000 Avance nerve grafts have been implanted in patients. We embrace the responsibility that providing implantable tissues and medical devices entails and we regularly monitor quality throughout the product life cycle. We manage this responsibility through effective training, detailed audits and inspections of our facilities and products, and meticulous reviews of how we have measured up to our specifications.

This includes a Quality Management System that is accredited to American Association of Tissue Banks (AATB) and National Association of Boards of Pharmacy (NAPB) standards, registered to ISO 13485 standard and complies with U.S. regulations under 21 CFR 1271 (Good Tissue Practices) and 21 CFR 820 (Quality System Regulations). Additionally, when appropriate, international regulations are incorporated into the Quality Management System. To ensure effective and safe delivery to the patient, products are labeled and traced from their inception, they continue through transportation to the health care facility, and conclude with the end recipient. Axogen has a robust Corrective Action and Preventative Action Program (CAPA) and complaint/feedback system that is critical to our commitment to patient safety.

We have not issued or had any of our products recalled. Our product portfolio is heavily regulated by the U.S. Food and Drug Administration, and we constantly monitor our compliance with industry accepted good practices.

We have never had an FDA enforcement action taken in response to violations of Good Manufacturing Practices (GMP), never had any of our products listed in the FDA MedWatch Safety Alerts for Human Medical Products Database, and never had any fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience.

product lifecycle

Products are tracked by lot and serial number from donors through processing, shipping, storage or sale, implantation, demonstration, or destruction. This tracking occurs via an electronic records system and tissue utilization record system. Our inventory specialists work closely with our sales representatives and distribution partners to ensure product allocation is carefully monitored. Furthermore, product supplies are audited, and the results reviewed.

We also implement initiatives to ensure a safe product supply is available and to prevent the introduction of expired products into a black market, abuse, or release into the environment.

In 2021, we estimate 400 pounds of unused goods (or 0.18 Metric tons) was repurposed into a pool for surgeon education and demonstration. After this demonstration use, the product is destroyed.

Our products are small and lightweight. However, the packaging required to provide a sterile barrier and reliable cold storage adds weight and volume. An estimated 80% of the weight is from the product packaging (Tyvek/foil, clamshell, box):

- 1. Direct product/devices/equipment – 80lbs, 0.04 metric tons**
- 2. Associated supplies/packaging – 320lbs, 0.14 metric tons**

We are aware of no instances of counterfeiting of our products. Accordingly, there have been no raids, seizures, arrests, and/or filing of criminal charges relating thereto.

people

Our culture is built on our core Axogenic Values, which guide everything we do each day:

- Patient safety is our first priority.
- Respect is the foundation for communication and action.
- Being effective stewards of the gift of human tissue.
- Creating and maintaining a Company culture that encourages and rewards honesty, openness, passionate debate—and fun!
- Individual ownership and empowerment lead to superior team results.
- The organization, its members, and partners must consistently achieve agreed upon results with flexibility and mutual support.
- Speed is critical!



Employees celebrated a company milestone with an ice cream social.

human resources

At Axogen, we understand the tremendous value our employees provide to develop new products, conduct clinical studies, engage with physicians and stakeholders, improve patient quality of life, manage product safety, and drive sustainable long-term growth. Many of our employees are dedicated to Research & Development - we recognize that these highly skilled employees are what drive our future and we are heavily invested in their recruitment, development, and retention. Other significant roles within the organization include operations, sales, and marketing.

Many of our new hires come from an experienced pool within the biotechnology or medical device sectors and we diligently search to find the best talent, and fit, for Axogen's success. Some

of these individuals are referred from within our existing network of talented professionals and we offer a referral bonus for their efforts to bring the best talent to Axogen. We also strive to increase awareness of our Company within the job market through speaking engagements, networking, job fair events, and providing additional outreach tours to students and the scientific community.

Some of our recruitment efforts are to engage with the next generation of scientists and engineers through targeted awareness and internship programs. We partner with schools such as University of Texas, University of South Florida, University of Florida, Florida State University, Purdue University, and Florida A&M University. We also work with Women in Life Sciences, Society for Asian Scientists and

Engineers (SASE), Society of Women Engineers (SWE), and BioFlorida to educate students and professionals about career opportunities available with Axogen.

We build from our engagement on the cutting-edge of the biotech/medtech field with a successful remuneration strategy that combines market competitive compensation and benefit packages, educational reimbursement for advanced degrees, and relocation assistance. We offer all employees the opportunity to enroll in leadership and career development programs and support external development through continuing education. We also encourage external professional networking, conference, and trade show participation.

Our teams have clearly defined career ladders that provide employees with visibility for their growth opportunities on the technical or managerial ladder. Employees receive individual career development plans focused on developing specific skills, including a mix of on-the-job-training, advanced external training, stretch assignments, mentoring, and coaching resources. Employees actively participate in annual job performance review

discussions, and we offer all employees the opportunity to contribute to an employee engagement survey and voice their questions, feedback, and ideas. This process includes teams developing department specific action plans to improve focus areas. We champion our employees' achievements through recognition spotlights, annual award programs, and the opportunity to be recognized for inventions and patents. We also encourage our employees to engage with new audiences by holding peer-led journal clubs to stay current with relevant industry literature; encourage and facilitate speaking opportunities at key universities with which we have relationships; and encourage scientific staff to lead senior design projects in collaboration with several universities.

Our HR department is responsible for ensuring all people metrics are tracked through the use of an HR Information System (HRIS). Our HRIS software provides a centralized repository of employee data that allows our HR team to collect, store and verify employee information in order to complete core HR processes including reporting. These metrics are tracked on a monthly, quarterly, and annual basis. The data provided reasonably reflects the 1/1-12/31/2021 period and was provided as of 12/31/2021. Our HR team carries out routine data audits to ensure accuracy of the information available when providing dashboards and more detailed reports to users in the organization.



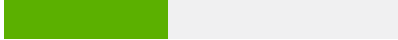
Our volunteer Activities Committee organizes an annual Halloween costume contest across all locations.

average age

35.04

gender

41% Female

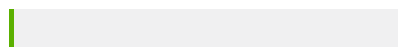


59% Male

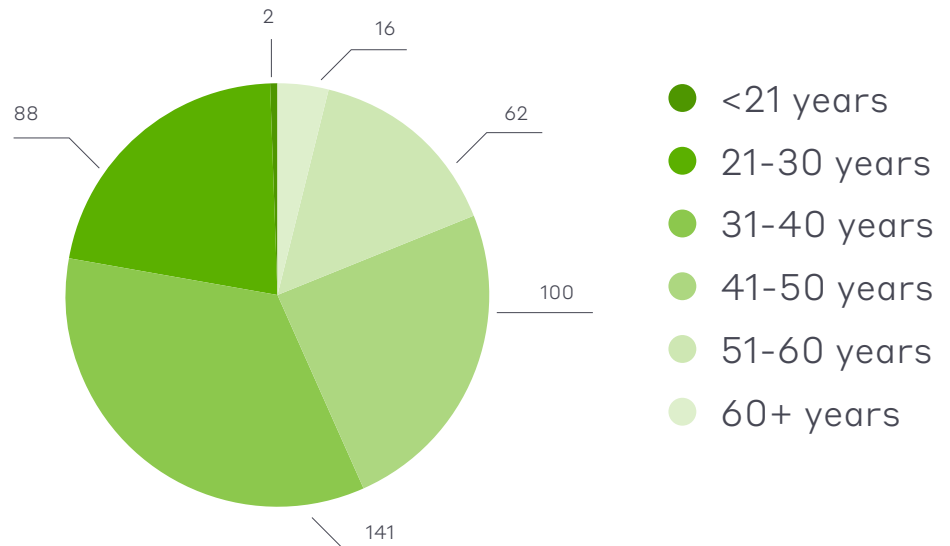


disability

1.2% of employees have disabilities.



headcount by age range



employee safety

Axogen follows Occupational Safety and Health Administration (OSHA) 29 CFR 1910, and uses a series of company-wide policies, trainings, and procedures to protect all employees' health and safety. This includes trainings on personal protective equipment, first aid, hazard communications, proper cleaning and disinfection procedures, powered industrial equipment, fire prevention

and protection, accident and safety reporting, biohazardous exposure and spill actions, chemical and biological waste disposal, and COVID-19 protocols.

More specific risk is broken down by facility and job type, and those employees affected receive more specialized training commensurate with their unique environment and tasks. We also utilize an Environmental Health and Safety committee

that meets monthly to analyze potential issues, review any incident data, and implement necessary process/procedural changes that can minimize the work-related injuries and occupational exposure to chemicals, bio-hazards, or illnesses and eliminating any potential from serious injuries and fatalities.



Our Hierarchy of Controls are utilized in the following order to reduce hazard:

- 1. Elimination** – Physically remove the hazard
- 2. Substitution** – Replace the hazard
- 3. Engineering Controls** – Isolate workers from hazard
- 4. Administrative Controls** – Change the way work is performed (Procedures/ Training)
- 5. PPE** – Protect the worker with protective equipment

Each Axogen location has an emergency preparedness site plan that is reviewed with management and is provided to each employee.

Our management approach to safety includes a thorough tracking of training, sharing data, and frequent communication between each location and the EHS Committee. This includes monthly meetings with representatives of each Axogen location to discuss active safety efforts, review incidents from the previous month, and discuss the investigations, root cause, corrective actions, and potential takeaways from the event. Each location's representatives are then able to implement any new controls and practices to their unique environment. In 2021 — across all operations, locations, and employees — we had five minor injuries or illnesses, only one of which was OSHA reportable, and zero fatalities. Our Recordable Incident Rate is 0.25, and our Lost Time Injury Rate is zero.

commitment to diversity, equity, and inclusion

Axogen is committed to fostering a culture of diversity, equity, and inclusion (DE&I) - one that is open and inviting to all who join us on our mission of restoring nerve function and quality of life to patients. We understand this culture of diversity propels creativity and innovation and we believe in creating a work environment built on respect and dignity. Our corporate values support honest and open communication, mutual support, collaboration, passionate debate, empowerment, and respect. These foundational values are at the core of our culture and, when combined with purposeful DEI initiatives, help us to create meaningful change and an excellent place to work. We recognize that our business objectives are best met when we reflect the communities in which we do business.

We started with our Equal Employment Policy, which includes specific training on preventing discrimination and harassment and encouraging diversity, equity, and inclusion. Next, we created an annual

Affirmative Action Plan that is actively implemented and adjusted to changing conditions. Collectively, these initiatives support our growth. 2021 was a pivotal year for us in establishing our first DE&I Council and rolling out our first employee resource group (ERG).

“Our corporate values support honest and open communication, mutual support, collaboration, passionate debate, empowerment, and respect.”

Diversity, Equity, and Inclusion (DE&I) Council

Diversity, Equity, and Inclusion (DE&I) council is made up of 14 volunteer member employees from across the Company. The DE&I Council's primary purpose is to foster a culture of inclusion at Axogen. With our mission and values as guides, the council engages employees across all functions in dialogue and action that leads to more inclusive practices.

EmpowHER WINners

Women's Network provides a productive environment for women to network, mentor, collaborate, and

educate while redefining the standard of care in peripheral nerve repair. The group's goal is to promote an open communication network and cultivate female leadership across Axogen.

This year, we partnered with external consultants to support the launch of our initiatives and made significant headway. As we head into 2022, our objective is to continue our education efforts, increase the number of ERGs, and create teaching opportunities for our leaders by equipping them with the tools to expand on the conversations we started in 2021. Additionally, our Affirmative Action plan will continue to drive our recruitment and retention efforts and align with our overall principles of creating an inclusive environment.

community involvement

Giving back to the community—from the medical community in which we operate, to local business and education initiatives, to organizations in the communities our employees live and work, community involvement is a vital component of Axogen's operations.

Nerve Repair and Supporting Patients:

Donate Life

Axogen recognizes that without the partnership of Donate Life and our tissue procurement partners, our mission of restoring nerve function and quality of life to patients with nerve injuries would not be achievable. Each year since 2015, we have sponsored a nerve repair patient to ride on the Donate Life float in the annual Rose Parade® on New Year's Day and participate in the building of the float. Axogen also supports Donate Life throughout the year but especially in April (Donate Life Month) by directing communication efforts and resources and employee communication programs to highlight the importance of organ and tissue donation.



Axogen has sponsored a patient to ride on the Donate Life Rose Parade float since 2015.

Surgeon Education

Axogen has a robust surgeon education program, training three-quarters of all hand and micro-surgery fellows annually. We have several in-person national education programs each year and provide customized multimodal programs to specific surgeon cohorts for advanced learning. We also have an ongoing interactive webinar series on the principles of nerve repair, and we sponsor Nerve Matters, a forum for surgeons to discuss nerve cases and ask advice of experts in a HIPPA-compliant environment.

American Association of Tissue Banks (AATB)

We are an active member of the AATB, and members of our management team have served in leadership roles with the organization throughout the years. Since its beginning, AATB has been dedicated to saving and improving lives by promoting the safety, quality, and availability of donated human tissue.

Camp Open Arms

Axogen has been a Camp Open Arms sponsor since its inception in 2015. Camp Open Arms, brought to life by



Axogen helps children with limb differences through our support of Camp Open Arms.

University of Maryland School of Medicine pediatric orthopedist Dr. Joshua Abzug, allows children with limb differences such as brachial plexus birth palsy and congenital/traumatic deformities to experience a carefree camp experience. The camp hosts a variety of activities for children, including hiking, water balloon fights, arts and crafts, and visits from local musicians, entertainers, and zoo animals. Camp Open Arms is not only a place of acceptance and happiness for children with limb differences, but also for their parents and loved ones, who build camaraderie and hope together.

Challenged Athletes Foundation

At our 2021 National Sales Meeting and Company Meeting, Axogen created a virtual fundraising event to benefit the Challenged Athletes Foundation. Employees were invited to participate in an “Axogen’s Got Talent” competition. Viewers voted for their favorite by way of a donation to the Challenged Athletes Foundation and the Company generously matched all collected donations up to \$10,000. A total of \$8,549 was donated by employees and with the Company match, \$17,098 was raised. The Challenged

Athletes Foundation provides opportunities and support to people with physical challenges so they can pursue active lifestyles through physical fitness and competitive athletics. The Challenged Athletes Foundation believes that involvement in sports at any level increases self-esteem, encourages independence, and enhances quality of life.

MedTech and Education:

University of Tampa Board of Trustees

Axogen CEO, Karen Zaderej, has served on the University of Tampa Board of Trustees since 2020. This group of outstanding professionals meets formally four times each year and provides oversight to all areas of the University and works to raise resources.

Leadership and Innovation Forum of Tampa

Axogen Sr. Director of Regulatory, Luis Caveda, has served on the Leadership and Innovation Forum of Tampa since 2021. The Leadership & Innovation Forum of Tampa Bay (LIFT), powered by USF Health, is designed to unite the innovators and leaders committed to advancing the economic and physical health of the Tampa region.



BioFlorida

BioFlorida is the voice of Florida's life sciences industry, representing 6,700 establishments and research organizations in the biopharmaceuticals, medical technology, healthIT, and bioagriculture sectors that collectively employ nearly 94,000 Floridians. Axogen has been an active BioFlorida member for several years and Mark Friedman, Axogen VP of Regulatory and Policy, joined the BioFlorida Board of Directors in 2021.

Additional Board Involvement:

- Maria Martinez, Chief Human Resources Officer, serves as board member of Good360, a leader in product philanthropy that delivers hope for those in need.
- Angelo Scopelianos, Chief Research and Development Officer, serves on the University of Florida Biomedical Engineering advisory board.

- Stacy Arnold, Vice President of Clinical Research, serves as a board member for Mercer University's National Engineering Advisory Board and as a founding member of Life Science Women's Network
- Kellie Brady, Director of Talent Acquisition, serves on the BioFlorida Human Resources Committee designed to increase awareness of the opportunities available in med tech in the state of Florida

Local Philanthropy:

Food Drives

Each of the past four years, Axogen has conducted an annual food drive to collect non-perishable food items to benefit those in need in our communities. In 2021, all locations (Alachua, Burleson, Dayton, and Tampa) participated, collecting much needed items for: Food 4 Kids, The Harvest



The generosity of Axogen employees shines through each year during our local food drives and Angel Tree events.

House, The Food Bank, and Metropolitan Ministries, respectively. A total of approximately 3,000 pounds of food was donated by Axogen employees.

Angel Trees

Axogen has a tradition of giving – of bringing smiles and filling hearts every holiday season. Each year, we hope to make a child’s day a little bit brighter with our Angel Trees. From Alachua and Tampa to Dayton and Burleson, we partner with the local community to bring holiday cheer to underprivileged children. For too many, this time of celebration and gifts is overshadowed by the daily struggle to put food on the table or keep a roof over their heads. Each Angel on the tree represents a child in need from our communities. Each tag represents a simple wish list for each Angel. In our tradition of service, all our locations join in on the generous holiday spirit. We partner with organizations such

as For Love of Children (FLOC), Episcopal Children’s Services (ECS), local YMCAs, and Cook Children’s Hospital. All children are aged 4-7 and would not otherwise have received a holiday gift.

Community Service Days

Axogen employees at each location participate in a Company sponsored Community Service Day each year. Examples include the Alachua team cleaning up a local park area, the Dayton team volunteering with Good360 to help local families after tornadoes damaged much of the town, or the local teams packaging donated food items for local school programs.