2023
Sustainability Report

CollPlant Biotechnologies | Pioneering Regenerative Medicine

collplant.com

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A Message from Our CEO

Creating a Sustainable Future for Plant-Based Therapeutics

Dear reader,

It is with profound enthusiasm and a sense of responsibility that I present to you the inaugural 2023 Sustainability Report from CollPlant. As the Chief Executive Officer, to lead an organization at the forefront of regenerative and asthetic medicine, is an honor and a privilege. Our mission transcends the mere creation of medical solutions; it encompasses a commitment to fostering environmental sustainability and enhancing human health.

At CollPlant, we are not just innovators in the field of regenerative and and aesthetic medicine; we are pioneers shaping the future of healthcare. Our commitment to sustainability and accessibility in health outcomes is reflected in our groundbreaking technologies and products, specifically designed to address the unmet needs of patients worldwide. The core of our business philosophy is deeply rooted in integrating crucial social and environmental considerations into our product pipeline.

We are driven by a singular vision - to improve and prolong life for patients worldwide. This ambition guides our efforts and foregrounds these principles:

1. We aim to help people **live longer and better lives**.
2. We work towards enabling a more **sustainable quality of life for patients** through, for example, the introduction of 3D-printed regenerative breast implants that **reduce chemical waste** and are designed to offer a **safer and regenerative alternative** for augmentation and reconstruction of breast tissue.
3. Our solution leverages **plant-based technology** for collagen production, aiming to **decrease dependence on animal sources** and minimize the risk of immune system irritation.
4. Our collegen-based products are **safer for human use** than products made of animal-derived collagen.
5. Our solution enables **sustainable sourcing** within the collagen production sector by using plant-based alternatives.
6. We **minimize use of scarce environmental resources** compared to other collagen production alternatives and work to account for the environmental impact of our operations.

Driven by our vision to lead in regenerative medicine and improve life with our innovative collagen technology, we've established a corporate sustainability strategy with clear targets. This strategy, anchored in our three pillars—Impact on the Planet, Impact on People, and Impact on Business Conduct—guides our efforts and forms the basis for our sustainability reporting. It highlights the key areas we believe are crucial to our stakeholders.

Recognizing our role in the global sustainability landscape, CollPlant has proudly joined the United Nations Global Compact. This step symbolizes

more than just our commitment; it is a culmination of our journey towards weaving the principles of sustainability and social responsibility into the very DNA of our operations, aspiring to catalyze a global wave of ethical business practices and sustainable growth.

The challenge of tissue and organ shortage, a dilemma compounded by donor scarcity and patient rejection, is met with hope through the implementation of 3D bioprinting technology.

CollPlant is a leader in this innovative frontier, utilizing our proprietary rhCollagen to create a future where tissues and organs can be mass produced.

In aligning our operations with our ethical commitments, we strive to meet stakeholder expectations by enhancing plant-based production, reducing emissions, and ensuring safe, reliable medical solutions. Our inaugural Sustainability report lays the foundation for sharing our journey, ambitions, and the tangible steps we are taking towards a sustainable future.

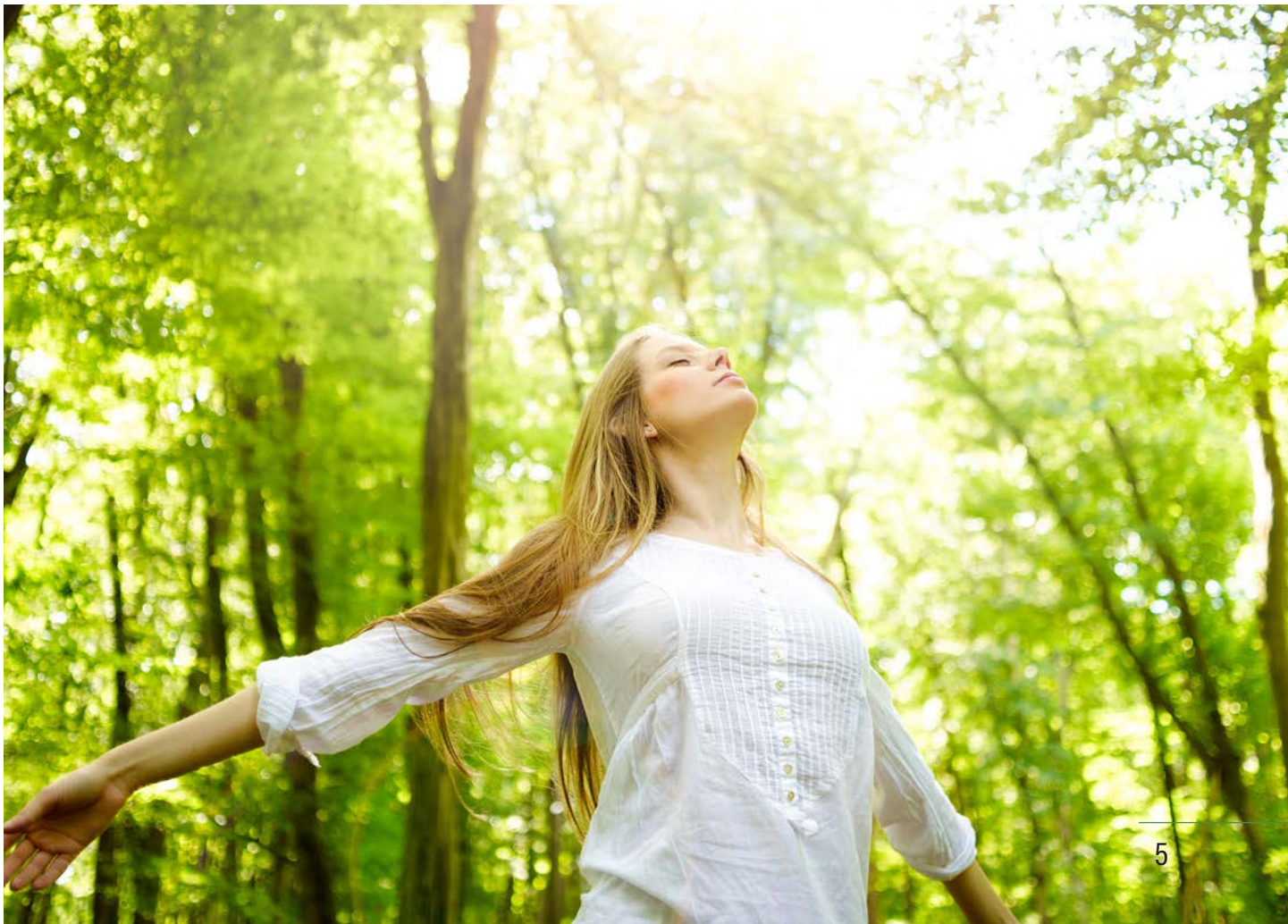
As a final note, seeing as the company operates in Israel, it feels essential to address the events that unfolded on October 7, 2023, and the subsequent and ongoing 'Iron Swords' War. While writing this report, and despite the immense pain experienced throughout the country, we prioritized continuing business as usual, striving to support our employees and their families in any way possible, including the provision of support to families evacuated from their homes due to the situation, and aiding soldiers and reservists from nearby communities. We continuously support the Israel Defense Forces and the people of Israel in the hope of a quick end to the war and the return of all the hostages and evacuees to their homes as soon as possible.

In conclusion, CollPlant's journey involves innovation, sustainability, and hope. Our contributions extend beyond medical advancements, aiming to foster a more sustainable, equitable world. Our evolving sustainability strategy is an important chapter in our ongoing story of dedication to both human health and the health of our planet.

Together, towards a healthier, smarter, and more sustainable tomorrow.

Yehiel Tal

CEO, CollPlant



About CollPlant

CollPlant Biotechnologies Ltd. (NASDAQ: CLGN) is a regenerative and aesthetic medicine company developing innovative technologies and products for tissue regeneration and organ manufacturing, based on our revolutionary, plant-based technology for mass production of recombinant human Type I collagen (rhCollagen).

Our rhCollagen is identical to the collagen produced by the human body, making it the ideal building block for regenerative medicine applications. Leveraging the unique properties of rhCollagen and biomaterial know-how, we develop a pipeline of products aimed at 3D bioprinting of tissues and organs and medical aesthetics.

In addition, our rhCollagen BioInk product line is ideal for the 3D bioprinting of tissues and organs, making it possible to generate a potentially unlimited supply of tissues and organs.

Our company is based in Israel, and most of our research and development activities are conducted in our Rehovot site in the center of Israel.

Agricultural R&D and extraction for our rhCollagen, occur at our site in Yessod Hama'ala in the north of Israel. We also have a purification and production clean room facility in Rehovot.

At a Glance*

72
Employees

Headquarters
Rehovot, Israel

NASDAQ (CLGN)
Listed since 2018

Market cap
~74M$

Shares Outstanding
~ 11M

Re-orient
Fully Vertical Operation

Well
Capitalized

Clinically Validated
In Europe

cGMP Production Facility
That Utilizes Proprietary Production Processes

15 Patent Families Filed	**12** Peer-Reviewed Publications	**2,000** Clinical Experience (Patients)	**2** Regenerative Medicine Consortiums

*Figures as of December 31, 2023

Our Vision & Values

Our Vision

Become leaders in regenerative and aesthetic medicine, helping people live longer and better lives with our innovative collagen technology.

Our Mission

Discover, develop, and deliver collagen technology and regenerative and aesthetic medicine products to improve and prolong lives.

Our Values

Innovation

Transforming curiosity into new concepts and products, to prolong lives and shape a better future.

Performance

Striving to combine exceptional multidisciplinary expertise with the rapid delivery of proven, best-in-class products & technologies.

Engagement

Creating a corporate culture that motivates our people and gives us a sense of pride in our work.

Integrity

Acting honestly, fairly, and ethically, with full transparency.

Diversity

Channeling the synergy that is generated with a diversity of people, ideas, interests and cultures, into wide-ranging products and technologies.

By integrating sustainability into our core business practices, we create a harmonious synergy between the health of our patients and the health of our planet.

Our Technology Platform Produces Human Collagen in Plants at Mass-Scale

Our technology has been developed to mass-produce human collagen using tobacco plants, a process that involves the introduction of five essential human genes responsible for synthesizing Type 1 collagen to the plant.

This innovative approach results in the production of recombinant human collagen (rhCollagen), which is identical to the collagen found in humans. Moreover, rhCollagen, derived from tobacco plants, is a superior foundational element for regenerative medicine products compared to animal-based alternatives.

rhCollagen offers enhanced bio-functionality, facilitates expedited tissue repair and provides superior homogeneity that supports a diverse array of applications. Additionally, it ensures improved safety by eliminating the risk of allergic or immune responses, which might otherwise lead to tissue or implant rejection.

rhCollagen: The Ideal Building Block for Regenerative Medicine

Clear advantages over tissue-extracted (animal-derived) collagen

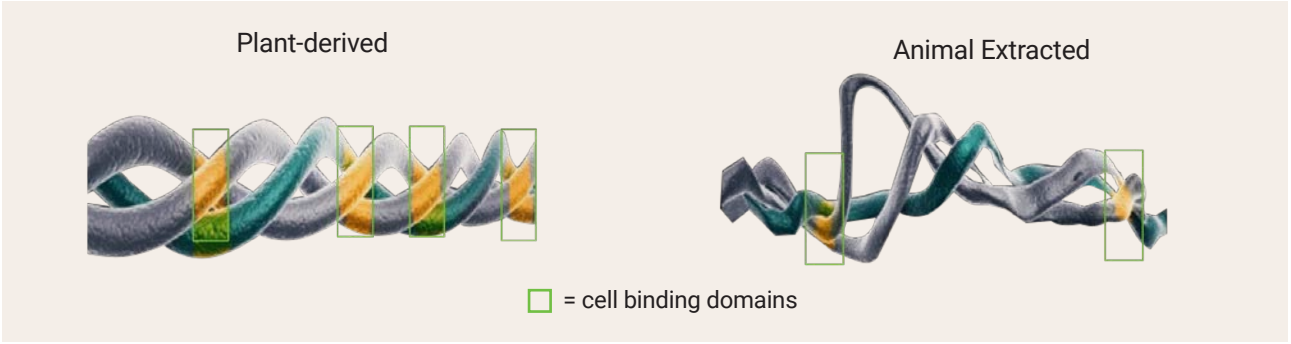
Our products are based on our revolutionary plant-based technology that enables the production of recombinant human type I collagen (rhCollagen) that is identical to the collagen produced by the human body.

Sourced from organic material (tobacco plants) producing collagen that is superior to animal extracted

Better bio-functionality leads to faster tissue repair

Superior homogeneity allows for creating implants and biological inks with distinct physical properties

Improved safety; does not elicit immune response that would cause tissue rejection



About collagen and its importance

Collagen is the most abundant protein in the human body

It constitutes 25-35% of the body's **entire protein content**.

It is the **main structural protein** in the extracellular matrix for the body's **organs and connective tissues**.

It is the **ideal scaffolding molecule** for regenerative medicine.

How much collagen is contained in certain organs of the human body?

Lungs
~100
grams

Liver
~300
grams

Kidney
~70
grams

Diverse Product Pipeline, Associated with Significant IP

Regenerative Medical Aesthetics

Dermal/Soft Tissue Fillers

Filler with tissue regeneration properties

Collaborator: **AbbVie** Allergan

Status: **Clinical phase**

Photocurable filler with tissue regeneration and contouring properties

Status: **In development**

3D Bioprinted Breast Implants

Regenerative implants intended for breast augmentation and reconstruction

Status: **Preclinical phase**

Regenerative Medicine

Bio-ink for 3D Bioprinted tissues

A platform material for bioprinting of tissues and organs for regenerative medicine applications

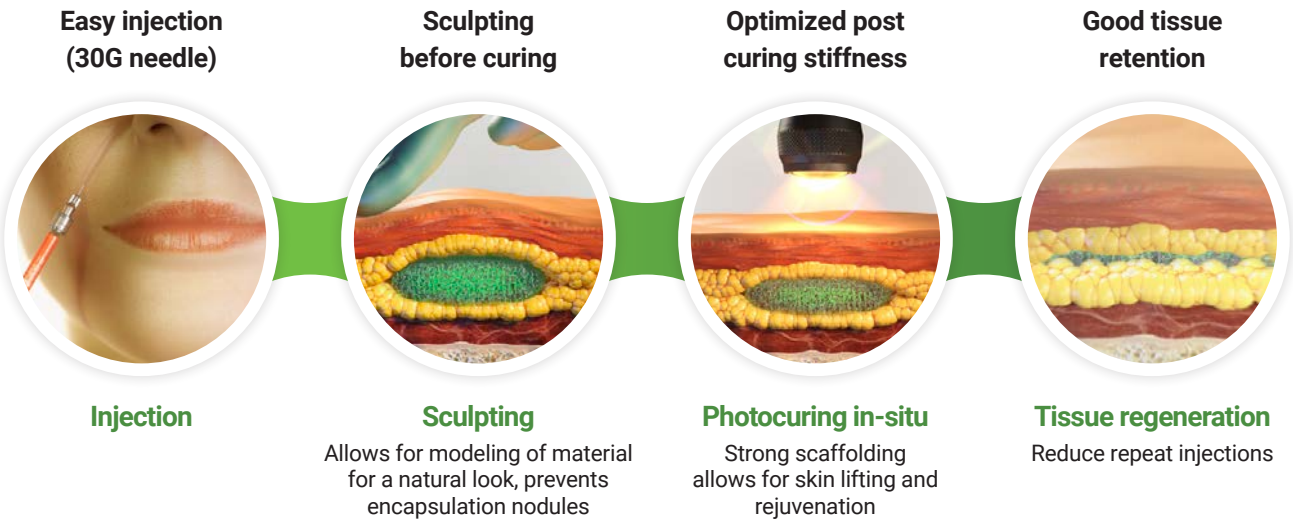
Status: **Commercial**

Dermal & Soft Tissue Fillers

Our rhCollagen offers a host of opportunities in the field of regenerative aesthetics. We are collaborating with Allergan, an AbbVie company, in the development and commercialization of a dermal and soft tissue filler product for the medical aesthetics market, using our rhCollagen technology and AbbVie's technology. The dermal and soft tissue filler product candidate is currently undergoing testing in clinical trials.

Photocurable Dermal and Soft Tissue Filler

Our inhouse development is a photocurable regenerative dermal filler, combining our tissue regenerating rhCollagen with other technologies in order to address the need for more innovative aesthetic products to treat wrinkles. In addition to its superior skin lifting capacity, the photocurable filler is designed to enable tissue regeneration and contouring by applying external light following injection of the filler.



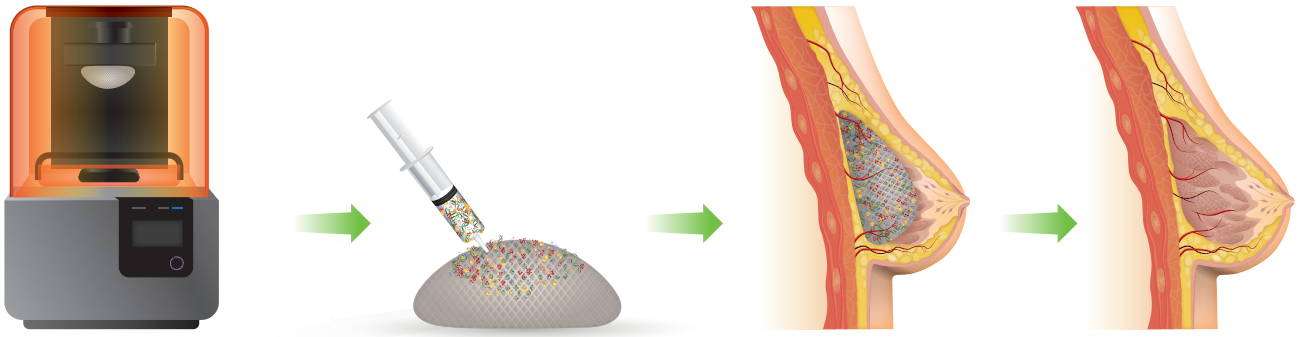
3D Bioprinted Breast Implants

The regenerative breast implants that CollPlant is developing are comprised of our proprietary non-animal-derived rhCollagen and other biomaterials. Their uniqueness can be attributed to their design to both promote tissue regeneration and degrade in synchronization with the growth of natural breast tissue. This is a market that has been underserved in terms of safety and performance for decades.

We cannot stress enough the improvement that a regenerative breast implant could provide, given the adverse events associated with currently available silicone implants such as the most serious Breast Implant Associated- Anaplastic Large Cell Lymphoma, which is a type of cancer. Every year, in the U.S. alone, hundreds of thousands of people experience adverse events that range from autoimmune symptoms to this most serious side effect.

Our breast implants are expected to regenerate breast tissue without eliciting immune response, and thus may provide a revolutionary alternative for aesthetic and reconstructive procedures.

Through the development of regenerative breast implants, CollPlant is establishing the technological building blocks that are essential for tissue and organ manufacturing. We believe this will position CollPlant as a market leader in the field of regenerative medicine, in accordance with the Company's vision statement.



Breast scaffold bioprinting

rhCollagen + proprietary components

Implantation & vascularization

Implant degrades over time and replaced by newly formed tissue

Collink.3D BioInk

Our BioInk product line provides an ideal building block for 3D bioprinting of tissues and organs.

Collink.3D is the first and only line of human collagen bioink products based on our plant-derived recombinant human type I collagen (rhCollagen) that is mass produced at high purity and consistency. Collink.3D enables scalable and reproducible biofabrication of tissue models, tissues, and organ transplants, while enabling perfect mimicry of the native tissue and organ's properties. Our BioInk is being developed to be compatible with numerous 3D bioprinting technologies and with printed organ characteristics.

Collink.3D: rhCollagen-BioInk platform for biofabrication

Collink-3D 50 | Collink-3D 90 | Collink-3D 50L

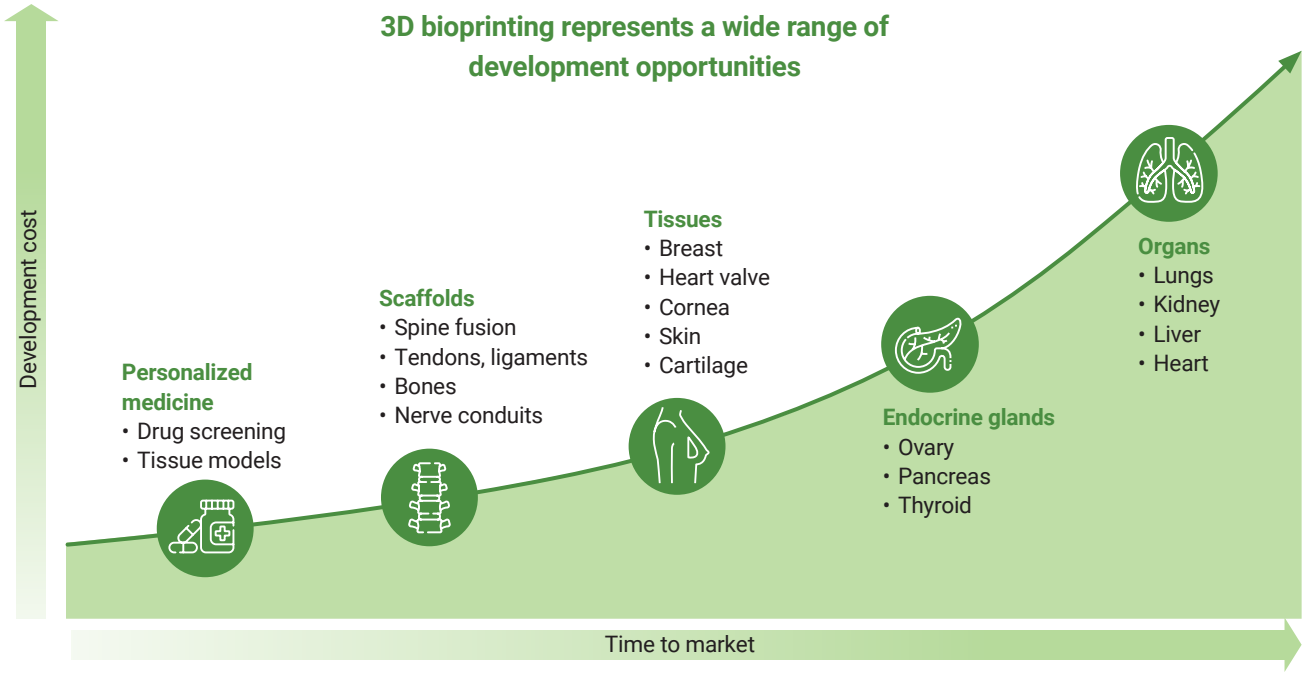
- Animal-free: excellent safety profile non immunogenic
- Optimal rheology at room temperature
- Cytocompatible Biofunctional
- Compatible with major printing technologies
- Mass production - consistency, robustness, high-homogeneity, reproducibility

CollPlant Collink.3D™: the only xeno-free human-collagen based BioInk, perfectly mimicking properties of the native tissue or organ

The potential of 3D Bioprinting: Tissues & Organs Manufacturing

The global shortage of transplantable organs is a pressing issue, with thousands of lives lost each year due to scarcity. Our pioneering technology may enable the creation of bioprinted tissues and organs that closely mimic the physical properties and functionalities of human tissues, thereby revealing the potential to revolutionize the fundamental field of organ transplantation.

Furthermore, our 3D bioprinting technology can address a wide variety of applications in regenerative medicine such as tissues and organs manufacturing, drug discovery, and personalized medicine.



Gut-on-a-Chip

for Drug Discovery and Personalized Medicine

In 2023, CollPlant began an innovative project called 'Gut-on-a-Chip'. This project involves 3D bio printing of rhCollagen-based scaffolds that mimic the gut tissue anatomy. These scaffolds are placed into specially designed microfluidic chips that enable the formation of patient-specific gut tissue using autologous cells, as well as testing of various drugs to identify the most optimal treatment. This technology holds a great promise for revolutionizing drug discovery and personalized medicine while reducing the need for inhumane animal-based testing.

In the interest of good capital stewardship and our strategic decision to concentrate on the medical aesthetics arena and our collaboration with AbbVie, we have decided to put this program on hold. We intend to revisit the 'Gut-on-a-Chip' program and consider its initiation once resources become available.

Pioneering a Positive Plant-Based Future

Based on our understanding of traditional collagen-related environmental and social challenges, we have adopted a plant-based approach that aims to enable a more sustainable future for vital collagen generation.

Environmental and Social Dilemmas Related to Collagen Generation

Collagen is the most abundant protein in the human body and is a major component of the connective tissue that makes up bones, skin, muscles, tendons, cartilage and more. While collagen has been a primary ingredient in modern medical care and treatment for decades, recent marketing campaigns and consumer products have touted the benefits of collagen not only for regenerative medicine applications, but for beauty and aesthetic applications. In efforts to improve skin elasticity and overall resilience to the natural process of aging, the global demand for collagen products is expected to grow.

We estimate that the size of the market for human collagen-based tissue repair with our BioInks and aesthetic medicine product line exceeded $10 billion in 2021 and is estimated to reach approximately $18 billion in 2026.[1]

Grand View Research Inc. estimates that the global 3D bioprinting market size was valued at $2.0 billion in 2022 and that the global market is expected to grow at a compound annual growth rate (CAGR) of 12.5% from 2023 to 2030.[2]

Market analysis forecasts growth across various potential applications of collagen:

- According to Global Market Insights Inc., the global dermal filler market size amounted to over $5.5 billion in 2022 and is estimated to grow at 10.5% to reach $14.8 billion by 2032.[3]
- The global breast implant market size reached US $2.9 Billion in 2023. Looking forward, IMARC Group expects the market to reach $4.1 billion by 2032, exhibiting a CAGR of 3.7% during 2024-2032.[4]
- The global orthobiologics market size was valued at $8.36 billion in 2022 and is projected to grow to $8.77 billion in 2023, and to $12.78 billion by 2030, exhibiting a CAGR of 5.5% during 2023-2030.[5]

1. https://www.reportsanddata.com/report-detail/tissue-engineered-collagen-biomaterial-market#:~:text=The%20global%20tissue%20engineered%20Collagen,9%25%20during%20the%20forecast%20period
2. https://www.grandviewresearch.com/industry-analysis/3d-bioprinting-market
3. https://www.gminsights.com/industry-analysis/dermal-filler-market
4. https://www.imarcgroup.com/breast-implant-market
5. https://www.fortunebusinessinsights.com/industry-reports/orthobiologics-market-100173

- The global advanced wound care market, in terms of revenue, was estimated to be worth $11.2 billion in 2022 and is poised to reach $17.7 billion by 2027, growing at a CAGR of 9.4% from 2022 to 2027, according to MarketsAndMarkets.[6]

However, this demand has notable environmental and social implications. The majority of collagen products are bovine collagen derived, which are "by-products" of the cattle industry. Recent investigative studies[7] have shown that the practices used to harvest bovine collagen at scale, particularly in the socio-economically disadvantaged Global South, result in widespread **deforestation, human rights abuses**, and **tribal displacement**.

By pioneering a plant-derived collagen, meticulously designed to be identical to human collagen, we are not only advancing health and wellness solutions but also contributing to more sustainable industry practices. Our products offer an eco-friendly alternative, potentially aiding in the reduction of environmental impacts traditionally associated with collagen production.

Currently, we do not possess price data on the quantified environmental and social impacts of our products, though we intend to continuously monitor relevant indicators, while endeavoring to maintain transparency on this issue, particularly in relation to our products' impact, as compared with those derived from animal-based materials and by-products.

Innovative Collagen Production Using Tobacco Plants

We are proud to be the only company currently engaged in the mass-production of type I human collagen. It is our firm belief that using our tobacco-based alternatives for collagen production represents a sustainable choice for several reasons:

1. **A Non-Food Crop:** Tobacco is not a part of the food chain, so its use in collagen production doesn't compete with vital nutrition-directed agricultural resources. This eliminates the potential for spillover effects into the food industry and upholds food security.
2. **Rapid Biomass Production:** Tobacco plants have a remarkable ability to grow rapidly, reaching a height of approximately 2 meters in just 6-8 weeks. Additionally, each tobacco plant can undergo multiple growth cycles during its lifespan, maximizing collagen-producing potential. This swift and efficient growth rate allows for consistent collagen production without overburdening resources.
3. **Minimal Waste:** CollPlant's tobacco-based collagen production process is designed to use the entire plant material efficiently. While there may be a small fraction of solids that is disposed of in accordance with regulations for genetically modified crops, most of the plant contains the essential proteins and can therefore be effectively processed.
4. **Smart Pesticide Use:** We promote responsible agricultural practices, ensuring that pesticide usage is minimized, or that biological alternatives are applied. This approach protects both the environment and the wellbeing of the people involved in the cultivation process.
5. **Economic Opportunity:** CollPlant's use of tobacco for collagen production may create a future opportunity for growers to develop additional revenue streams. In addition, increased demand may reduce overall cost per harvest.
6. **Genetic Advancements:** We work to continuously improve our tobacco plants production efficiency through advanced genetic and cross-breeding techniques that do not harm the environment or the biodiversity of the plant. At the same time, these next-generation tobacco plants enhance collagen production.

6. https://www.marketsandmarkets.com/Market-Reports/advanced-wound-care-market-88705076.html?gad_source=1&gclid=CjwKCAjwtqmwBhBVEiwAL-WAYe3SKSuF_vvH3nKE6at_K3rhJqfKjJWb6DExW-d0n28oRYXe2uUKaRoCt3MQAvD_BwE
7. https://www.thebureauinvestigates.com/stories/2023-03-06/collagen-wellness-industrys-star-product-drives-deforestation-and-rights-abuses/

Sales and Distribution of Our Innovative Products & Solutions

Our rhCollagen and BioInks are sold to selected customers, including business partners and potential collaborators. Our proprietary end-products (Vergenix products) are marketed to physicians, hospitals, and clinics.

Our Business and Academic Partners

In recent years, we have achieved significant milestones and engaged in collaborations that demonstrate our company's commitment to advancing regenerative medicine. In February 2021, we forged a strategic alliance with AbbVie to jointly develop and commercialize dermal and soft tissue filler products for the aesthetics market, leveraging our rhCollagen technology.

These strategic partnerships underscore CollPlant's dedication to pushing the boundaries of regenerative medicine and tissue engineering for the betterment of healthcare and beyond.

abbvie

Development and commercialization agreement

STEMCELL™ TECHNOLOGIES

Supply agreement

stratasys

Development and commercialization agreement

armi

Scalable manufacturing of tissue engineered products

ISBF

Industry committee

Government Grants and Subsidies

Up to 2019 we applied and received grants from the Israel Innovation Authority (IIA) as part of the research and development program for our rhCollagen technology and our products. As of the data of this report, we have received research and development grants from the IIA totaling $10.1 million.

Economic Impact

Economic Performance 2016 - GRI 201-1 Direct economic value generated and distributed

Our Economic Impact (dollars in thousands)	2021	2022	2023
Direct economic value generated: Total revenues	15,641	299	10,959
Economic value distributed			
Total operating costs/expenses, including payments to employees	13,571	16,996	16,480
Total payments to employees, including wages and benefits (pension, social security, etc.)	7,662	8,852	9,029
Total amount paid to shareholders as dividends	-	-	-
Total payments to lenders, such as banks and other financial institutions	30	11	10
Total payments to governments (taxes, etc.) by country	158	157	147
Total community investments	-	-	

Spotlight on Our Achievements in 2023

Impact on People

Women in management positions

45% share of women in our management team, making up:

33% of senior managers

50% of middle managers

Diversity of our workforce

55% share of women in the workforce

37% employees who are at the age of 50 and above

16% increase in new employees from 2021-2023

Impact on the Planet

100% plant-based collagen production

27% reduction in water consumption
compared to 2022
(17% reduction compared to 2021)

2% GHG GHG emissions intensity reduction, compared to 2021

30% reduction in total waste
compared to 2022
(53% reduction compared to 2021)

59% waste intensity reduction
compared to 2021

Impact on Business Conduct

100% of employees receive training on our Code of Business Conduct and Ethics

0 reported incidents of corruption

0 reported incidents of non-compliance

78% of our procurement budget funds work with local suppliers

CollPlant - When Medical Innovation Meets Sustainable Action

CollPlant is dedicated to positively impacting the future of our planet: from the environment and society, to the patients benefiting from our products. Our goal is to contribute to the welfare of the habitats and communities we serve.

Our innovative rhCollagen eliminates the need for traditional animal-derived collagen, reducing the environmental strain associated with traditional collagen -generation methods, while promoting more ethical and sustainable practices.

Our commitment does not stop there. In 2023, we began the formulation and adoption of a corporate sustainability strategy that encapsulates our efforts to manage our business responsibly and ethically out of consideration for the immediate and future needs of people and planet. The following details this strategy and the corresponding governance structure that was approved and established by our management in March 2024.

Our Sustainability Framework

As part of our commitment to promote the implementation of sustainability principles at CollPlant, we mapped stakeholder expectations by examining leading sustainability reporting standards, such as the Global Reporting Initiative (GRI), and the Sustainability Accounting Standards Board (SASB). We also conducted internal interviews with company management, and performed an extensive benchmark study into industry-leading companies and relevant trends. The results of the analysis produced a list of ranked topics that served as the basis for our materiality assessment and is at the heart of our sustainability strategy. With this prioritized list, supporting goals for monitoring and tracking our performance were selected, validated, and approved by our senior leadership.

Our Material Topics

Impact on the Planet

We promote human health outcomes and commit to planetary sustainability. Our plant-based technology reduces reliance on animal-derived collagen, and we implement responsible environmental and resource management practices company-wide.

- **Environmental management** of our company and product impacts
- **Measurement of our carbon footprint and GHG emissions** to make progress towards a cleaner climate future
- **Smart natural resource management** with a focus on decreasing impacts on land, water, and non-renewable electricity
- **Sustainable medicine and research** through the delivery of natural and customizable regenerative medicine solutions

Impact on People

We believe a sustainable future for healthcare begins with safer, smarter treatments. We aim to improve health outcomes and empower medical advancements, enhancing patients' quality of life and access to our collagen technology. Our employees drive our purpose, and we commit to being an inclusive and nurturing company.

- **Access to novel medical solutions** for patients through innovative and nature-based technology
- **Health & safety** for patients and employees working to diligently minimize the impacts of our products and operations
- **Fairness and decency** for our employees
- **Diverse and inclusive** workplace that welcomes all
- **Nurturing inspired talent** through our efforts to attract, retain, and support our workforce

Impact on Business Conduct

We are committed to high standards of corporate governance and ethical conduct, enabling innovation-driven medical progress with safer, more humane methods. We foster meaningful partnerships and work towards building a sustainable supply chain integral to our goals.

- **Ethical conduct and integrity** in all of our dealings with stakeholders
- **Transparency and accountability** as key to sound corporate governance
- **Product innovation and partnerships** that drive our business forward
- **Ethical medical development** to enable better patient outcomes and eliminate animal testing
- **Sustainable supply chain** made up of small, green, and diverse businesses committed to helping us fulfill our sustainability goals and policies

Impact on the Planet

Goals & Targets

Climate Action and energy efficiency

Goal: Minimize our carbon footprint and increase operational eco-efficiency.

KPI: Achieving a 60% reduction in Scope 1 and Scope 2 GHG emissions by 2035 and aspiring to achieve Net Zero by 2040.

Sustainable Agriculture

Goal: Adopt sustainable practices in CollPlant's agricultural activities, including the usage of tobacco farming growing fields as an offsetting tool.

KPI: Performing a sustainability audit for our tobacco growing practices and analyzing the tobacco fields offsetting potential by 2025.

Waste Management

Goal: Reduce production of waste and increase recycling and reuse practices in our facilities.

KPI: Implementing an environmental monitoring system for managing hazardous waste, industrial wastewater, and general waste, focusing on recycling and reuse strategies. Aiming for 100% recycling or reduction of one waste stream annually, adding more streams yearly.

Maintaining Talent Engagement

Goal: Dedicate resources to analyze and better understand the reasons behind the company's turnover rate. Implement the conclusions of the analysis in 2025.

KPI: Reducing the turnover rate to 20% by the end of 2025 and then further decreasing it to 10% by 2030

Employee Health & safety

Goal: Ensure the health and safety of our people across all facilities.

KPI: Maintaining performance plateau in health and safety incidents while striving working to reduce the number of incidents year on year..

Sustainable sourcing

Goal: Encourage our suppliers to conduct their businesses with environmental sustainability and social consciousness.

KPI: 50% of our key* suppliers completing an ESG assessment by the end of 2024 and 100% by 2030.

* Key Suppliers: Top Ten by Value and High Risk

Robust ESG Framework

Goal: Enhance ESG governance and management within the company to align with the company's ESG goals.

KPI: Establishing a robust and deeply integrated ESG management structure, documented through a detailed written procedure, to be fully implemented by the end of 2025. This includes specifying the frequency of meetings, identifying committee members, clarifying the committee's mandate, and outlining a scalable reporting structure.

Supporting the United Nations' Sustainable Development Goals (SDGs)

CollPlant is proud to join the global effort to support the United Nations' Sustainable Development Goals (SDGs) and has set out a commitment to focus our impact on four specific SDGs that we believe directly influence our business activity and potential for future growth: SDGs 3,9,12, and 17.

Our predominant SDG for focus is SDG 3 – Good Health and Wellbeing, acting as our 'compass' to guide our activity and ensure that we deliver continual value. Furthermore, this goal embodies our company's vision and commitment to promoting longer and healthier lives for all.

Goal	Description	Target	Our Contribution
	Good Health and Wellbeing: Ensure healthy lives and promote wellbeing for all at all ages https://sdg-tracker.org/good-health	3.8 - Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	CollPlant's products and product candidates are designed to contribute to notable advancements in medical treatments and therapies, leading to improved health outcomes and wellbeing for individuals.
	Innovation and Infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation https://sdg-tracker.org/infrastructure-industrialization	9.5 - Enhance research and upgrade industrial technologies	CollPlant's research, development, and manufacturing processes drive innovation and promote sustainable infrastructure
	Responsible Consumption: Ensure sustainable consumption and production patterns https://sdg-tracker.org/sustainable-consumption-production	12.2 - Sustainable management and use of natural resources 12.4 - Responsible management of chemicals and waste 12.5 - Substantially reduce waste generation	CollPlant's development of plant-derived recombinant human collagen promotes sustainable and responsible production practices. By utilizing natural resources efficiently and reducing waste, CollPlant contributes to more sustainable consumption and production patterns.
	Partnership for the Goals: Revitalize the global partnership for sustainable development	17.6 - Knowledge sharing and cooperation for access to science, technology and innovation	CollPlant's collaborations with academic institutions, research organizations, and commercial partners foster enhanced cooperation, expands access to science and technology, and promotes innovation in the field of regenerative medicine, improving coordination among myriad entities.

Aligned with the United Nations' Global Compact

As of September 2023, we are an official signatory of the UN Global Compact Sustainability Development Goals and the Ten Principles of the United Nations Global Compact. CollPlant is committed to these principles, which include the promise to treat all workers with respect and dignity, ensure safe working conditions, and conduct environmentally responsible, ethical operations. The UN Global Compact is a voluntary initiative encouraging businesses and organizations to align their strategies and operations with ten universally accepted principles in human rights, labor, environment, and anti-corruption.

Sustainability Governance

CollPlant has appointed a dedicated ESG manager, who is responsible for overseeing and orchestrating relevant activities, initiatives, and policies, as well as for managing our Sustainability Committee, tasked with providing related guidance in key decision-making processes. The committee, which meets on a quarterly basis, is composed of company managers in the relevant areas integral to furthering the topic of sustainability within in the company. In addition, one of our targets is to establish a robust and deeply integrated ESG management structure, documented through a detailed written procedure, to be fully implemented by the end of 2025. To achieve this, we will enhance the mandate of our Sustainability Committee, specify the frequency of meetings, identify and appoint dedicated committee members, clarify the committee's responsibilities, and outline a scalable reporting structure.

Frequency	Responsibilities	Role
Annual meeting	Incorporating ESG considerations into company strategy | Overseeing ESG strategy	Board of Directors
Biannually	Setting ESG targets | Monitoring progress against targets | Guidance and support for promoting the company's sustainability practice	Executive Management
On-going	Overseeing the topic of sustainability within the company | Closely monitoring progress | Direction and assistance in solving relevant challenges | Representation of the topic of sustainability within the executive management forum	CFO
On-going	Ongoing management of sustainability within the company |Promotion of initiatives in partnership with subject matter experts |Identification of areas for focus within the company | Tracking and monitoring progress towards goals | Reporting to the CFO	ESG Manager

Climate Risk and Opportunity Management

We are committed to aligning our practices with existing climate-related laws and regulations, as well as examining externally prescribed climate-related targets.

The CFO and the ESG manager work collaboratively to oversee the identification, assessment, and mitigation of climate-related risks within our organization. Additionally, our General Counsel and our VP of Regulation Affairs and Quality Assessment are actively involved in the process to ensure alignment with legal standards and regulations. In the biotech sector, climate matters exert a significant influence on Research and Development (R&D) activities and on production of materials. The impact is multi-faceted, stemming from the interplay of climate-related legal and regulatory frameworks and various external factors related to climate.

Regulatory Compliance

We are fully committed to adherence to climate related regulations in our R&D operations and in our reporting, and plan to continue to do so as regulations evolve.

Physical Risks

Climate-related physical risks, such as extreme weather events or shifts in disease patterns, become critical factors in R&D risk assessments and in our productions. Understanding and mitigating these risks are integral to the long-term success and sustainability of biotech projects.

Resource Availability /Transitional Risks

External factors such as climate change can affect the availability and quality of resources essential to biotech R&D. This includes access to raw materials, energy sources, and the overall environmental conditions necessary for certain research endeavors.

However, tobacco is a resilient plant which is relatively easy to grow and can be cultivated in a wide range of climates and soils.

Innovation Focus

Climate considerations often drive changes in the biotech sector's innovation focus. The need for sustainable solutions and climate-resilient technologies directs R&D efforts towards areas that address environmental challenges and align with global climate goals. As an example, our implant creation is based on 3D printing technology, enabling on-demand production, and eliminating the need for excess inventory, aligning with our commitment to sustainability.

Market Dynamics

Consumer preferences and market demands, influenced by climate consciousness, guide R&D decisions. Biotech entities must align their innovations with the growing demand for environmentally friendly and sustainable products.

Impact on the Planet

We work to promote powerful human health outcomes, driven by our commitment to sustainability for the planet. We developed a plant-based technology that reduces the need for animal-derived collagen. Animal-derived materials, such as collagen, have been proven to generate significant carbon dioxide emissions, and to contribute to degrative processes, such as deforestation and land displacement. At the company level, we implement responsible environmental and resource management practices, while encouraging similar practices among our growers and key suppliers.

Our goals:

Climate Action & Energy Efficiency

Goal: Minimize our carbon footprint and increase operational eco-efficiency.

KPI: Achieving a 60% reduction in Scope 1 and Scope 2 GHG emissions by 2035 and aspiring to achieve Net Zero by 2040.

Sustainable Agriculture

Goal: Adopt sustainable practices in CollPlant's agricultural activities, including the usage of tobacco growing fields as an offsetting tool.

KPI: Performing a sustainability audit for our tobacco growing practices and analyzing tobacco fields offsetting potential by 2025.

Waste Management

Goal: Reduce production of waste and increase recycling and reuse practices in our facilities.

KPI: Implementing an environmental monitoring system for managing hazardous waste, industrial wastewater, and general waste, with a focus on recycling and reuse strategies. Aiming for 100% recycling or reduction of one waste stream annually, and adding more streams yearly.

Assessing the Environmental Impacts of Our Business

Our commitment to delivering sustainable and environmental medical developments and applications, makes us champion our family of regenerative medicine applications.

As such, we have identified the following environmental impact material topics:

Plant-based alternatives to animal-dependent alternatives

Our plant-based genetic engineering technology eliminates the need for animal-derived collagen, resulting in diminished exploitation of animal-dependent material sources, which thereby promotes more sustainable ecosystem preservation.

Embracing no-till farming

By practicing conservation tillage, we promote soil health and prevent erosion, reducing the need for fossil fuel-powered machinery while retaining carbon in the soil. The result is minimized greenhouse gas emissions and a proactive approach to climate change mitigation.

Reducing land usage

CollPlant responsibly addresses the issue of land scarcity. Producing collagen in plants rather than from animals reduces the amount of land typically required for collagen production, thereby reducing the strain on limited natural resources.

Reduced chemical application

We embrace an Integrated Pest Management (IPM) approach in the growth of tobacco plants used in our solutions, demonstrating our commitment to implementing environmentally friendly options for biological pest control.

Accounting for Our Operational Environmental Impacts

It is our belief that in order to be a truly responsible business, we must accurately and transparently account for our impacts, which is why we are committed to environmental management as part of our sustainability strategy.

The following details the various phases of product development and the related environmental impacts associated with each phase:

Phase 1 - Growing the tobacco leaves

The cultivation of our tobacco plants occurs on a specialized, detached substrate designed for optimal growth. Precision agriculture techniques monitor the growing process and maximize the collagen production in the tobacco leaves. With real time data, we decide on optimal irrigation, treatments, and harvest time.

Phase 2 - Extraction process

The tobacco leaves are washed to reduce impurities, and collagen is extracted through several stages of physical separation and the use of plant-based enzymes, resulting in a solid collagen pellet. Throughout this process, all effluents and waste are meticulously monitored and disposed of properly, adhering to the regulations of the National Committee for Transgenic Plants under the Ministry of Agriculture. These regulations specifically address the cultivation of genetically modified organisms (GMO) tobacco, ensuring that all procedures comply with environmental safety standards.

Phase 3 - Purification process

The collagen is purified through a multi-stage process that includes precipitation, dissolution, and filtration, resulting in a highly purified collagen solution. Recently, we refined this phase to enhance the sustainability of our operations, ensuring that each shipment of the end product is fully optimized for its next destination. This adjustment not only improves our efficiency but also significantly reduces our environmental footprint by maximizing resource utilization and minimizing waste.

Phase 4 - Formulation

Final formulation is done in our clean rooms which are equipped with filters and proactive air circulation: heating, ventilation, and air conditioning system.

Within our facility, we utilize a unique and specialized system designed to treat liquid waste produced during manufacturing, which guarantees that it conforms to the standards required for safe discharge into the local public sewer system.

Phase 5 - Waste product disposal

- Residues of solid waste are transferred to a waste treatment company for disposal (in accordance with Ministry of Agriculture regulation).
- We compost the remains of harvested plants.

Phase 6 - Transportation and distribution

Intermediate and finished products are transported between sites and distributed to customers by approved suppliers. Our goal is to consolidate shipments to customers to enhance efficiency and environmental effectiveness.

"We are proud to grow and develop the plant of the future. We guide our plants throughout their lifecycle, from inception, to growth and on to flourishing. We ensure that they have the optimal conditions for efficient growth, by using climate control, state of the art irrigation, specialized lighting, and beneficial optimal soil conditions.

Through our meticulous quality and environmental control, we are able to harvest robust plantlets that quickly mature into strong plants. We pride ourselves on controlling and monitoring every aspect within this system 24/7. This is enabled through real-time data and alerts that constantly let us know how the plants are doing and where we can improve."

Boaz Arad, Facility Manager

Carbon Footprint & Greenhouse Gas (GHG) Emissions

Climate Action and energy efficiency

Goal: Minimize our carbon footprint and increase operational eco-efficiency.

KPI: **Achieving a 60% reduction** in Scope 1 and Scope 2 GHG emissions by 2035 and aspiring to achieve Net Zero by 2040.

We recognize the importance of addressing the environmental impacts arising from our operations, including our greenhouse gas emissions (GHG), and have developed an approach aimed at climate change mitigation by controlling our related impacts. As such, we have set out an ambitious target of achieving Net Zero emissions in our value chain by 2040, and of reducing our CO2e emissions by 60% by 2030 as an important milestone in this path.

Energy

In our efforts to minimize our climate change impacts and GHG emissions, we are committed to reviewing and revising our energy consumption practices. The majority of our energy usage arises from our production activities, which require electricity and fuel (gasoline).

In addition, we plan to monitor the energy consumed in growing our tobacco plants, per acre harvested.

Total energy consumption in MJ, per year

Energy source	2021	2022	2023
Fuel consumption – Gasoline	675,492	684,034	780,807
Fuel consumption – Diesel	213,231	340,536	285,010
Gas Consumption	48	48	36
Electricity consumption	2,630,718	2,818,456	2,933,150
TOTAL energy consumption	**3,519,489**	**3,843,074**	**3,999,003**

Energy intensity (MJ/Employee) shows a trend of stability over the last 3 years. There was an increase of 1.25% between 2022 and 2023, but an overall total decrease of 1.73% between 2021 and 2023.

Total GHG Emissions in CO2e kg, per scope per year

	2021	2022	2023
Total Direct Scope 1 GHG emissions	62,138	71,860	74,588
Total Indirect Scope 2 GHG emissions	343,455	368,070	383,048
Total Scopes 1, 2 GHG emissions	405,593	439,930	457,636

GHG Emissions intensity (CO2e tons / employee) shows a trend of stability over the last 3 years. There was an increase of 1.2% between 2022 and 2023, but an overall total decrease of 2.4% between 2021 and 2023.

Total electricity consumption in KWh, per year and per site/electric cars

Year	Total in KWh	Headquarter and R&D site	Extraction Site	Production Site	Electric cars
2021	730,755	133,696	276,960	320,099	
2022	782,904	150,702	285,995	346,207	
2023	814,764	160,831	315,921	337,102	910

In 2023, we managed to stabilize our electricity consumption - we increased electricity consumption by about 4% compared to the previous year, compared in comparison to an increase of 7% between 2022 and 2021.

Electricity intensity (KWh/Employee) shows a trend of stability over the last 3 years. An increase of 1.26% between 2022 and 2023, but an overall total decrease of 3.57% between 2021 and 2023.

We are working to find ways to improve energy efficiency in order to promote a significant reduction in electricity consumption at the company's sites and headquarters. We are currently exploring transitioning from gas to solar panels in our extraction site, switching to electric vehicles, undertaking offsetting projects, and more.

Total Fuel consumption in Liters, per year

Year	Total in L	Gasoline	Diesel
2021	25,613	20,044	5,569
2022	29,191	20,298	8,894
2023	30,613	23,169	7,444

*The above fuel consumption table includes two dedicated company-owned vehicles for production operations. We also conduct transport of the finished product with refrigerated trucks.

As our company grows, we plan to make our corporate fleet 100% electric, which we hope will have a meaningful impact on reducing our overall fuel consumption.

Materials

As a forward-thinking company dedicated to regenerative medicine, our mission is not only to enhance and prolong human lives but to do so with respect for the environment, our employees, and the patients we serve. We are committed to sourcing the most suitable raw materials available, ensuring that our plant-based products are developed with components that reduce harm to our planet or its inhabitants. In our R&D department, we are proud to utilize materials that are inherently safe and sustainable, reflecting our commitment to responsible practices. CollPlant is striving to work primarily with FDA GRAS approved materials, aiming to minimize the need for animal testing and facilitate a shorter time to market for our innovative solutions. This practice reflects our deep commitment to health, safety, and environmental stewardship, underscoring our belief that true innovation harmonizes with the world around us. Together, we are charting a course towards a future where medical advances nurture life in all its forms, setting new benchmarks for responsibility in healthcare.

We have implemented comprehensive safety protocols for the handling of all chemical substances, detailing procedures for both regular operations and emergency response, ensuring the safety of our employees and the environment. Oversight of these critical procedures is provided by a safety committee, led by the laboratory manager. This includes the proper disposal of materials in accordance with the Safety Data Sheet (SDS) specific to each substance. Our protocols are designed to ensure protection and safe evacuation, always prioritizing the health and well-being of our employees.

Hazardous Substances and Their Disposal

Our research, development, and manufacturing processes involve controlled use of hazardous substances, making us subject to extensive environmental, health, and safety regulations across jurisdictions in Israel, overseen by multiple entities. These regulations cover aspects such as the use, storage, registration, handling, emission, and disposal of chemicals, waste materials, and sewage. Additionally, they address concerns related to air, water, and ground contamination, air emissions, and the proper cleanup of contaminated sites resulting from spills or inadequate disposal practices.

At our manufacturing facility, we use various chemicals and generate waste products and wastewater. Our activities require permits from various governmental authorities, including local municipal authorities, the Ministry of Environmental Protection, and the Ministry of Health.

These authorities conduct periodic inspections to review and ensure our compliance with various regulations.

All expired materials undergo Material Review Board (MRB) review. Once deemed rejected, they are either evacuated via subcontractors or disposed of in accordance with their Safety Data Sheets (SDS).

Total hazardous waste generated in Kg, per year

Year	Headquarter and R&D site and Production site
2021	617
2022	270
2023	244

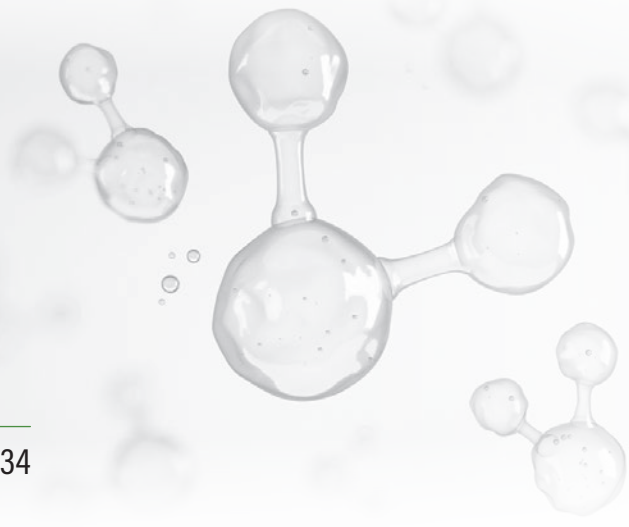
Green Chemistry

At CollPlant, we prioritize the use of biocompatible chemicals, consciously avoiding chlorinated solvents, which have been widely discouraged for years due to environmental concerns. Our commitment extends to ensuring that we do not require permits for toxic substances in our activities. Operating on green chemistry principles, our technology relies on water as a solvent, steering clear of chemicals known for causing permanent environmental damage.

We focus on chemicals which are biodegradable and boast short-term biocompatibility. We are actively working towards reducing the reliance on synthetic materials and organic solvents, carefully monitored by our diligent lab manager. Our lab prioritizes eco-friendly practices whenever possible.

Our yield, a measure of product formation in relation to reactants, is intentionally kept low to align with sustainable practices. Furthermore, we avoid the use of non-fluorinated polymers, recognizing their strength but acknowledging their detrimental impact on the environment. Our technology dictates our material choices, consistently driving us to opt for less harmful options. Notably, our implants in development are hydrogel-based, aligning with our commitment to environmentally conscious materials.

Additionally, we abstain from conducting organic synthetics on-site, minimize the use of organic solvents, and refrain from employing strong or harmful acids or bases in our operations. Furthermore, we do not store any animal remains whatsoever, ensuring that no formaldehyde or other harsh solvents are required.



Waste Management

Goal: Reduce production of waste and increase recycling and reuse practices in our facilities.

KPI: Implementing an environmental monitoring system for managing hazardous waste, industrial wastewater, and general waste, focusing on recycling and reuse strategies. Aiming for 100% recycling or reduction of one waste stream annually, adding more streams yearly.

We invest resources in creating a green production environment and in the treatment and disposal of waste using environmentally oriented processes.

As evident from the data presented below, we reduced our total waste (including hazardous waste) by 30% compared to the previous year and by 53% compared to the base year 2021.

Total non-hazardous waste generated in Kg, per year

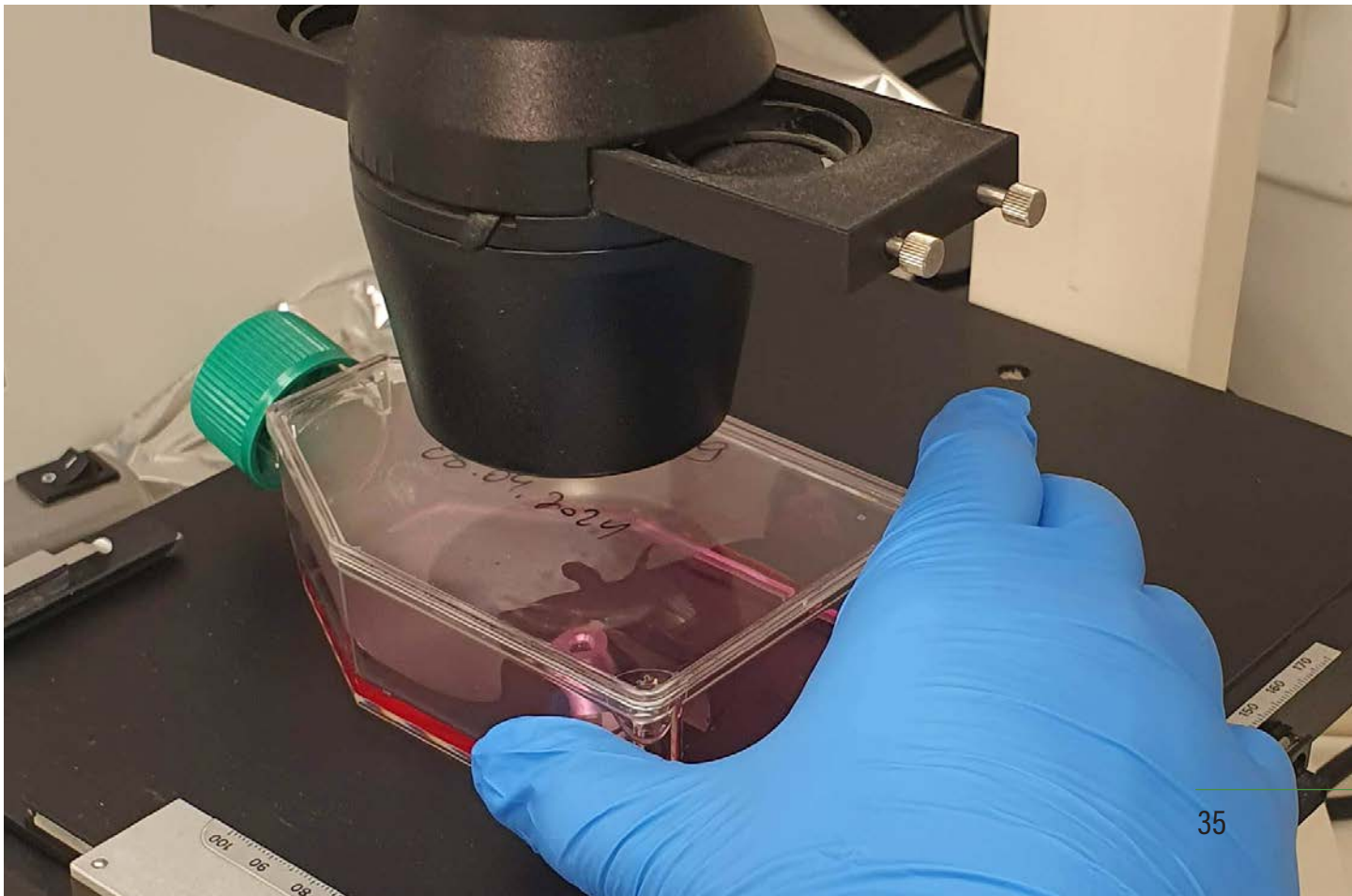
* Not including a one-time disposal of 1,760 kg waste by subcontractor

Year	Extraction Site
2021	312
2022	360
2023	196

Disposal and landfill services are provided for all company sites by external contractors that remove all waste streams, including chemicals, that are generated during the production process in the company's laboratories and greenhouse.

Currently, and due to the negligible amounts, the company does not monitor equipment waste. However, it should be noted that this waste can, in large part, be recycled.

In the first quarter of 2024, we undertook a comprehensive waste survey as a foundational step towards enhancing our waste management practices. This initiative was driven by the objective to meticulously prepare our organization for the implementation of recycling processes. The findings from this survey will be systematically shared with our employees, ensuring a collective and informed effort towards our transition to recycling.



Water

As a company that engages the agricultural value chain to produce tobacco - the source of our novel rhCollagen - we are keenly aware of water-related impacts and are committed to reducing the use of water resources when possible.

Total water consumption in M3, per year and site

Year	Total (m3)	Headquarter and R&D site	Extraction Site	Production Site
2021	5,816	257	3,530	2,028
2022	6,653	261	3,040	3,351
2023	4,834	262	2,973	15,99

In 2023, we managed to reduce water consumption by 27% compared to the previous year and by 17% compared to the base year, 2021, following the streamlining of work processes and devoting efforts to reduce water consumption.

Water intensity (M3/Employee) shows a decrease of about 29% in the last year.

During 2023, an update was made to the water system in our clean rooms, which improved its operation and reduced water consumption.

We are committed to continuously and closely monitoring our water use and to improving our current water optimizing systems, in the interest of preventing excess water consumption and enabling precision irrigation.

Effluents

Our cleanrooms facility employs a distinct and specialized system to treat liquid waste generated during the production process. This system monitors pH levels, solids, and metals in the wastewater, ensuring it meets the criteria for safe transfer to the local public sewer system. Additionally, we engage a third-party laboratory, certified by the Ministry of Health, to conduct chemical tests on the wastewater.

Extraction and Production Sites

We operate in strict compliance with the regulations set forth by the National Committee for Transgenic Plants, under the Ministry of Agriculture, concerning the cultivation of genetically modified organisms (GMO) tobacco. These regulations encompass the entire lifecycle of the plants, detailing the methods of cultivation, processing, transportation, and eventual disposal in landfills at the end of the process. Additionally, we undergo periodic audits by the Ministry of Agriculture to ensure our continuous adherence to these stringent guidelines. Our commitment to following these regulations ensures that every step, from growth to disposal, meets the highest standards for safety and environmental responsibility.

Our liquid waste is transported by an external contractor to the wastewater treatment facility, which treats wastewater according to regulation prescribed processes.

Environmental Compliance

Our activities require permits from various governmental authorities including local municipal authorities, the Ministry of Environmental Protection, and the Ministry of Health. The Ministry of Environmental Protection, the Ministry of Health, local authorities, and the municipal water and sewage company conduct periodic inspections to review and ensure our compliance with various regulations.

We have received all the necessary permits from the Ministry of Environmental Protection regarding our operations in Yesod Hama'ala and we have a business license in effect for all our sites. We engage the services of environmental consultants for direction on specific environmental issues.

Sustainable Agriculture

Goal: Adopt sustainable practices in CollPlant's agricultural activities including usage of tobacco growing fields as an offsetting tool

KPI: Performing a sustainability audit for our tobacco growing practices and analyzing tobacco fields offsetting potential by 2025.

We believe that our commitment to sustainable agriculture extends beyond the simple fact that our plant-based collagen products are more sustainably sourced than animal-derived alternatives. As such, we strive to standardize our sustainable agriculture methods and search for new and innovative ways to improve our environmental agricultural impact.

Sustainability in Our Products

Sustainable Innovation at CollPlant

Our regenerative breast implants exemplify our commitment to innovation by offering sustainable and durable alternatives rooted in plant-derived technology. For instance, our implants deliver a number of environmental benefits when compared to traditional silicone implants, such as:

Biodegradability

One of the key environmental benefits of plant-based implants is their biodegradability. Unlike silicone, which does not degrade[8] naturally, and may need to be replaced periodically, contributing to long-term waste, plant-based materials can decompose, reducing long-term environmental impact. Silicone implants typically require replacement every 10 to 15 years due to potential complications such as rupture or capsular contracture, further adding to the environmental burden.[9,10,11]

Lower Risk of Long-term Pollution

Silicone based implants, if not disposed of properly, can contribute to long-term environmental pollution, exactly like plastic. Plant-based materials are less likely to pose such risks due to their biodegradable nature.

8. https://4spepublications.onlinelibrary.wiley.com/doi/abs/10.1002/pen.10024
9. https://pubs.rsc.org/en/content/articlelanding/2019/gc/c9gc02391g/unauth
10. https://pubs.rsc.org/en/content/articlelanding/2024/gc/d4gc00402g/unauth
11. https://www.intechopen.com/chapters/84517

Impact on People

Maintaining Talent Engagement

Goal: Dedicate resources to analyze and better understand the reasons behind the company's turnover rate. Implementation of a working plan, based on the conclusions of the analysis, will occur in 2025.

KPI: Reducing the turnover rate to 20% by the end of 2025 and then further decreasing it to 10% by 2030.

Employee Health & safety

Goal: Ensure the health and safety of our people across all facilities.

KPI: Maintaining a performance plateau in health and safety incidents while striving to reduce the number of incidents year on year.

We firmly believe that the foundation of a sustainable future in healthcare and medicine lies in the development of safer and smarter medical treatments.

This fundamental conviction drives us to pioneer products and solutions designed to enhance health outcomes and foster advancements in medical care. Patient safety and well-being are our top priorities, as we aim to improve global health standards and enhance quality of life through our groundbreaking collagen generation technology. At our company, the dedication and talent of our employees are the driving force behind our mission. We are dedicated to fostering an inclusive environment that supports the growth and development of our team.

We have identified the following material topics as relevant to our social and economic impact:

Enabling safer and healthier medical treatments

Our collagen which is derived from tobacco leaves offers a safer and healthier alternative to animal-extracted collagen. Its bio-functionality leads to faster tissue repair, and it does not elicit negative immune responses such as tissue rejection.

Generating economic opportunities for farmers

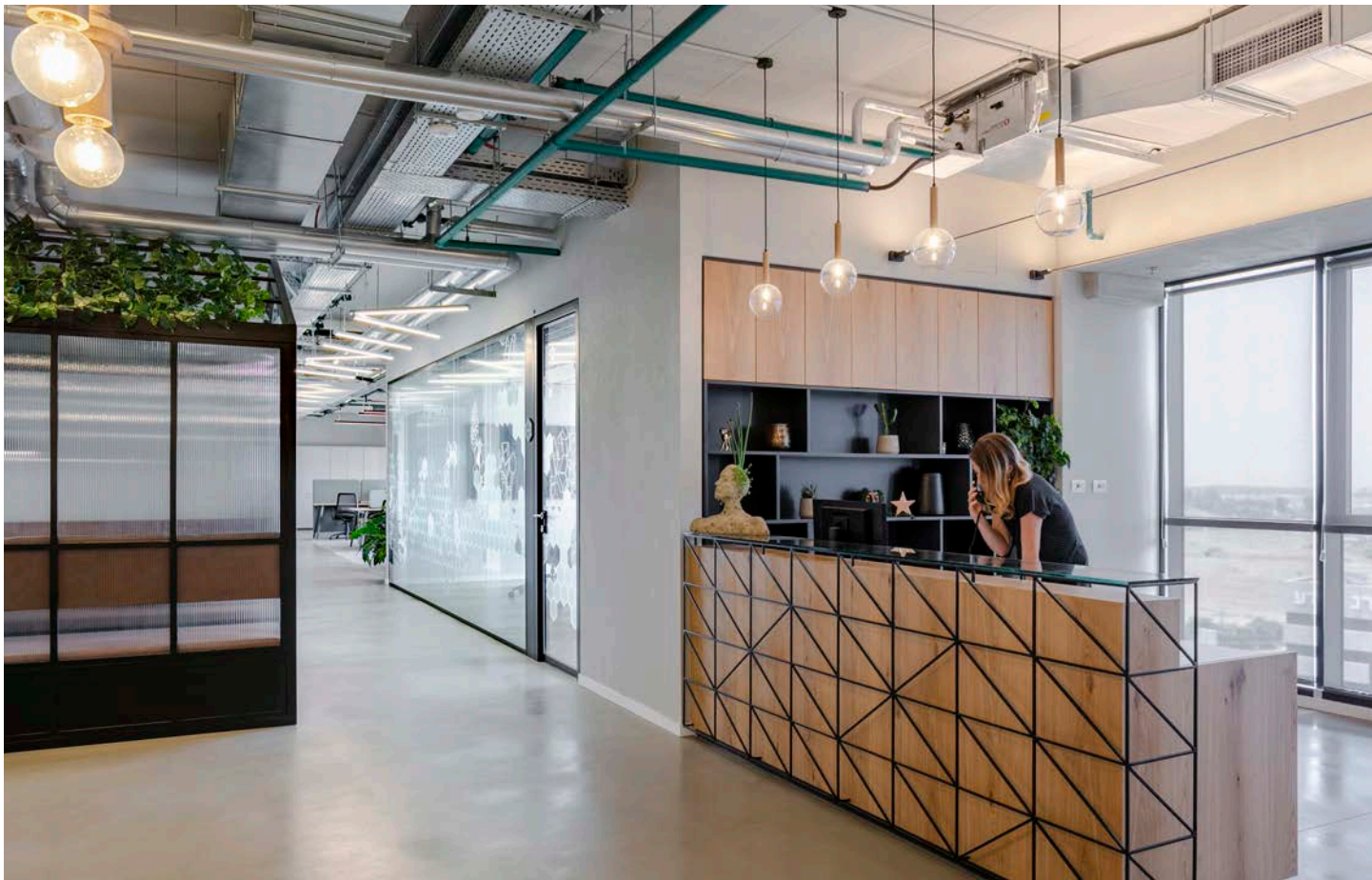
Establishing a sustainable demand for tobacco plants for collagen production opens up new economic opportunities for farmers, encouraging economic growth and income source diversification.

Promoting a sustainable quality of life

Our approach to prolonging and enriching quality of life is driven by a number of our product categories, such as our regenerative development breast implants, which may qualify as vegan. These implants adopt a compassionate approach to material sourcing, and provide patients with lasting results. It is our belief that ultimately, choosing vegan implants reflects a conscientious decision to improve outcomes, while prioritizing ethical considerations, and promoting a sustainable and compassionate approach to medical advancements.

Diversity in our workforce

We celebrate and embrace the power of diversity in the workplace, and believe in the strength of creating an inclusive work environment built on the benefits inherent in the presence of unique backgrounds, perspectives, and talents. We employ individuals of Arab, Jewish, and other ethnic descent, all represented across the company, in both managerial and production roles.



Our Employees and Employment Framework

Maintaining Talent Engagement

Goal: **Dedicate resources to analyze and better understand the reasons behind the company's turnover rate. Implementation of a working plan, based on the conclusions of the analysis, will occur in 2025.**

KPI: **Reducing the turnover rate to 20% by the end of 2025 and then further decreasing it to 10% by 2030.**

Our company is committed to the well-being and success of our employees and to ensuring their health and safety, personal and professional development. We have adopted corporate values that act as our guiding principles for business conduct and relationships with our employees and key stakeholders. The values that pertain to our employment outlook include: Engagement - Creating a corporate culture that motivates our people, inspires curiosity and smart risk-taking, which makes us proud of our work; and Diversity - Realizing the synergy of different people, ideas, interests and cultures in our wide-ranging products and technologies.

The Pillars of Our Workforce Culture

The following are the Pillars we promote throughout our workforce, forming the basis of our employment framework and the way we view employment at CollPlant.

Work with the best

CollPlant is not just a workplace; it's a community of passionate individuals dedicated to making a positive impact. We encourage a collaborative work environment where ideas are valued, talents are recognized, and contributions make a real difference.

Development and growth

We offer opportunities for personal and professional growth and development through courses, training, and personalized career paths.

Employee wellbeing

Throughout the year, we prioritize the wellbeing of our employees by providing access to activities for families, celebrating holidays together and organizing additional social events.

Environment and sustainability

As a company firmly committed to sustainability, we integrate relevant considerations into our daily operations, to the employees' direct benefit.

Equal opportunities

CollPlant is an equal opportunity employer. We celebrate diversity, equity, and inclusion, and are committed to creating a supportive work environment for all employees.

As of the end of 2023, we had:

72 employees including 20 in research and development

40 in manufacturing

13 in sales, business and administrative positions

15 of our employees have advanced degrees, either medical degrees (MDs) or PhDs.

In addition, we engage consultants and service providers through contractual agreements for specific company projects. The success of our business is directly reflected in the steady growth of our workforce. In 2023 we saw a 13% increase in our workforce, compared to 2021.

Employee data, year-over-year (GRI 2-7)

Indicator	2021	2022	2023	% change 2023 - 2022	% change 2023 – 2021
Total number of employees on payrolls (head count/FTE)	64	72	72	0%	13%

We are proud of the fact that all of our employees are local employees. We also prioritize work with local growers and harvesters for the tobacco plants used to produce our rhCollagen.

We measure and track our employee turnover rate according to departure and recruitment data.

Turnover rate, by year

Indicator	2022	2023
Overall Turnover rate	22%	36%
Voluntary turnover rate	22%	26%

In order to set the appropriate objective we carried out the following activities:

- We conducted a brainstorming session regarding the topic of retention during management meetings.
- We set an employee retention target for 2025.
- We reviewed our employee talent pool with the well-known tool, 9BOX discussion, and identified key talents company wide.
- In April 2024 we adopted a new share award plan aimed at incentivizing and retaining key employees.
- We worked to enhance the flexibility and attractiveness of our compensation packages.
- As part of our commitment to supporting our employees' professional development, we encouraged them to participate in scientific conferences and courses.
- We set ourselves to support employees in building healthy career paths, which emphasize their unique knowledge, skills, and capabilities.

Overall, we are committed to managing the topic of nurturing our talent and growing our workforce, while learning from experience.

Pension Plans, Benefits and Relevant Labor Regulations

In terms of our employment conditions, Israeli labor laws govern the length of the workday, minimum wages for employees, procedures for hiring and dismissing employees, determination of the scope of severance pay, annual leave, sick days, advance notice of termination of employment, as well as equal opportunity and anti-discrimination laws, and other conditions of employment. Subject to specific exceptions, Israeli law generally requires severance pay upon retirement, death, or dismissal of an employee.

We fund our ongoing severance obligations by making monthly payments to insurance policies that comply with the applicable Israeli legal requirements. Furthermore, Israeli employers and employees are required to make payments to the National Insurance Institute, which is similar to the U.S. Social Security Administration.

None of our employees currently work under any collective bargaining agreements.

Furthermore, the company's employees are entitled to a wide range of benefits, some of which are provided in accordance with the law and some of which go beyond compliance. Some of these additional benefits, depending on eligibility, may include: meal payments, training and knowledge funds, granting of share based awards, additional travel expenses, company vehicles, parking in the office complex, payment of expenses for traveling on toll roads (Route 6), and company phones.

Finally, and in order to compensate employees for achieving objectives, the company may grant bonuses to employees based on its discretion and the achievement of certain milestones related to the company's strategic goals.

Professional Development and Training Opportunities for Employees

As noted, our sustainability strategy defines our outlook on employment and the ways we aim to generate economic and social impact. Based on this approach, we have selected nurturing inspired talent as one of our material topics. We act to realize our commitment to this topic by improving our efforts to attract, retain, and support a highly skilled, qualified, and engaged workforce. We are proud that many of our employees have advanced academic degrees and highly developed research acumens. Further to the employee turnover data presented previously in this section of the report, we have set a goal of achieving a 20% employee turnover rate by the end of 2025 and then further decrease it to 10% by 2030. We aim to achieve this by investing in enriching training and development opportunities for our employees which build on their experience, knowledge, and skills.

Furthermore, the company conducts comprehensive annual performance reviews with employees. Employees receive feedback, and their direct manager performs a detailed assessment of soft and professional skillsets. In 2023, all our employees participated in performance reviews, led by their direct managers. For employees, in key positions, a career trajectory plan with related goals is developed as part of these reviews. Moving forward, we intend to continue with this scheme, out of the belief that it is a productive way to promote professional and personal development, while also improving retainment for the company.

Training and Education (GRI 404-1, 404-2, 404-3)

Indicator	2021	2022	2023
Total training hours for all employees (including training days and professional conferences)	207	390	254
Average hours of training per year per employee	3	5	3
Number of hours allocated for upgrading employee skills and organizational development courses (such as project management, Canva, procurement, etc.)			512
Total number of employees receiving regular performance or career development reviews	56	66	72
Percentage of employees receiving regular performance or career development reviews	88%	92%	100%

Our Offices and Work Environment

In late 2021, we initiated a plan to upgrade our production site in Israel to a large-scale integrated facility, in order to accommodate expected future increase in demand. We plan to continue with the upgrade once commercial demand reaches a certain level.

Efforts to encourage a sustainable office culture

Single-use plastic is not part of our office culture. However, in order to follow certain religious dietary restrictions (which require separate utensils and dishes for certain foods), some employees still choose to use it. We had a company event to launch the removal of single-use plastic for most of our employees, which brought together employees from all the company's facilities. We are now in the process of expanding this initiative and will be adding recycle bins for separation of waste streams, with the goal of raising awareness to the importance of environmental sustainability. Additionally, we discontinued the longstanding tradition of offering glass soda bottles in the kitchen, thereby reducing our monthly waste by dozens of glass bottles.

Diversity and Inclusion of Our Workforce

We believe that diversity, which encourages a plethora of perspectives, is essential to enabling a viable and thriving workforce. Our commitment to gender diversity is made clear by the fact that women account for over half of our workforce - 54% as of 2023.

Total employees by gender and year (GRI 2-7, 405-1)

Indicator	2021	2022	2023	% change - 2022	% change - 2021	% from total workforce
Total number of employees	64	72	72	0%	13%	
# Female	36	40	39	-2%	8%	54%
# Male	28	32	33	3%	18%	45%

Women also play a critical role in our company's management.
As of 2023, women accounted for

33% of senior management | **50%** of middle management | and **45%** of management overall

In addition, we do not discriminate on the basis of age in our hiring and employment practices.

Commitment to Anti-Discrimination and Anti-Harassment

We strictly prohibit all forms of discrimination and harassment and are committed to providing equal and fair opportunities to all our employees. We do not tolerate any derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Furthermore, employees must comply with applicable company policies regarding employment discrimination and sexual harassment.

Health and Safety of our Employees

Employee Health & safety

Goal: Ensure the health and safety of our people across all facilities.

KPI: Maintaining a performance plateau in health and safety incidents while striving to reduce the number of incidents year on year.

We are committed to providing each employee with a safe and healthy work environment. Furthermore, we hold our employees responsible for maintaining a safe and healthy workplace by following relevant guidance and practices, while strongly encouraging them to report events and unsafe conditions immediately and as they arise. Employees have regular training on health and safety topics.

Our compliance procedures for employee health and safety programs are guided and overseen by a centralized organizational structure that ensures proper implementation. Our environmental, health, and safety procedures for handling and disposing of hazardous or potentially hazardous materials comply with all the standards prescribed by the controlling laws and regulations in Israel, including those from the Ministry of Environmental Protection. However, it is important to state that we believe that going beyond compliance in health and safety matters is key to achieving our business objectives.

Our handling procedures are stringent, and include a safety committee, evacuation and protection protocols, and general safety practices for work in production halls and chemical laboratories. We enforce a strict material acceptance or recipient procedure that mandates safety officer approval for all new chemicals. Additionally, the laboratory manager oversees the supervision of all materials entering our company's laboratories.

Our comprehensive training program is crafted to uphold the highest standards of safety and operational excellence throughout our operations. We provide a series of key trainings that cover essential safety procedures, lab safety practices, handling and storage of chemical and biological hazards, operation of heavy machinery, and the process for investigating and reporting safety incidents. Additionally, we focus on safety with visitors, risk assessment, and fostering a proactive safety culture. As part of our comprehensive training program, we also prioritize women's health by identifying materials hazardous to pregnant women.

We provide our employees with appropriate lab attire, including lab coats, safety glasses, and shoes designed for laboratory work. These modules are crucial for creating a safe work environment and ensuring that all team members are knowledgeable and prepared to execute their tasks with the utmost safety and efficiency.

During 2023 we had two minor incidents which led to an immediate 'lesson learned' internal session and a decision to conduct a refinement of procedures for workers in the risk areas. Accordingly, our TRIR (Total Recordable Incident Rate) is 3.44 – which we work hard on reducing to the minimum.

Health & Safety of Our Products

While in development, our products undergo strict health, safety, and quality performance examinations in order to comply with relevant regulations. In addition, all of our products undergo toxic-screening to ensure that they are safe and marketable. On this topic, we require our employees to not just familiarize themselves with the relevant policies, but to implement them daily.

About Our Tobacco Growers

One of our main contractors are the tobacco growers who work with CollPlant as one of our key engines of enablement, and whom we consider partners in our joint success. Through our work together, we seek to provide tobacco growers with a steady stream of income, and believe that, when our products reach the commercial phase, these growers will be able to enjoy a further substantial economic benefit, attributed to the expected increase in the cultivation of the tobacco plants.

Our work with tobacco growers is on-going throughout the year. We seek to enable optimal growing conditions for the tobacco plants, which are essential to our solutions, with the goal of maximizing the protein content of the leaves. Each tobacco grower is provided with scalable infrastructure so as to accommodate future demand without creating burdensome economic strain from additional capital expenditures.

Additional information on our growers and supply chain can be found in the 'Impact on Business Conduct' section of this report.

We are proud to take part in a process that may impact global healthcare. I can't wait to hear one day about how Collagen extracted from these leaves will be used for organ manufacturing and will help to improve and prolong lives."

Tobacco Grower - Uria

Impact on the Community

At the end of 2023 and immediately after the outbreak of the 'Iron Swords' war in Israel, we mobilized to support the local community through a variety of initiatives. A large number of families were evacuated from their homes in southern Israel, which motivated us to invite them to attend a recreational activity we organized for our employees. In addition, we made a donation to a battalion in the Israel Defense Forces, and donated computers to a non-profit working with impacted youth in the city of Rehovot, where our headquarters are located.

Furthermore, it is the company's policy to engage local suppliers and non-profit organizations in Israel when purchasing gifts for employees organizing various activities, demonstrating our dedication to supporting the social sector in Israel.

CollPlant
Pioneering Regenerative Medicine

04/03/2024

לכבוד CollPlant,

פשוט להגיד תודה

בשם הנהגת ההורים רחובות, אנו רוצים להודות לכם על תרומתכם הנדיבה
של ציוד מחשוב לילדי רחובות,

תמשיכו לגדול ולהצליח!

בברכה,

יניב עבדי
מנהל פרויקט מחשב לכל ילד, רחובות

צופית גולן
יו"ר הנהגת ההורים, רחובות

Impact on Business Conduct

At CollPlant, we drive innovation in regenerative medicine while prioritizing our responsibility to the environment, society, and animal welfare. By pushing the boundaries of scientific innovation with sustainability and social responsibility in mind, we are shaping a better future for generations to come.

We are committed to conducting our business according to the highest standards of corporate governance and ethics, while enabling innovation-driven medical progress using safer and more humane methods. We foster meaningful partnerships and a sustainable supply chain that contributes towards the achievement of our goals. We have set out the following goals for improving our governance practices, according to our sustainability strategy:

Sustainable sourcing

Goal: Encourage our suppliers to conduct their business with environmental sustainability and social consciousness.

KPI: By the end of 2024 50% of our key suppliers will complete an ESG assessment and 100% by 2030.

Robust ESG Framework

Goal: Enhance ESG governance and management within the company to align with the company's ESG goals.

KPI: Establishing a robust and deeply integrated ESG management structure, documented through a detailed written procedure, to be fully implemented by the end of 2025. This includes specifying the frequency of meetings, identifying committee members, clarifying the committee's mandate, and outlining a scalable reporting structure.

Our Approach to Animal Welfare

Our solutions adopt a regenerative approach aimed at minimizing, and hopefully eventually eliminating, the need for harmful, unethical, and inhumane animal testing. We diminish the necessity for animal testing in preclinical trials by employing simulation and modeling methodologies that are using Finite Elements analysis, and enable us to predict the impact of real-world conditions on product design. Moreover, this approach showcases elevated levels of sustainability and efficiency, resulting in reduced use of chemicals, materials, and resources.

Our approach to animal welfare is guided by the following principles:

Replacement

Avoiding or replacing the use of animals in research whenever possible

Reduction

Minimizing the number of animals required for meaningful results

Refinement

Enhancing animal welfare and minimizing pain and distress

Our Ethical Business Framework and Related Policies

The company's Code of Business Conduct and Ethics covers a wide range of business practices and procedures and sets out basic principles to guide all employees, officers, directors, and consultants. As set out in the Code, those who violate its rules and standards may be subject to disciplinary action, up to and including termination of employment or service. In this regard, our values include: **Performance** - Striving to combine exceptional multidisciplinary expertise with the rapid delivery of proven, best-in-class products & technologies; **Integrity** - Acting honestly, fairly and ethically, with full transparency; **Innovation** - Transforming curiosity into new concepts and products, to save lives and shape a better future; **Engagement** - Creating a corporate culture that motivates our people and gives us a sense of pride in our work; and **Diversity** - Realizing the synergy of different people, ideas, interests and cultures in wide-ranging products and technologies.

As of 2023:

100%
of employees received training on our Code of Business Conduct and Ethics

0 reported incidents of corruption

0 reported incidents of non-compliance

Management Team

CollPlant's executive team comprises 6 members, of whom 2 are women (33%). This seasoned team brings extensive experience in engineering, pharmaceuticals, device ,strategy, capital market and life sciences.

Yehiel Tal
CEO

Regentis Biomaterials
ProChon Biotech
Kulicke & Soffa Industries
joined CollPlant in 2010

Eran Rotem
Deputy CEO & CFO

Tefron
Healthcare Technologies
Gamida, EY
Joined CollPlant in 2012

Oren Fahimipoor
VP Operations

Omrix Biopharmaceuticals (J&J)
Teva Pharmaceutical Industries
Joined CollPlant in 2023

Elana Gazal, PhD
VP R&D

Neuroderm
(now Mitsubishi Tanabe)
Waters IS Foamix (now Wyne)
Beckman Coulter
Joined CollPlant in 2022

Philippe Bensimon
VP Regulatory Affairs and Quality Assurance

Maquet Getinge
3M Medical
Joined CollPlant in 2011

Hadas Dreiher-Horowitz
VP HR

Elbit Systems
Teva Pharmaceutical Industries
Mul-T-Lock
Joined CollPlant in 2021

Prof. Oded Shoseyov
Founder and Chief Scientist

Faculty member of the Hebrew university of Jerusalem, inventor of 94 patents and received the outstanding scientist Polak award in 2002, the 1999 and 2010 kay award for innovative, and applied research in the 2012 Israeli prime minister citation for entrepreneurship and innovation.

Board of Directors

Our company's board of directors brings together expertise in scientific research, pharmaceutical development, regulatory affairs, and business strategy. Their combined experience helps guide our mission and keep us competitive.

Dr. Rojer J. Pomerantz
BOD-Chairman

Yehiel Tal, CEO

Dr. Avri Habron

Alisa Lask

Joseph Zarzewsky

Hugh Evans

Dr. Elan Penn

The board comprises 7 members, one of whom is a woman (14%). None of the Board members are openly identified as, or can be considered as identified with, an underrepresented population and/or the LGBTQ+ community.

Board of Directors Committees

The Board of Directors has the following committees:

- Audit
- Nominating & Governance
- Compensation

The charters of these committees can be found on the company's website at the following link: https://ir.collplant.com/corporate-governance

Compliance with Laws, Rules, Regulations and Company Policies

Obeying the law, both in letter and in spirit, is the foundation on which our company's ethical standards are built. All of our employees must respect and obey the laws and regulations of the jurisdictions in which we operate. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from immediate supervisors, managers, or other appropriate personnel. In addition, all employees must comply with applicable company policies, as they may exist and as amended from time to time.

Anti-bribery and Corruption

The company's Code of Business Conduct and Ethics sets out the company's commitment to compliance with anti-bribery and anti-corruption laws. Each of the company's employees is required to follow the Code. The Code is publicly available on the company's website.

We have a clear gifts and entertainment policy that prohibits offering or accepting any gifts or advances made by a company representative or their family members unless it: (1) is non-cash, (2) aligns with customary business practices, (3) is not of excessive value, (4) cannot be seen as a bribe or payoff, (5) wouldn't be reported as taxable compensation, and (6) complies with all laws and regulations. Any uncertainty around the appropriateness of gifts should be discussed with an immediate supervisor.

The company issued a fraud and embezzlement risk survey in May 2024 as part of its internal audit plan for this year and is currently reviewing and addressing the auditor's findings and recommendations to reduce existing risk levels.

Conflicts of Interest

A conflict of interest arises when an individual's personal interest interferes in any way with the interests of the company. We advise our employees to avoid situations involving a conflict, or potential conflict, between their personal, family or business interests, and the interests of the company. A conflict of interest can arise when a representative takes actions or has interests that make it difficult to undertake and perform his or her work with the company objectively and effectively. Conflicts of interest are prohibited as a matter of company policy, except as may be approved by the board of directors.

Conflicts of interest may not always be clear-cut, so we encourage our employees to consult with higher levels of management to determine the next steps.

Directors are required to promptly disclose to their fellow directors any personal interest they may have in a matter which comes before the board of directors and to abstain from participating in any decision in which there is, or could be, a conflict of interest.

Prohibition of Insider Trading

Our employees may hear or know about a company's business activities, plans or other information that are not yet publicized. Information that has not been made public, but if known, may persuade a reasonable investor to buy, sell or hold a company's securities is called "inside" or "non-public" information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision based on this information is not only unethical but also illegal. To assist with compliance with laws against insider trading, we have adopted a specific policy governing employees trading in securities of the company. This policy is being distributed to all employees and those with questions are encouraged to consult the company's Compliance Officer or Legal department.

Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. Infringement of proprietary rights, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees, directors or officers of other companies are prohibited. Each employee should endeavor to respect the rights of and deal fairly with the company's clients, service providers, competitorscompetitors, and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

We are strongly committed to the prevention of corruption and bribery at all levels of the company and our employees, senior managers and directors agree to uphold this commitment in all business, personal and professional dealings.

Confidentiality

All the company's employees are entrusted with protecting our assets, which encompass information assets, as well as physical, electronic, and financial assets. This responsibility extends to preventing improper or careless use, destruction, or disclosure and is a collective obligation.

Protection of electronical, physical, and financial assets

We protect the company's electronic and physical assets, ensuring the wellbeing of company facilities, vehicles, furnishings, equipment, inventory, electronic devices, and information systems. We commit to maintaining electronic and physical assets in good working condition, avoiding careless or wasteful usage. Computers, electronic devices, software, and the associated passwords are kept secure to ensure the integrity and confidentiality of company's information. Occasional personal use of company resources is permitted, provided it does not interfere with job responsibilities or violate company policies.

We also prioritize the safeguarding of company's financial assets. The integrity of cash assets, securities, bank accounts, credit standing, and financial records is essential to our success. Every Representative of the company plays a role in protecting and securing these financial assets, managing budgets responsibly, and complying with company accounting controls, financial policies, and guidelines related to sourcing and purchasing. We encourage the company's Employees to speak up if they have any concerns related to accounting or auditing matters.

Protection of Confidential and Proprietary Information:

We treat our operation's confidential and proprietary information with privacy. This information is utilized solely for job related purposes and is not shared with unauthorized individuals, whether inside or outside the company. Company employees are strictly prohibited from uploading or storing confidential, proprietary, or personally identifiable information on unauthorized platforms, such as cloud storage sites, personal email accounts, home computers, personally obtained storage locations, or insecure locations.

In addition, the company's employees must adhere to the confidentiality policies established by the company. Prior to sharing any information outside the company, employees are required to consult with their supervisors or the company's legal department to ensure compliance with these policies.

Emphasis on protecting proprietary information:

We give particular attention to the protection of proprietary information, which is defined as knowledge owned by the company and utilized for a competitive advantage in the marketplace. This includes safeguarding intellectual property, such as trade secrets (e.g., patents, trademarks, technologies, manufacturing processes, and business methods).

Our commitment to protecting company assets underscores the critical importance of confidentiality, especially regarding proprietary information that contributes to our competitive edge.

Record-Keeping

We require honest and accurate recording and reporting of information in order to make responsible business decisions. In the performance of their duties, employees are prohibited from knowingly misrepresenting facts. Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of memos, and formal reports.

It is of critical importance that our filings with the U.S. Securities and Exchange Commission and other public disclosures be accurate and timely. To that end, all of the company's books, records, accounts, and financial statements must be maintained in reasonable detail, must appropriately reflect the company's transactions and must conform both to applicable legal requirements and to the company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained, unless permitted by applicable law or regulation, with the full knowledge and consent of the Audit Committee of the company's Board of Directors. Mistakes should never be covered up but should be immediately fully disclosed and corrected. Falsification of any record is prohibited.

Records should always be retained or destroyed according to the company's record retention policies.

In 2023, there were 0 complaints concerning breaches of customer data.

Patents & Intellectual Property

Our success depends, in part, on our ability to protect our proprietary technology and intellectual property. We rely on a combination of patent, trade secret, and trademark laws in the United States and other jurisdictions to protect our intellectual property rights. As of December 31, 2023, we have a global patent portfolio that is comprised of fifteen patent families.

Quality

As a biotechnology company, generating novel solutions for plant-based regenerative medicine, we are committed to the highest standards of quality assurance.

CollPlant has an ISO 13485-certified quality management system (QMS), which is governed by a QSD 20000 Safety Procedure as part of the QMS. As such, we uphold a 'Quality management System Document' that details the process for designing and managing the development of our products manufacturing and distributing. This ensures that we achieve a high-quality product and that any potential impacts of our products can be effectively managed. We strictly monitor quality aspects among our suppliers, as detailed below.

Fair and Compliant Marketing of Our Products and Services

In order to obtain marketing authorization in the United States, we and/or our partners would be subject to extensive regulation by the FDA and other federal, state, and local regulatory agencies.

Business Continuity & Cyber Security

We uphold and implement a business continuity procedure that directs CollPlant in ensuring that its critical assets and materials are preserved, and to protect business continuity.

Sustainable Sourcing

Goal: **Encourage our suppliers to conduct their business with environmental sustainability and social consciousness.**

KPI: **By 2025 50% of our key* suppliers will complete an ESG survey and 100% by 2030.**

Our supply chain is complex and involves coordination between various stakeholders. Nevertheless, we are committed to working with small, sustainable, and diverse partners, and to improving our own performance by monitoring their sustainability practices and policies.

We work with several contractors with greenhouses, for the cultivation of our proprietary tobacco plants containing our rhCollagen. The growing of tobacco plants occurs in several locations around Israel and to optimize the growth to the climate conditions in order to achieve the maximum amount of collagen in the tobacco plant leaves. Each grower has an infrastructure that can be scaled up to accommodate a rise in future demand.

*Key Suppliers: Top Ten by Value and High Risk

We uphold various policies and procedures for responsibly managing our supply chain. As part of our Quality Management Procedure, we implement the following framework:

- Supplier Quality Problem Log
- Supplier Approval & Risk Classification
- Suppliers List
- Supplier Scorecard
- Supplier Audit Schedule
- Supplier Audit Work Instruction
- Supplier Audit Report
- Supplier Quality Agreement

In addition, we audit and monitor the performance of our critical contractors and key suppliers to ensure responsibility throughout the value chain.

Procurement budget spent on suppliers in Israel

2021	2022	2023
89%	88%	78%

Agricultural activity is not part of our business but it is essential to our business. We monitor the agricultural activity of our growers closely so as to ensure the required level of quality and compliance with our cultivation protocol. Detailed terms of this collaboration are documented within our agreements, particularly within the protocol section. Our relationship with our growers is based on long term collaboration. The growers are regarded as any other service provider, not as direct employees of the company. Additionally, environmental issues within the cultivation process are managed by the growers, who must adhere to guidelines such as working with authorized materials, respecting cut boundaries, and using water resources in a responsible and efficient manner.

Accountability and Transparency

Goal: Annual publication of sustainability and TCFD accountability reports

Robust ESG Framework

This report is the company's first sustainability report, which presents the formation of the infrastructure for the advancement of ESG, as well as setting goals and statements of intent regarding our plans for the future.

To this end, one of the defined goals we set ourselves supports this commitment specifically and guarantees that we will continue to act and monitor our progress in developing and incorporating ESG considerations in the company.

Goal: Enhance ESG governance and management within the company to align with the company's ESG goals.

KPI: Establishing a robust and deeply integrated ESG management structure, documented through a detailed written procedure, to be fully implemented by the end of 2025. This includes specifying the frequency of meetings, identifying committee members, clarifying the committee's mandate, and outlining a scalable reporting structure.

Indexes and Appendices

About This Report

This Sustainability report provides an overview of CollPlant's practices and commitments for the promotion of economic, environmental, and social values throughout its activities in 2023. The report aims to share CollPlant's disclosures on related topics with its stakeholders.

The report was written in reference to the international sustainability reporting guidelines and standards - the GRI Standards 2021 reporting standards and the SASB Biotechnology & Pharmaceuticals Standards (version 2023-06) guidelines. The report references the Sustainable Development Goals of the United Nations (SDGs) and the United Nation's Global Compact (UNGC) principles.

This Sustainability report is not part of CollPlant's financial, immediate, or periodic reports. The statements made in this report reflect an assessment and statement of intent made by CollPlant during the period of writing the report and are subject to changes and updates. In any case of contradiction or inconsistency between the information presented in this report and the information appearing in the company's public financial statements, the information appearing in the public financial statements shall prevail.

For any inquiries, feedback or suggestions, please contact our ESG Manager:

Michal Arbel, michala@collplant.com

For the GRI Content Index Table **For The SASB Table**

Forward-Looking Statements

This report may include forward-looking statements. Forward-looking statements may include, but are not limited to, statements relating to CollPlant's objectives plans and strategies, as well as statements, other than historical facts, that address activities, events or developments that CollPlant intends, expects, projects, believes or anticipates will or may occur in the future. These statements are often characterized by terminology such as "believes," "hopes," "may," "anticipates," "should," "intends," "plans," "will," "expects," "estimates," "projects," "positioned," "strategy" and similar expressions and are based on assumptions and assessments made in light of management's experience and perception of historical trends, current conditions, expected future developments and other factors believed to be appropriate.

Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statements. Many factors could cause CollPlant's actual activities or results to differ materially from the activities and results anticipated in forward-looking statements, including, but not limited to, the following: the Company's history of significant losses, its need to raise additional capital and its inability to obtain additional capital on acceptable terms, or at all; the Company's expectations regarding the timing and cost of commencing pre-clinical and clinical trials with respect to breast implants, tissues and organs which are based on its rhCollagen based BioInk and other products for medical aesthetics, and specifically the Company's ability to initiate its next large-animal study for its breast implants in a timely manner, or at all; the Company's or it strategic partners' ability to obtain favorable pre-clinical and clinical trial results; regulatory action with respect to rhCollagen based bioink and medical aesthetics products including but not limited to acceptance of an application for marketing authorization review and approval of such application, and, if approved, the scope of the approved indication and labeling; commercial success and market acceptance of the Company's rhCollagen based products, in 3D Bioprinting and medical aesthetics; the Company's ability to establish sales and marketing capabilities or enter into agreements with third parties and its reliance on third party distributors and resellers; the Company's ability to establish and maintain strategic partnerships and other corporate collaborations, including its partnership with AbbVie and its ability to continue to receive milestone and royalties payments under the AbbVie agreement; the Company's reliance on third parties to conduct some or all aspects of its product development and manufacturing; the scope of protection the Company is able to establish and maintain for intellectual property rights and the Company's ability to operate its business without infringing the intellectual property rights of others; current or future unfavorable economic and market conditions and adverse developments with respect to financial institutions and associated liquidity risk; the impact of competition and new technologies; general market, political, and economic conditions in the countries in which the Company operates, including, with respect to the ongoing war in Israel, projected capital expenditures and liquidity, changes in the Company's strategy, and litigation and regulatory proceedings. More detailed information about the risks and uncertainties affecting CollPlant are contained under the heading "Risk Factors" included in CollPlant's most recent annual report on Form 20-F filed with the SEC, and in other filings that CollPlant has made and may make with the SEC in the future. The forward-looking statements contained in this report are made as of the date of this report and reflect CollPlant's current views with respect to future events, and CollPlant does not undertake and specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CollPlant Biotechnologies | Pioneering Regenerative Medicine

www.collplant.com