SI-BONE Sustainability Report

Innovation through Collaboration

si-bone.com

SI-BONE®

Sacropelvic Solutions™

Forward Looking Statements

In addition to historical information, this report contains forward-looking statements reflecting SI-BONE, Inc.'s ("we", "us", "SI-BONE", or the "Company") current beliefs and expectations of management made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding current and future compliance initiatives, and expected environmental, social and governance policies and practices. These forward-looking statements are based upon information that is currently available to us or our current expectations, speak only as of the date hereof and are subject to numerous risks and uncertainties. These risks, uncertainties and other factors are described in greater detail in our periodic reports filed with the SEC, including current reports on Form 8-K, quarterly reports on Form 10-Q and annual reports on Form 10-K. These risks, uncertainties and other factors could cause actual results to differ materially from those referred to in the forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The reader is cautioned not to rely on these forward-looking statements. All forward-looking statements are based on information currently available to SI-BONE and SI-BONE assumes no obligation to update any such forward-looking statements.

Materiality

The term "materiality" as used in the context of this report is different than the definition used in the context of our filings with the U.S. Securities and Exchange Commission (SEC). Issues deemed material for our sustainability strategies and for this report may not be considered material for SEC reporting purposes.

Report Period

The activities and data contained in this report cover the period from January 1, 2022, through December 31, 2022. This report was published on April 20, 2023.

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SI-BONE Sustainability Report

Innovation through Collaboration

Letter from our CEO, Laura Francis

At SI-BONE, our mission – helping patients *rise up and reach for the stars* – inspires our global team of over 350 employees to transform treatment options for patients who suffer from sacropelvic conditions. We innovate and collaborate as we work to make sacropelvic conditions universally recognized and effectively treated. In this year's Sustainability Report, we celebrate this *Innovation through Collaboration* by highlighting the ways in which we work with our stakeholders to operate responsibly and create value for society.

This report recaps our Sustainability work across important areas, including our focus on creating an inclusive and rewarding work environment, introducing and expanding access to life-changing medical technologies, supporting environmental stewardship, and operating ethically and sustainably. I am proud to share our FY22 Sustainability Report along with these key highlights.

Creating an Inclusive and Rewarding Work Environment

At SI-BONE, we focus on hiring and retaining a talented and diverse workforce by creating a high-performing and rewarding work environment. In 2022, we implemented new communication pathways, management training, and peer-to-peer sharing opportunities. Our collaborative culture and ability to challenge the status quo has allowed us deliver some of the most innovative products in the industry. Our commitment to creating a supportive and rewarding work environment earned SI-BONE accolades in 2022, as we received both "Top Workplaces USA Winner" and "Women-Led Top Workplace" awards.

Expanding Access to Healthcare

Innovation is core to our long-term value creation strategy. Our innovative products are backed by our robust clinical trials program. The data we generate supports our regulatory and reimbursement strategies, making our products available to a wider patient population.

We achieved several milestones that expanded access to differentiated solutions in 2022.

- Our breakthrough adult spinal deformity treatment, iFuse Bedrock Granite®, received 510(k) clearance to provide sacroiliac fusion and sacropelvic fixation as a foundational element for segmental spinal fusion.
- To expand access for Medicare beneficiaries, CMS approved a New Technology Add-On Payment for iFuse Bedrock Granite.
- We worked with nearly 2,500 hospitals across the United States to get iFuse Bedrock Granite on the approved product list.
- Our expanded rod clearance for iFuse Bedrock Granite ensures that surgeons can use the product with their preferred rods and pedicle screw systems.
- Our iFuse TORQ® implants received expanded indications covering use in pelvic fragility fractures and pelvic insufficiency fractures and use in the Bedrock approach, which allows for its promotion as a second point of fixation in the sacro-alar-iliac trajectory complementary to iFuse Bedrock Granite.
- We launched SAFFRON, our third randomized controlled study, comparing sacral fracture fixation and sacroiliac joint fusion using iFuse TORQ to non-surgical management in individuals with sacral fragility or insufficiency fractures.
- We completed patient enrollment for SILVIA, a two-year prospective international multi-center randomized controlled trial of two different methods for pelvic fixation.

Each of these successes required collaboration with external stakeholders as well as the dedication of SI-BONE employees. I am excited to share more details on each of these accomplishments in the pages that follow.

Supporting Environmental Stewardship

We strive to operate in a way that respects our environment. This year we introduced our Supplier Code of Conduct which requires our suppliers to comply with environmental laws and encourages the conservation of natural resources and the reduction of hazardous material usage. In our own operations, we reuse and recycle our implants and instruments when possible and recycle the majority of supplier packaging material. We continue to look for opportunities to improve our environmental footprint through strategic collaborations and internal initiatives and l will report on our progress.

Operating Ethically and Sustainably

Our Code of Business Conduct and Ethics provides the ethical framework for our company, and we work to operate our business responsibly and sustainably. We maintain robust compliance and quality systems and continuously improve our cybersecurity. We value the strategic guidance and input of our directors and maintain corporate governance systems that are appropriate for our current stage. Although our operational successes may be "behind the scenes," they require no less collaboration among stakeholders. Whether through formal collaboration with our directors during enterprise risk management exercises, or the daily collaboration between our customer service team and sales organization, we work together to move our business forward each and every day.

Thinking about the collaboration required to bring our FY22 accomplishments to fruition is humbling. Our achievements depend on the contributions of all our stakeholders: the hard work and dedication of our employees, the thoughtful and deliberate guidance of our board members, the insights and commitment of the physicians we work with, and the inspiring stories and support of patients who have benefitted from our technologies.

I'm proud of the steps we are taking to advance our Sustainability. I invite you to read further about our accomplishments this year and welcome you to join us on our Sustainability journey.

Laura Francis

Chief Executive Officer
SI-BONE, Inc.

OUR COMPANY

Meet SI-BONE

SI-BONE is a global leader in technology for surgical treatment of musculoskeletal disorders of the sacropelvic anatomy. We have pioneered minimally invasive surgical systems to address unmet clinical needs in sacroiliac joint dysfunction, spinopelvic fixation, and pelvic fractures. Innovation and collaboration are deeply ingrained in our culture. By listening to and collaborating with our healthcare partners and patients, we better understand how to serve their needs. These insights guide our research and development activities with the goal of bringing differentiated products to market. But we don't stop there. Training and educating surgeons and other health care providers is fundamental to our mission, and we offer a variety of educational courses for healthcare providers at all stages of their careers, as well as offering healthcare economic and insurance reimbursement resources. And finally, our high caliber, direct sales team ensures that surgeons and their patients have access to our solutions.

2022 Highlights

Over 80,000 procedures performed since inception

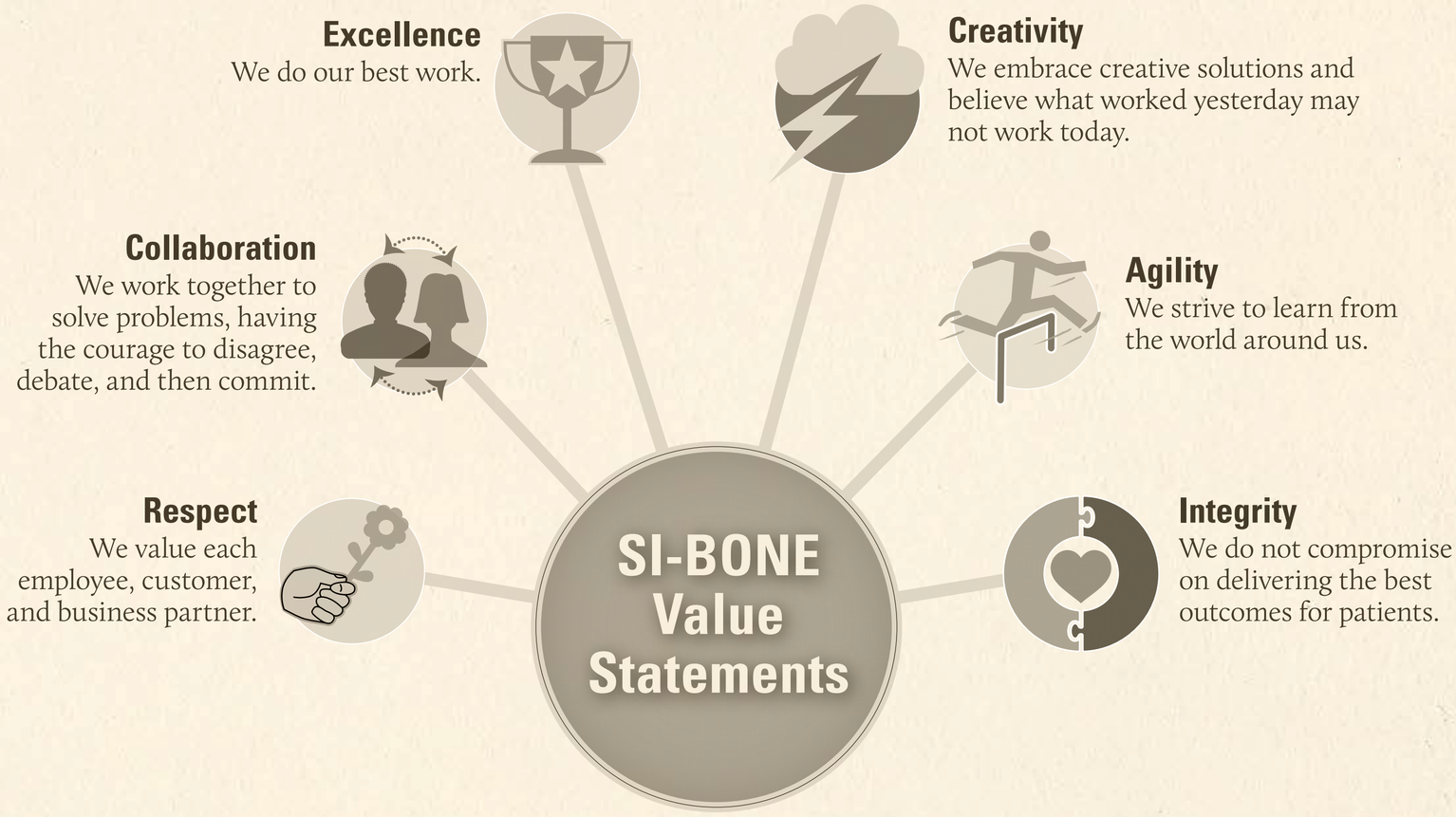
33% growth in active surgeon base compared to 2021

More than 300M U.S. Covered Lives

SI-BONE'S CORE VALUES

Since our founding in 2008 and the introduction of the iFuse Implant System® in 2009, SI-BONE's commitment to providing patients with innovative solutions for sacropelvic conditions is reflected in our mission to "Help Patients Rise Up and Reach for the Stars."

These values guide our 350+ employees as we work together to make sacropelvic conditions universally recognized and effectively treated through innovation, evidence, education, and advocacy.



The Markets We Serve

SI-BONE offers sacropelvic surgical solutions to address patients' needs in three markets.

DEGENERATIVE (SI JOINT DYSFUNCTION)

The SI joint can be a significant cause of lower back pain. SI joint dysfunction arises from various causes, such as SI joint degeneration, previous lumbar fusion, trauma, or childbirth.

Clinical publications have identified the SI joint as a pain generator in 15-30% of chronic lower back pain patients.[1] In addition, the SI joint is a pain generator in up to 43% of patients with continued or new onset lower back pain after a lumbar fusion.[2]

TRAUMA

SI-BONE products address acute, nonacute, and nontraumatic pelvic fractures. Some fractures are caused by high energy events, like a car accident or a fall from a significant height. But other fractures occur when a weakened bone breaks without an identifiable traumatic event or following a minor injury that would not ordinarily break a healthy bone. These often occur in elderly patients or in those with weakened bones due to conditions such as osteoporosis.

ADULT DEFORMITY AND DEGENERATIVE SPINE

Adult spinal deformity correction surgery has a high incidence of pelvic fixation failure.[3] By providing SI joint fixation and/or fusion simultaneously with a multi-level lumbar fusion surgery, SI-BONE products can reduce the range of motion across the SI joint and provide a stable foundation for the spinal deformity construct.[4] There is potential for expanded use of our products to stabilize the base of shorter multi-level constructs as part of their treatment for degenerative spinal conditions for select patients.

BENEFITS OF THE iFUSE IMPLANT SYSTEM

When surgery is indicated for SI joint dysfunction, the iFuse Implant System is The Method of Choice for SI Joint Fusion®.

- Titanium construction designed specifically to stabilize and fuse the SI joint
- Patented triangular shape minimizes rotation
- Porous titanium surface allows for bony ongrowth/ingrowth (and, with iFuse 3D, through-growth)
- Proven safety and effectiveness
- 3D-printed surfaces of iFuse 3D™, iFuse TORQ®, and iFuse Bedrock Granite mimic cancellous bone

SALLY PROSPECTIVE CLINICAL TRIAL: iFUSE 3D 2-YEAR OUTCOMES[5]

VAS Pain Reduction: 57-point improvement (MCID 20 points)

ODI Disability Improvement: 25-point improvement (MCID 15 points)

Decreased Opioid Use: 59% at baseline *vs.* **18%** at follow-up

Patient Satisfaction: 91% satisfied / very satisfied at follow-up

BREAKTHROUGH DEVICE & NTAP FOR GRANITE

iFuse Bedrock Granite is designated by the FDA as a breakthrough device based on its potential to be a more effective treatment than the current standard of care. The Centers for Medicare and Medicaid Services (CMS) have awarded a New Technology Add-on Payment (NTAP) for procedures that involve implanting this device in Medicare patients.

A Track Record of Innovation

2009

Launch
iFuse Implant System

2017

Launch
iFuse 3D Implant

2019

Expanded Clearance *for*
iFuse Implant System
to include
Bedrock technique

2021

Launch
iFuse TORQ

2022

May

Launch
iFuse Bedrock Granite

June

Expanded Clearance *for*
iFuse TORQ
to include
fragility fractures

September

Expanded Clearance *for*
iFuse TORQ
to include
Bedrock technique

December

Expanded Clearance *for*
iFuse Bedrock Granite
for
expanded rod compatibility

iFuse **and** ***iFuse 3D*** **implants provide a patented triangular shape to minimize rotation and a proprietary 3D-printed porous surface that mimics cancellous bone to encourage bony on-growth, ingrowth and through-growth.**

iFuse TORQ **3D threaded implants are designed to meet the needs of pelvic trauma and minimally-invasive sacroiliac joint fusion applications.**

iFuse Bedrock Granite **provides sacroiliac fusion and sacropelvic fixation as a foundational element for segmental spinal fusion.**

Employee Spotlight

Meirav Harsat

Director of Regulatory Affairs

"Our regulatory strategy resulted in iFuse TORQ being available to a larger patient population."

SI-BONE's Regulatory Affairs team had a busy year in 2022. In May, the company received FDA 510(k) clearance for iFuse Bedrock Granite. June ushered in an expanded clearance for the iFuse TORQ implant to cover pelvic fragility fractures. September brought another expanded clearance for iFuse TORQ, this time for use at the base of spinal fusion constructs. And in December, iFuse Bedrock Granite received expanded clearance for use with a wide range of rods commonly used in multilevel spinal fusion surgeries.

As the Director of Regulatory Affairs, Meirav sees how regulatory strategy can further business goals. One such strategy is evident in the team's approach to obtaining expanded iFuse TORQ clearance. The Company identified an opportunity to address the needs of patients with pelvic fragility fractures. These fractures relate to low-energy traumatic events that would not typically cause a fracture in a patient with normal bone quality, or are unconnected to any traumatic event. Patients with pelvic fragility fractures often require long periods of bed rest while their fracture heals, which can lead to complications associated with extended immobility.

SI-BONE's iFuse TORQ offered promise as a treatment option for this set of patients. The device's clearance for fracture fixation, however, was non-specific. This meant that although surgeons could use iFuse TORQ on patients with fragility fractures under the practice of medicine, SI-BONE could not market the device for this specific use.

Meirav and her team considered their options for seeking an expanded clearance. One option was a clinical trial to support the application. Another was to gather and summarize real world evidence on iFuse TORQ's use in fragility fractures. Still another involved bench testing and literature review. The options involved trade-offs in cost, time-to-market, likelihood of approval, and the availability of patient reimbursement. Ultimately, through good communications and fruitful discussion with FDA, the team landed on its strategy – to submit for the expanded indication based on bench testing, literature review, and a demonstration of substantial equivalence with predicate devices.

Given the company's long-standing commitment to data-driven products, SI-BONE also launched a clinical trial covering this use case, entitled Sacral Fracture Fusion/Fixation for Rapid Rehabilitation (SAFFRON).

For Meirav, these regulatory accomplishments highlight what she is proudest of – the collaboration of the cross-functional team. "It's not easy to work so closely and with so much positivity when you have to hit tight deadlines and get pulled in different directions. The ability of our team to be part of these accomplishments is something I'm really proud of."

Our Commitment to our Environment, Society, and Good Governance

At SI-BONE, we recognize that our ability to make positive impacts on the world extends beyond the devices we develop. To this end, we are committed to incorporating sustainability considerations into our work to create sustainable value and advance the interests of all our stakeholders – patients, healthcare providers, employees, shareholders, and the broader community.

COMMITMENT FROM THE TOP

Our Sustainability efforts are overseen by the Board of Directors through its Nominating and Governance Committee.

We formed our inaugural Sustainability Steering Committee in 2022. This cross-functional team comprises representatives from the People & Culture, Legal, Finance, Compliance, Marketing, Product, Operations/Supply Chain, Clinical Affairs, and Information Technology departments.
The Steering Committee meets quarterly and advises the Company on its strategy with respect to environmental, corporate social responsibility, human capital, corporate governance, sustainability, and related policy matters.
The Steering Committee is also responsible for establishing a sustainability framework and reporting on our efforts.

MATERIAL TOPICS

ENVIRONMENTAL
Packaging Waste and Recycling

SOCIAL
Access and Pricing
Diversity and Inclusion
Employee Attraction, Development and Retention
Product Safety

GOVERNANCE
Board Structure & Governance
Business Resiliency
Ethics and Compliance
Innovation
Responsible Sourcing

SI-BONE regularly focuses on measures of sustainability that have a material impact on the Company. We determined that the topics listed above were the most relevant to SI-BONE's business priorities in 2022 and were the focus of our sustainability endeavors for the past year. We will continue to periodically review this list of material topics with key stakeholders, to ensure that the areas identified below continue to represent the key to advancing sustainability at SI-BONE.

SI-BONE has aligned our sustainability report with internationally recognized standards and best practices for corporate sustainability reporting. This report is prepared in accordance with the Sustainable Accounting Standards Board (SASB) Medical Equipment & Supplies Standards.

SI-BONE®

OUR PEOPLE

Employee Attraction and Retention

Our people are our most valuable asset. Our salesforce includes approximately 160 dedicated field representatives. These representatives work directly with physicians who treat patients with our products. They are supported by a robust team of nearly 200 employees in the U.S. and Europe who develop, commercialize, and study our products, as well as support the ongoing functions of our Company.

At SI-BONE, we believe our patient-focused mission appeals to our employees and candidates. To attract and retain talent, we provide a competitive compensation and benefits package. Each year, we benchmark all employee compensation against current market data to remain competitive in our industry.

We also encourage a culture where employees invest in the success of the Company. To promote employee ownership, we award restricted stock units to employees as a component of our annual compensation packages. In addition, we offer our Employee Stock Purchase Plan which enables employees to purchase company shares at a discounted rate.

We celebrate exemplary efforts of our employees, through multiple employee recognition programs. In 2022, we expanded our employee recognition program by launching the Total Performance & Culture (TPAC) Award. This award celebrates the achievements of three non-sales, non-executive employees whose work significantly impacted the company during the year. Three awards are granted at the year-end company party, and the recipients receive a cash prize and attend the President's Club trip along with their top-performing sales colleagues.

Employee Benefits (U.S.)

- Unlimited Paid Time Off
- Medical, Dental & Vision Insurance
- Employee Stock Purchase Plan
- 401(K) Plan
- Flexible Spending Account/ Health Savings Accounts
- Subsidized Commuter Benefits
- Paid Parental Leave
- Employee Assistance Program
- Short-Term and Long-Term Disability
- Life and AD&D
- Voluntary Life and AD&D

Employee statistics *(as of Dec. 31, 2022)*

- Total Employees: **350+**
- Dedicated Field Reps: **~160**
- Female Employees: **43%**

Employee Engagement

At SI-BONE, we strive to increase employees' engagement with their work. To better understand the needs of our employees, we conduct regular anonymous employee engagement surveys. In 2022, we added quarterly pulse engagement surveys to closely monitor and respond to employee sentiment. Through these engagement surveys, we identified a desire for increased communication and interaction with the Company's leadership. In response, we rolled out several new communication avenues and revived others.

- Our CEO regularly leads All Hands and Town Hall meetings. In 2022, we shifted from a quarterly schedule to an ad hoc schedule so that developments could be addressed company-wide in real time.
- We also introduced an opportunity for all employees to informally engage with members of executive leadership, including our CEO, CFO, and President of Commercial Operations.
- Our Cultural Advisory Board rolled out the "Day in the Life" video series that highlights the roles of various departments in our organization. 2022 saw videos celebrating our sales team, finance team, and reimbursement team. These videos enabled employees to learn about the work of their colleagues in other departments.

Policies Against Non-Discrimination

SI-BONE provides equal employment opportunity for all applicants and employees. Employment decisions are made based on merit, qualifications, and abilities. The Company does not unlawfully discriminate on the basis of sex, race, religion, color, creed, gender, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status, registered domestic partner status, age, sexual orientation, military and veteran status, or any other basis protected by local, state, or federal laws.

Our nondiscrimination policy governs all aspects of employment, such as recruitment, selection, job assignment, compensation, discipline, promotion, termination, and access to benefits and training.

We encourage employees to bring claims of discrimination or harassment to their managers, our Chief Compliance Officer, People & Culture team, or other members of the management team. We publicize our toll-free hotline for any employee who wishes to make an anonymous report. SI-BONE promptly and thoroughly investigates claims of unlawful harassment and discrimination.

Employee Spotlight

Thien Vinh

Director, Assistant Controller

"This truly is the place for me."

When Thien learned he won the inaugural TPAC award, he was surprised. "No one expects Accounting to be recognized. The job we do is in the background." But Thien has a long record of career growth and success at SI-BONE. He joined the company as an accounting manager in 2015. Over the next several years, as the Company transitioned to a publicly-traded company with significant accounting controls, Thien's career growth kept pace – he was promoted four times. As Thien noted, "The company and management really see what employees contribute and value their talent."

Thien appreciates the opportunities he's had to grow his career at SI-BONE. He has a particular passion for finding better ways to work. He explained, "Process improvements is one of my priorities. I always want to find a way to do it better. It's a challenge and it keeps me motivated." His connection to his colleagues is another motivator. Although cross-functional projects create additional challenges, Thien views them as opportunities to understand people's mindsets and find a solution. "It's important to wear someone else's hat to understand where they are coming from. Everyone has an agenda they want to achieve. But if you focus on the result you want, then you can work together to come up with solutions to achieve it.

Even as the company acknowledged Thien's contributions with the TPAC award, he kept his team at the forefront. "This is really an award for my team, not just for me. I can be an example to my team. It's easy to think that Accounting work won't be noticed, and it motivates my team to do a good job because they see that their contributions are recognized.

Thien has found his place at SI-BONE. "This truly is the place for me. Besides doing the job I love and supporting my family, I see that my contributions are helping someone to change their life. That's a big deal for me."

Diversity and Inclusion

Our 350+ employees around the globe bring together diverse skills, backgrounds, and perspectives that are essential to our success. We strive to demonstrate our support for all our employees, and to ensure that they feel safe, valued, and celebrated.

In 2022, SI-BONE was recognized by Energage as a **Top Workplaces USA** Winner and as a **Woman-Led Top Workplace.**

We are committed to actively fostering workforce diversity and an environment of cultural inclusion throughout our company. Our goal is to have a diverse workforce and leadership team that reflects our communities, while continuing to provide equal employment opportunity to all candidates and employees. To support this goal, we carefully revised job descriptions to remove any potentially biased language. For current employees, we offered diversity and inclusion training for both managers and individual contributors.

Celebrating women and minorities in the workplace is another key part of our diversity and inclusion goals. In 2022, the overall percentage of women in our workforce was 43%.

EMPLOYEE SUPPORT INITIATIVES

We engage employees in building a work environment that reflects our shared values and mission.

The Women's Leadership Network (WLN) is an employee affinity group with the mission of empowering women at SI-BONE and beyond. The WLN hosted four events in 2022. One impactful program gathered female leaders within the Company – representing the U.S. and Europe across several departments – who shared their stories to success and the obstacles they overcame.

Our mentorship program Mentoring for Excellence is available to all employees across the organization. Participating employees are able to connect with internal mentors who can offer insight, advice, and opportunity. The program provides an opportunity for mentors to give back, become better leaders, and refine their own skills and network.

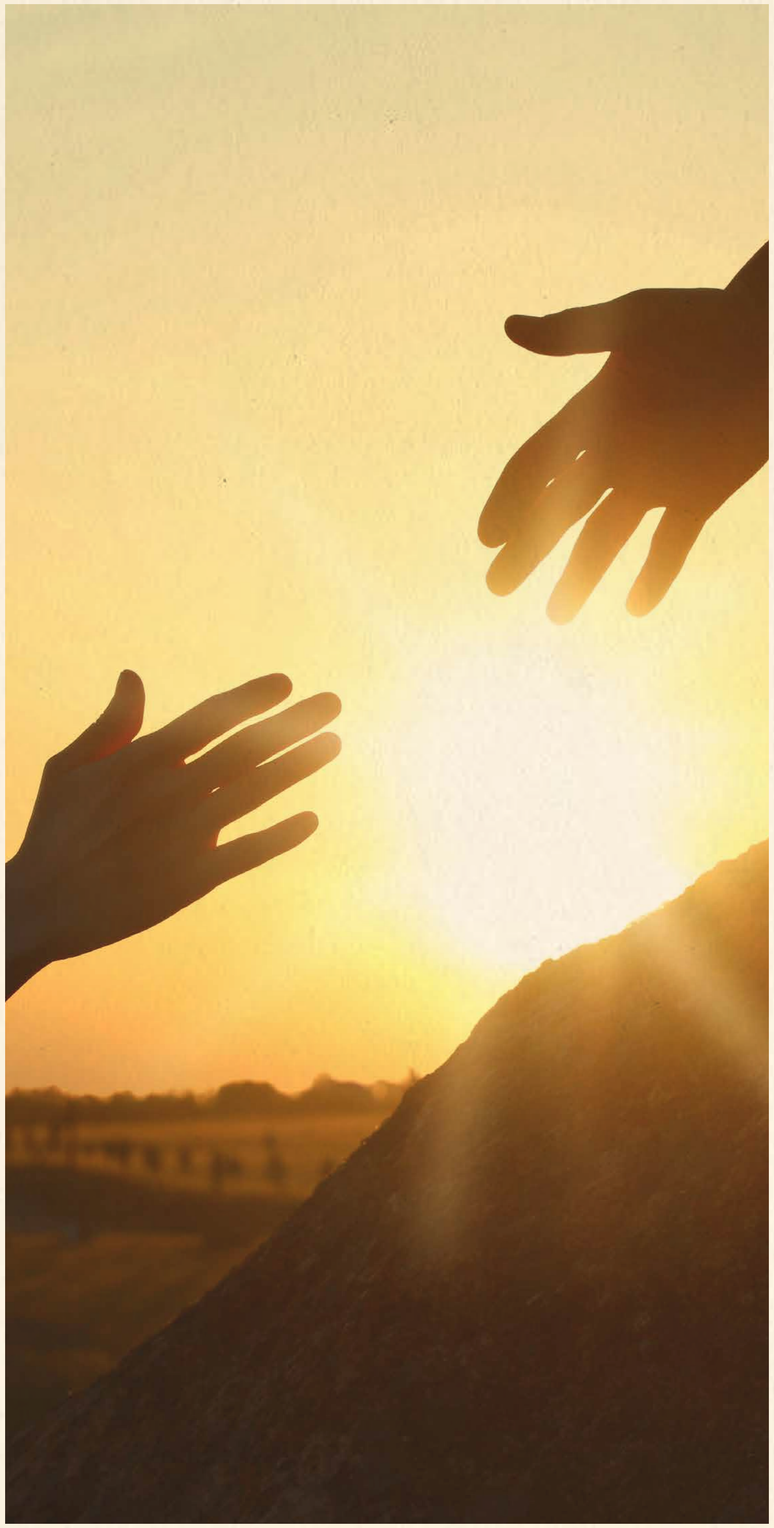
Employee Development and Training

At SI-BONE, we provide opportunities for professional development to foster an environment of continuous learning. In addition to our onboarding process and education, all employees receive regular, mandatory training on fundamental policies, such as our Code of Conduct, healthcare compliance, and Employee Handbook. This training reinforces our values and expectations for how employees should handle certain interactions and business opportunities. Employees also receive additional trainings based on their roles. For example, in addition to the initial sales training sequence, our field sales team members may also receive SImulator trainings, live case observations, and advanced sales training focused on specific products or skills.

We are committed to supporting employees' development. All roles within the company are captured in our career ladders, which outline job progression within a role or a department. Career ladders create an objective framework for career advancement at SI-BONE and provide clarity, structure, and direction for employees and managers. Employees and managers use career ladders – as well as additional tools such as our Career Path Worksheets – to collaborate on an employee's professional development at SI-BONE.

All U.S. corporate employees with greater than 90 days' tenure are included in annual performance and career development reviews. During the review and throughout the year, employees have the opportunity to discuss career goals and action plans with their manager.

SI-BONE's Cultural Advisory Board focuses on company culture and initiatives for employee well-being. In 2022, it implemented programs to improve management skills, leadership, and collaboration. In addition to the U.S. Manager Training (see sidebar), SI-BONE provided quarterly manager peer-to-peer events to both brainstorm and celebrate the ways that SI-BONE's people managers can improve the working environment of their teams. The Cultural Advisory Board also held quarterly "sharing rallies" to celebrate employee accomplishments.



Elevate Leadership Program

In May 2022, SI-BONE's U.S.-based people managers gathered in San Jose, California for Elevate Leadership, a three-day leadership program. This highly tailored program built on SI-BONE's core values and worked to develop participants' leadership skills. Through interpersonal connections, self-reflection and trust building exercises, SI-BONE's people managers came away with new tools and insights to leverage with their teams.

Employee Spotlight

Claudia Cibrian

Director of Privacy & Compliance

"I've felt supported as I've learned from my experiences."

During her time at SI-BONE, Claudia made a career leap. She joined the company as a contracts manager, a role she was familiar with. She explained, "I had been doing contracts for about twelve years and it had become routine, comfortable, and actually, a little boring." So when the opportunity arose to manage the Company's compliance program, Claudia knew it would be a challenge. She would need to acquire new areas of substantive expertise, create new processes and implement and operate new systems. "I knew I would have to stretch myself a lot, and quickly," she said, "but it was either that or stay in my comfort zone." She decided to take the leap with the encouragement of her manager. "He had confidence in me and that helped me feel like I could do it."

As she navigated her new role, Claudia felt supported. "People were accepting of the fact that I wouldn't have all the answers at first. The Company's leadership made me feel like it's okay to be continuously learning and growing. I've felt supported as I've learned from my experiences."

Claudia found additional guidance for her growth and development through the Company's Mentoring for Excellence Program. She praises her mentor, Katie Matthews, SI-BONE's Sr. Customer Service Manager. "Katie is an awesome colleague and has a keen interest in mentoring others in the Company," said Claudia. For example, during their mentoring sessions, Claudia sought Katie's advice on how to approach difficult conversations. Katie listened to Claudia's challenge areas and provided examples of her own experiences as well as resources she had found helpful. Even outside of their scheduled meetings, Katie would reach out and initiate conversations. Her attention and consistency resonated with Claudia. "It felt like she cared, and she helped me to meet the goals I had set." Claudia has stayed in touch with Katie, and their relationship has grown. Claudia has even been able to return the favor by supporting Katie. "She reached out to me for some guidance. That felt really great – that we had established that kind of connection."

Claudia appreciates the opportunity to further her career. "The Company enables people to try something out of the norm for them and makes it okay to fumble through the first time as long as you're working hard and improving."

Engaging with Our Communities

We're proud to partner with local organizations that support the needs of our communities. This year, we partnered with the Family Giving Tree to provide backpacks and school supplies to students, and gifts for at-risk youth and their families during the year-end holidays. We also donate to Second Harvest of Silicon Valley and the Alameda County Community Food Bank. Community engagement has the added benefit of creating team bonds and shared experiences. As part of a strategic off-site meeting, several members of our Product Management and Market Development teams volunteered at Project Open Hand, a San Francisco based nonprofit that provides "meals with love" to critically ill neighbors and seniors.

JUDY, A PATIENT

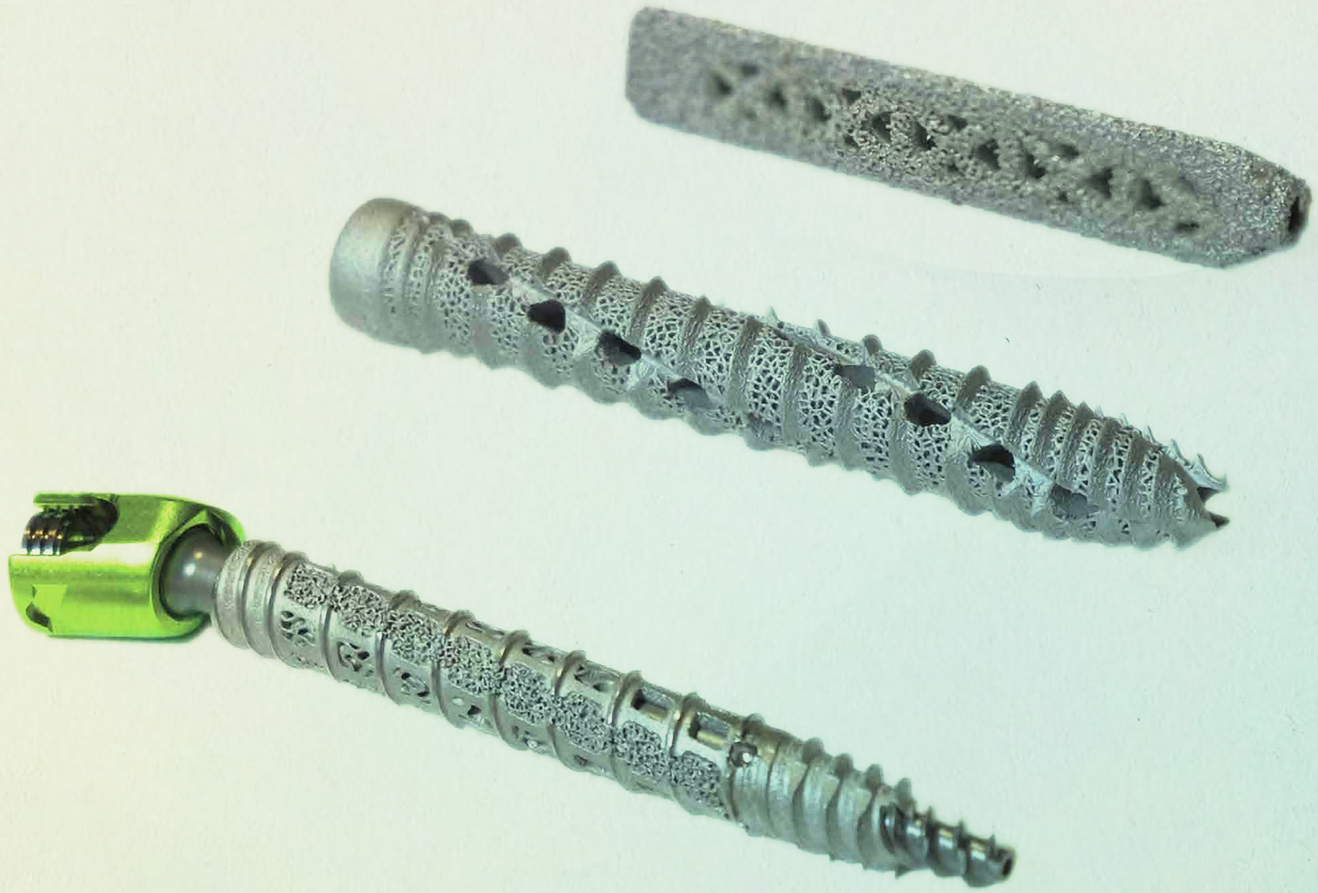
In December 2022, we held our annual "SI Buddy testimonial visit" and heard from iFuse patient, Judy. Judy is a florist who owned and operated her own business for many years. She recalls slipping and falling which started a cascade of pain in her back and hips. Her pain increased to the point she could no longer work, and she was forced to close her business.

Fortunately, Judy's doctor diagnosed her pain as coming from her SI joint and referred her to a surgeon trained in the iFuse procedure. She received an SI joint fusion on her right side and it changed her life. She says, "When I woke up from surgery, I knew that I was better. Of course, there was surgical pain, but it was different." Judy was able to return to fast-paced walking and spending time with her grandkids. Judy's inspiring story highlights the importance of the work our employees do each day and connects each of us more deeply to SI-BONE's mission to help patients rise up and reach for the stars.

"When I woke up from surgery, I knew that I was better. Of course, there was surgical pain, but it was different."

SI-BONE®

OUR PRODUCTS

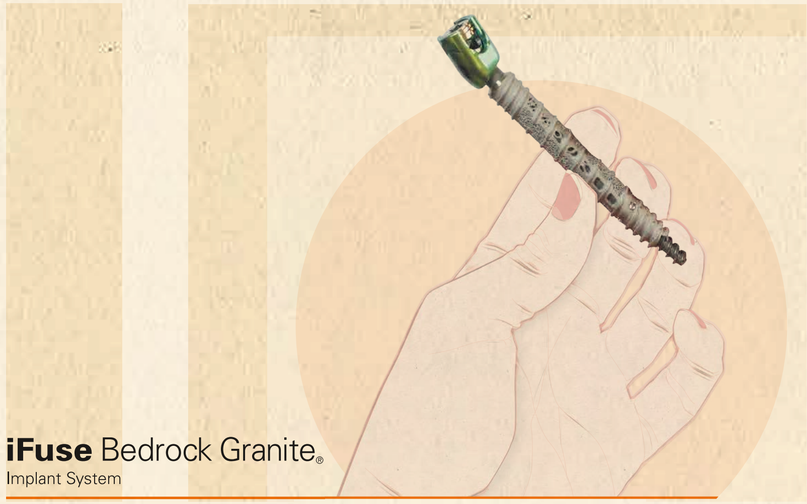


Our Products

We introduced our first-generation **iFuse Implant System®** in 2009 and our second-generation implant, **iFuse 3D™**, in 2017. Both implants have a triangular cross section that resists twisting or rotation within the bone in which it is implanted and helps stabilize the joint. Our iFuse 3D implants provide a proprietary 3D-printed porous surface with fenestrations that closely resembles cancellous bone to encourage bony on-growth, ingrowth and through-growth to facilitate fusion.

Multiple, prospective clinical trials which have followed the experiences of hundreds of patients for up to five years demonstrate that SI joint fusion with the iFuse Implant System improves patient pain, patient function, and quality of life.[6] Two of these trials are randomized controlled clinical trials, comparing the treatment of SI joint dysfunction with iFuse versus non-surgical management. Peer-reviewed publications of 2-year follow-up demonstrate the superiority of iFuse and rapid and sustained clinically-important patient improvement.[7] Randomized controlled trials are considered Level I evidence, the highest level of clinical evidence, and it is very unusual to find spinal fusion devices supported by this kind of clinical evidence.

The **iFuse TORQ Implant System**, launched in 2021, is a portfolio of 3D-printed threaded implants designed to meet the needs of pelvic trauma and minimally invasive sacroiliac joint fusion applications. iFuse TORQ is designed to address an unmet clinical need for low-energy pelvic ring fractures, such as pelvic fragility and insufficiency fractures, and chronic SI joint pain after high-energy pelvic ring trauma. iFuse TORQ also creates another implant option for minimally invasive SI joint fusions.



The **iFuse Bedrock Granite Implant System** targets adult spinal deformity and was launched in 2022. These products provide sacroiliac fusion and sacropelvic fixation as a foundational element for segmental spinal fusion. iFuse Bedrock Granite is designed to be connected to many commercially available spinal fixation rods.

ENABLING TECHNOLOGIES

Several other instruments, implants, and accessories to be used with our platform technologies are also available. We offer an instrument set that is cleared for use with Medtronic's surgical navigation system and surgical pins cleared for use with the Medtronic Mazor surgical robot. We also offer neuromonitoring kits to help identify spinal nerve roots during iFuse procedures, a decortication and graft delivery system to allow surgeons to remove intra-articular cartilage and deliver flowable bone graft materials, and an iFuse Implant removal system and revision implants.

Product Design

RISK POLICY. SI-BONE products are designed and manufactured to eliminate or reduce risks as far as possible and ensure that the individual and overall residual risks are acceptable when weighed against the medical benefits when used as intended.

RESEARCH & DEVELOPMENT

At SI-BONE, we invest in research and development to bring innovative products to the market that fulfill unmet medical needs in the sacropelvic surgical space. In 2022, we spent $13.6 million or approximately 13% of our revenue on research and development.

Our product development and support efforts stem from identifying our customers' needs and providing products that meet those needs. We regularly gather input from surgeons and other stakeholders to better understand unmet needs and ideas for product enhancements. We provide the instruments used with our iFuse implants and we develop procedure enhancements to facilitate the use of our products.

As of December 31, 2022, we have 51 patents granted in the U.S. and 16 patents granted outside of the U.S. In addition, we have 32 pending patent applications in the U.S. and 18 pending patent applications outside of the U.S

Employee Spotlight

Francois Follini

Staff Design Engineer

"iFuse Bedrock Granite: there's nothing else like it."

Francois started early designing and building mechanical things. As a young boy, he would build bikes and help his mechanical engineer father with projects in the family's home workshop. So when he went to college, majoring in mechanical engineering was a natural path for him.

After college, Francois started his career designing specialized orthopedic instruments. He found the challenge of designing medical devices to be a natural fit for him – he loved the innovation required for designs, the novel manufacturing processes, and the all the unique materials the device engineers got to use. For Francois, it was the "perfect playground." But after some time, he tired of making "me-too" products that were copies or iterations of existing products. When the opportunity arose to join SI-BONE and develop novel products, he gladly accepted the challenge.

His colleagues at SI-BONE, through their discussions with surgeons, had identified a problem that had no good solution at the time. The problem occurred in segmental spinal fusion surgeries when surgeons would strengthen the base of the spinal construct by attaching it to the pelvis using pedicle screws. But this strategy was prone to failure – screws loosened, hardware failed, and patients suffered from post-operative SI joint pain. Francois and his team were tasked with finding a solution. That solution would turn out to be iFuse Bedrock Granite®.

Innovative products often face hurdles. For Bedrock Granite, it was the challenge of making a device that was small enough to work in a very confined space, yet both strong enough to withstand the lateral forces on it and durable enough to last decades. This challenge led Francois and his team to a fundamental design decision – the Bedrock Granite implant is manufactured in two pieces. The inner machined shank spans the entire length of the implant to provide core structural strength. The external fusion sleeve is 3D-printed and designed for biological fixation, with graduated fenestrations that self-harvest bone and a microporous lattice that mimics cancellous bone. Francois and his team were thorough – even the neck of the shank, a common failure point, is larger and stronger than commonly-used iliac screws.

The design process was iterative. The team created 3D models from which protype designs were created. These prototypes were then tested by the engineers for lateral strength and durability, and then further tested by teams of surgeons on cadavers. The SI-BONE engineering leadership set the bar high, requiring the team to meet very strict specifications and acceptance criteria. In practice, this meant developing three different designs, each with multiple iterations, totaling over 50 variations before the specifications and acceptance criteria were met.

On May 31, 2022, SI-BONE announced FDA 510(k) premarket clearance for Bedrock Granite to provide sacroiliac fusion and sacropelvic fixation as a foundational element for segmental spinal fusion. As a further indication of its novelty, FDA designated Granite a "Breakthrough Device." This designation is awarded to devices based on their potential to be a more effective treatment than the standard of care. As Francois describes it, "there's nothing else like it."

Clinical Trials

SI-BONE conducts all of our clinical trials according to the standards set forth by regulatory agencies in the US and abroad to ensure participants are treated ethically and with dignity. All of our trials are approved by Institutional Review Boards (IRBs) formally designated to review and monitor biomedical research involving human subjects.

Clinical trials sponsored by SI-BONE have enrolled nearly 650 participants, following patients for up to five years.

The safety, durable effectiveness, and cost effectiveness of iFuse are all supported by a large number of studies that have resulted in 100+ peer-reviewed published papers that report on iFuse outcomes, safety, technique, biomechanics and healthcare economics. We have sponsored five prospective multi-center studies, two of which were Level I randomized controlled clinical trials. Level I trial evidence is the highest level of clinical evidence, and it is very unusual to find spinopelvic fusion devices supported by this kind of clinical evidence.

We pride ourselves on our compilation of data and results that show consistency of results among different sites and centers. We seek to deliver high-quality clinical evidence to a segment of the medical device market, orthopedic spinal implants, which has historically lacked innovation supported by high-quality clinical evidence.

SI-BONE is recognized as the most advanced clinical company in our industry. We support the Yale Open Data Access (YODA) Project (https://yoda.yale.edu/), which allows independently adjudicated data-sharing with scientists from around the world.

SAFFRON STUDY

In 2022, we launched our third randomized controlled trial and sixth prospective study called SAFFRON, an abbreviation for "Sacral Fracture Fixation/Fusion for Rapid Rehabilitation." This multicenter randomized controlled trial compares concomitant sacral fracture fixation and sacroiliac joint fusion using our iFuse TORQ implant to non -surgical management in individuals with sacral fragility or insufficiency fractures.

We launched SAFFRON because the incidence of geriatric pelvic fractures is increasing, and stable pelvic fractures treated non-operatively have up to a 23% rate of painful fracture progression[8]. In the absence of high-quality clinical trials to comparing surgery and non-surgical care, physicians, patients and their caregivers lack solid evidence to guide their treatment decisions. SAFFRON represents an important step in generating this much-needed data.

SAFFRON

"The SAFFRON study provides us an opportunity to study an injury pattern with limited evidence"

JASON STRELZOW, MD, FRCSC
Assistant Professor
Director of Orthopaedic Trauma Program
Associate Residency Program Director
Department of Orthpaedic Surgery & Rehabilitation Medicine
The University of Chicago Medicine & Biological Sciences

Dr. Jason Strelzow, principal investigator on SAFFRON highlighted the importance of the study. "As an Orthopaedic trauma surgeon, facilitating early mobilization and restoring function is critical. The SAFFRON study provides us an opportunity to study an injury pattern with limited evidence to guide our treatment algorithms and will hopefully provide strong evidence to optimize outcome and enhance early patient recovery in this fragile population."

Peer-Reviewed Publications

Peer-reviewed publications are critical to support the design, mechanisms of action, and clinical efficacy of medical devices. The publications that support the products and procedures of SI-BONE are vast and unmatched in the sacropelvic space, specifically around the fusion of the SI joint. (See www.si-bone.com/results for a complete list). In support of our products, we also create pre-clinical evidence to help our stakeholders better understand the mechanisms by which our products work. 2022 saw the publication of several pre-clinical research and clinical articles involving SI-BONE products.

DEGENERATIVE (SI JOINT DYSFUNCTION)/iFUSE IMPLANT SYSTEM®

LEVEL I

Randers EM, Gerdhem P, Dahl J, Stuge B, Kibsgård TJ. The effect of minimally invasive sacroiliac joint fusion compared with sham operation: study protocol of a prospective double-blinded multicenter randomized controlled trial. *Acta Orthop.* 2022 Jan 3;93:75-81. doi: 10.1080/17453674.2021.1994185. PMID: 34694204.

LEVEL II

Soliman O, Pflugmacher R, Koch EM, Mohamed H, van der Beck S, Abdallah H, Bornemann R. One-year results of minimally invasive fusion surgery of the sacroiliac joint as an alternative treatment after failed endoscopic thermal coagulation. *Technol Health Care.* 2022 Mar 18. doi: 10.3233/THC-213183. Epub ahead of print. PMID: 35342062.

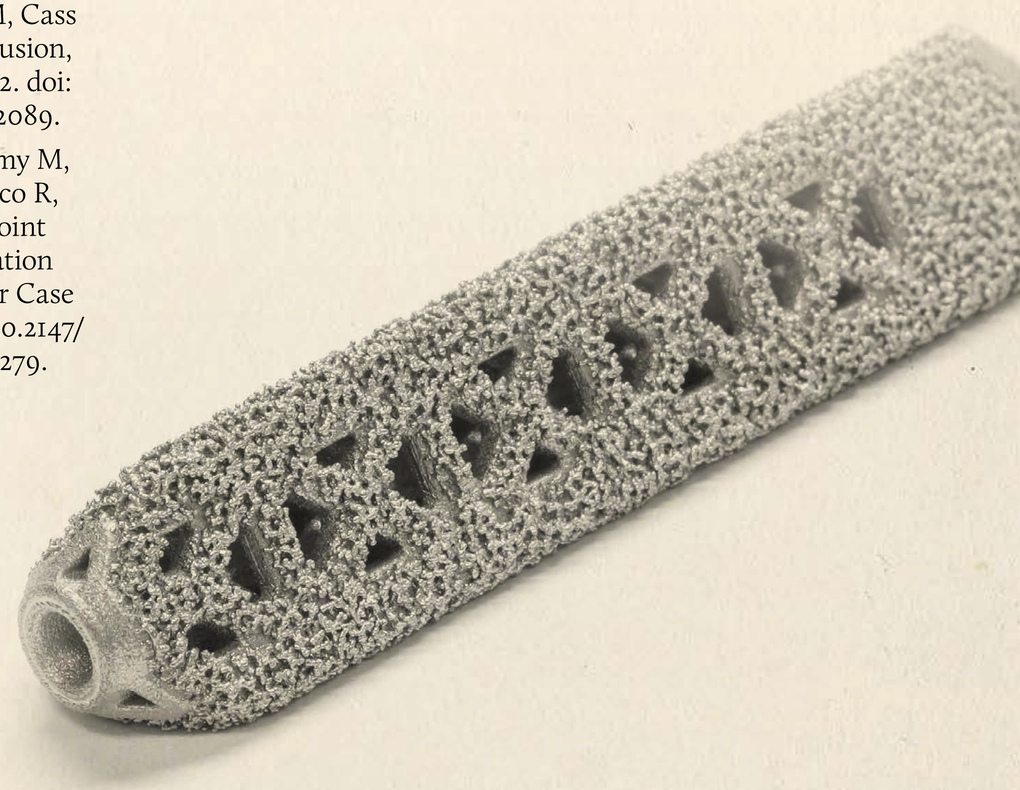
LEVEL III

Rahl MD, Weistroffer J, Dall BE. Analysis of Complications in Sacroiliac Joint Fusions Using FDA 510(k) Cleared Devices. *Clin Spine Surg.* 2022 Apr 1;35(3):E363-E367. doi: 10.1097/BSD.0000000000001264. PMID: 35239289.

LEVEL IV

Amer MH, Elnahal WA, Khaled SA, Abdel-Kader KFM, Cass MA, Gibbs J, Stott PM. Minimally invasive sacroiliac fusion, a case series, and a literature review. *SICOT J.* 2022;8:42. doi: 10.1051/sicotj/2022042. Epub 2022 Oct 25. PMID: 36282089.

Kranenburg A, Garcia-Diaz G, Cook JH, Thambuswamy M, James W, Stevens D, Bruggeman A, Chen Y, Capobianco R, Reckling WC, Siegal JD. Revision of Failed Sacroiliac Joint Posterior Interpositional Structural Allograft Stabilization with Lateral Porous Titanium Implants: A Multicenter Case *Series. Med Devices (Auckl).* 2022 Jul 20;15:229-239. doi: 10.2147/MDER.S369808. PMID: 35899066; PMCID: PMC9309279.



Product Safety

Patients trust SI-BONE to deliver safe products. We honor this trust by making product safety our top priority through our design control processes, pre-clinical and clinical studies, supplier and manufacturing controls, and post-market surveillance.

Quality Policy

SI-BONE is committed to providing cutting-edge SI joint and sacropelvic surgical treatment technologies through a continuous process of quality awareness and improvement.
The Company will consistently meet or exceed external and internal customer needs and regulatory requirements by providing safe and effective devices with no compromise in quality objectives and a commitment to comply with and maintain the effectiveness of the quality management system.

SI-BONE's Quality Policy underpins our product quality commitments. Our Quality Management System (QMS) is designed to comply with a variety of international standards and U.S. and foreign laws, regulations and standards, including (among others):

- EN ISO 13485:2016(E) Quality Systems: Medical Devices- Quality Management Systems- Requirements for Regulatory Purposes
- 21 CFR, Part 820, Quality System Regulation
- 21 CFR 7 – Enforcement Policy Subpart C – Recalls
- 21 CFR, Part 803, Medical Device Reporting
- 21 CFR Part 806, Reports of Corrections and Removals
- Council Directive 93/42/EEC of 14 June 1993 concerning medical devices (Medical Device Directive or MDD) and its amendments
- MDR 2017/745 Regulation (EU) 2017745 of the European Parliament
- Australian TGA Therapeutic Goods (Medical Devices) Regulations 2002 and Amendments
- Israel Medical Device Regulations - Medical Equipment Law, 5772-2012

SI-BONE applies a risk-based approach in its Quality Management System. Quality objectives are established for products, processes, and quality systems. Data is analyzed and monitored for compliance and continuous improvement at management review meetings to assure that the data and actions taken are meaningful and consistent with the Quality Policy, established specifications, and customer expectations. Risk management principles are applied to assure safety and effectiveness of products, processes, and systems.

SI-BONE's U.S. and EU headquarters are ISO 13485 certified via third party audit. Additionally, in 2022, FDA conducted a pre-announced level 2 surveillance establishment inspection of SI-BONE's U.S. facilities. No significant issues were found, and SI-BONE successfully passed the FDA audit, which covered CAPA, design controls, and management controls, including complaints and recalls.

In addition, we routinely engage in post-market surveillance activities to collect and analyze customer feedback. Within our design control procedure, we perform risk analyses to better understand the risks presented by the product design and production methods and any risks to our users. To date, we have consistently delivered safe products that met our customers' needs. In 2022, SI-BONE had no safety-related or FDA-reportable recalls.

Responsible Sourcing

To ensure the materials used in our implants are safe and sourced in an ethical manner, we follow a responsible sourcing process. We select suppliers using a risk-based framework under which suppliers are evaluated with consideration of three kinds of risks: risk associated with the material or service provided, risk to user safety associated with a potential product or process failure, and risk associated with potential noncompliance with regulatory and quality criteria. These evaluations result in a final "criticality" classification that then informs the mitigation measures and audit requirements that apply to the supplier. Of the 52 suppliers with a criticality level of 4 ("high") or 5 ("critical"), 87% are ISO 13485 certified. The remainder have other certifications or controls in place to ensure they meet our requirements for quality products and services.

We approve our direct material suppliers through our Approved Supplier Program and require that approved suppliers comply with the Program's applicable requirements. One such requirement is that the suppliers include quality documentation with each shipment of materials. This is to ensure traceability of the materials used in our implants. During the warehousing and distribution of our direct materials and finished devices, all movement is captured with unique part and lot combinations. This data is maintained in our ERP system which is used to track the materials throughout the distribution chain, from warehousing, to distribution as field inventory to our sales team, to ultimate sale to end customers. This allows us to track our implants at each step of the process when getting them to patients.

Supplier Quality Management Procedure:
This procedure can consist of numerous supplier approval requirements depending on a supplier's criticality classification. These requirements, which are part of supplier evaluations and become part of the individual supplier files, can consist of the following:

- Supplier Questionnaire
- Initial On-site or Remote Audit
- Surveillance Audit
- Supplier Agreement and or Supplier Quality Agreement
- Notification of Change Agreement
- ISO Certification
- FDA Registration
- Resume or Legal Contract

In 2022, SI-BONE instituted a Supplier Code of Conduct that contractually obligates suppliers to adhere to a number of foundational requirements. These requirements include, among others, a prohibition on forced labor, child labor, and discrimination based on protected characteristics. The Code requires that suppliers comply with applicable laws, conduct their business fairly and ethically, and avoid creating conflicts of interest with SI-BONE. The complete Supplier Code of Conduct is available on our website.

Our Commitment to Environmental Stewardship

We aim to operate in an environmentally friendly manner. Many of our key manufacturing partners operate in a sustainable manner with solar powered buildings, and recycling of precious metals, water, and titanium powder.

While our own environmental footprint is smaller due to our outsourced manufacturing model, we make a conscious effort to reduce the impact that our office and employees have on the environment. At our corporate office, we work to reduce our level of impact caused by our employees' commutes. We located our headquarters near a train station which enables our employees to commute on public transportation. We also provide a subsidy to encourage employees to use public transportation.

PACKAGING WASTE AND RECYCLING

At SI-BONE, the greatest positive environmental impact we have is through our waste and recycling programs. We work to mitigate our impact on the environment by engaging in recycling and reuse programs for supply materials, training consumables, and instruments and implants.

We recycle the outer packaging of our supply materials when possible. Approximately 98% of the outer packaging of materials we receive from suppliers is cardboard which is easily separated and sent out for recycling. When plastic is included with the packaging, we look to either reuse or dispose of it in an appropriate manner. Some of our suppliers ship our instruments in plastic tubing which we save and send back to our suppliers for reuse. We send the tubes back to our suppliers twice a year.

SI-BONE utilizes a training SImulator to educate surgeons on the use of our products in various surgical procedures. The SImulator combines a synthetic anatomic model with computer generated virtual imaging to allow surgeons to practice the procedures without need for an operating room or fluoroscopy. The consumables used with the simulator include a silicone synthetic skin, a soft tissue covering made of PVC, and a 3D-printed pelvic bone model made of PLA (polylactic acid). PLA is a thermoplastic monomer derived from renewable, organic sources such as corn starch or sugar cane, and due to its composition, is easily recycled. These consumables can be re-used multiple times before needing to be replaced. All three consumable materials can be easily recycled anywhere plastics recycling is available, both in the field and at our corporate headquarters. We recycled 100% of used consumables returned to corporate in 2022, approximately 300lbs worth of PLA, PVC, and silicone.

We also reuse, re-release, or recycle returned instruments and unused implants. When we receive unused implants back from our sales representatives, we follow our quality procedures. If the implants meet all the relevant quality requirements, they are re-released for use. Any implants that do not meet our release criteria are repurposed for demo purposes or other internal uses. In 2022, we accepted 7,527 unused returned implants of which we were able to released 6,903 back to our sales teams.

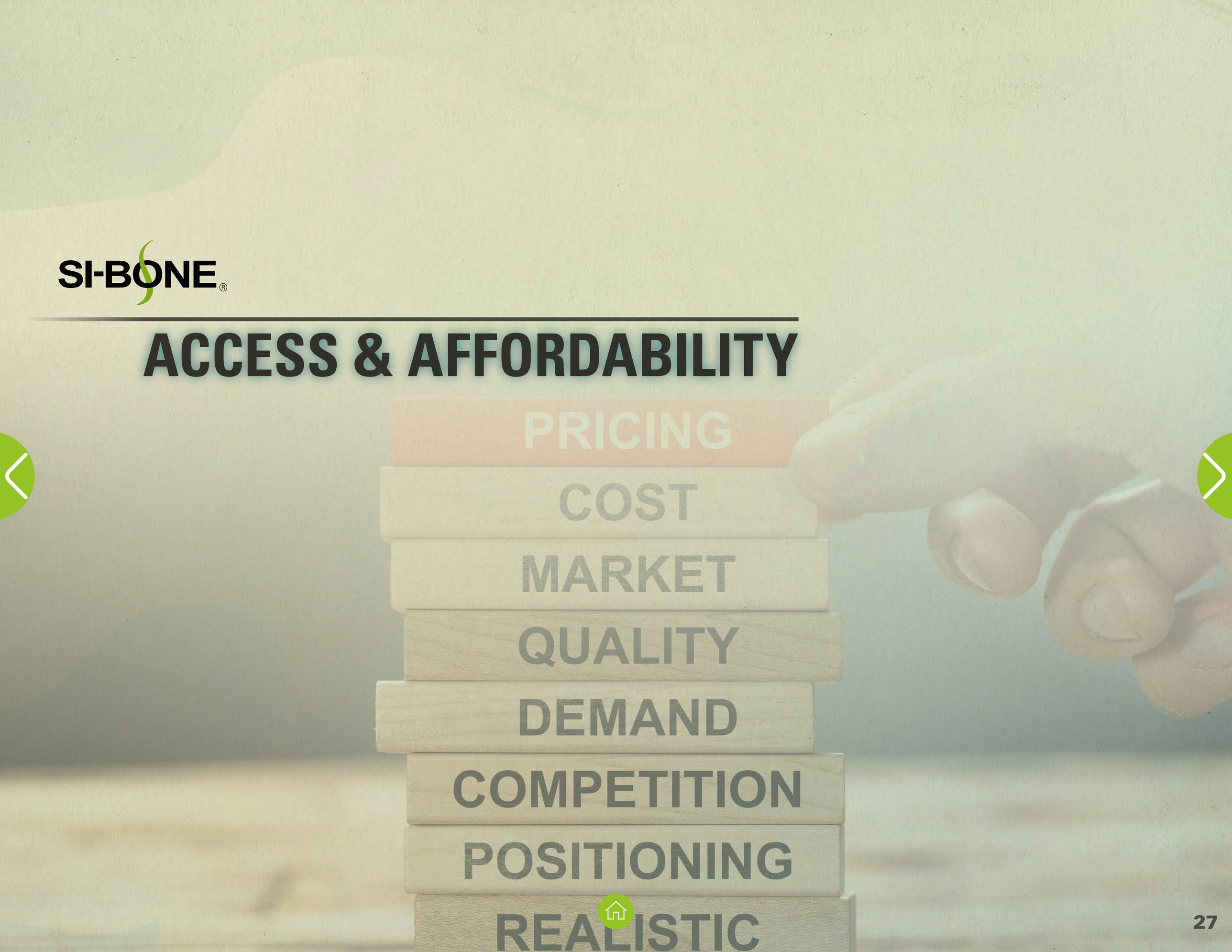
Our instrument returns follow a similar process, but instruments that cannot be released into the field are not easily recyclable in normal waste streams. We partner with M-Cubed, a local supplier that is ISO 14001 certified, to process our scrapped instruments. We collect and send these materials to M-Cubed on a quarterly basis. In 2022, we received 4,328 instruments and sent 671 to M-Cubed for processing.

As we grow, we will continue to assess our operations for ways to reduce our environmental footprint.

Partner Spotlight:
SI-BONE partners with a print vendor and fulfillment warehouse, *Almaden.* We are proud that this partner was awarded certification as a "California Green Business" by the government-sponsored California Green Businesses Network, due to its efforts to prevent pollution, reduce waste, conserve energy, save water, and operate more sustainably.

SI-BONE®

ACCESS & AFFORDABILITY



Access and Pricing

SI-BONE is committed to providing broad access to its products for patients in need. We have focused on expanding access to our products in several ways: through our interactions with insurance providers, contracting with healthcare facilities, and providing healthcare provider training.

PAYOR COVERAGE

As of December 31, 2022, over 300 million people in the U.S. were insured by third-party payors that regularly cover the iFuse procedures. To enhance reimbursement, which in turn creates widespread access for patients, we engage each of the nation's top 100+ payors, including commercial insurers and governmental payors. This engagement is in the form of education about sacroiliac joint dysfunction and the iFuse procedure, which is backed by our long-term evidence of durability of the procedure and patients' success as presented in level I and II evidence. Positive evaluations from the National Institute for Health and Care Excellence[9,10] and National Health Services[11] in the U.K., and the Haute Autorité de Santé[12] in France have led to positive coverage of iFuse across numerous countries throughout Europe.

We go beyond just educating insurance companies; we also work with health plans and their medical directors on alignment of policies for SI joint patients. This work includes some of the following:

- Pointing out administrative issues impeding patients' access, such as the speed and appropriateness of their reviews for prior authorization of procedures
- Updating on substantive policy issues, such as education on updated society position statements and guidelines
- Identifying the need for greater alignment with SI joint fusion and injection policies
- Providing frequent updates to the clinical evidence for iFuse, interpretations on the coding for relevant procedures, whether current or anticipated
- Providing updates on the SI market, i.e., new procedures and provider utilization concerns.

In 2022, SI-BONE's insurance experts in the Patient Insurance Coverage Support (PICS) program worked with nearly 1,000 patients to support their case needs by working with their health plans to gain access to treatment with iFuse. Since the inception of PICS in 2016, we have been able to support over 6,800 patients across the U.S. with their requests and appeals to their insurance companies.

SUPPORTING PRODUCTS IN HEALTHCARE FACILITIES

Outside of our work with insurance companies, our National Accounts division increases patient access by contracting with hospitals and healthcare facilities to purchase SI-BONE products. Ambulatory surgical centers (ASCs) continue to see an increase in elective surgeries since the COVID-19 pandemic, and SI-BONE provides education on our product offerings and relevant payor policies to these non-acute facility settings across the nation. With the launch of iFuse Bedrock Granite in 2022, we worked for the rapid adoption of our newest product in thousands of facilities across the nation.

Lastly, to ensure that patients have continued access to SI-BONE implants, we provide a warranty program in which we share some of the risk of poor outcomes and revision surgery with our customers. The warranty provides a purchaser a one-time replacement of any iFuse implant at no additional cost for a revision procedure within one year of the original procedure.

SI-BONE also has an indigent patient program to provide implants to patients in need who have no means to otherwise receive them.

In addition to receiving Breakthrough Device Designation by FDA, our iFuse Bedrock Granite Implant System was awarded New Technology Add-on Payment (NTAP) by Centers for Medicare and Medicaid Services (CMS). NTAP enables additional Medicare fee-for-service payment to hospitals above the standard Medicare payment amount. The NTAP program is designed to bring innovative products to Medicare patients. NTAP for iFuse Bedrock Granite became effective October 1, 2022 and lasts for 2-3 years.
CMS determines NTAP eligibility based on three criteria: a product's newness, cost, and substantial clinical improvement. Importantly, Granite is the only device awarded NTAP for its indication.

HEALTHCARE PROVIDER TRAINING

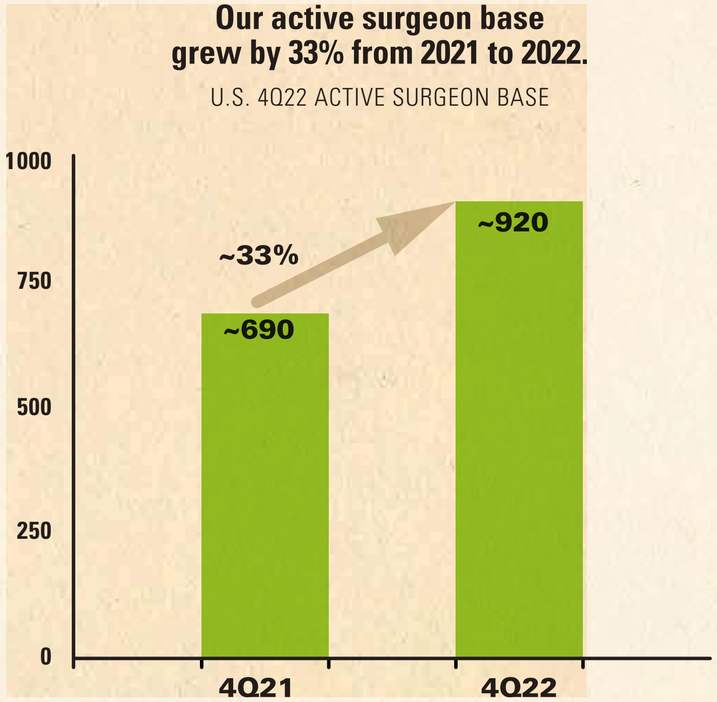
A key driver of expanding access to our products is increased adoption by healthcare providers. Historically, most spine surgeons did not consider the SI joint when diagnosing lower back pain because they did not have a surgical treatment that was safe and effective. Since we first introduced the iFuse Implant System in 2009, we have continued to invest in training and educating surgeons on the diagnosis of SI joint pain and the iFuse procedure. In addition to traditional didactic and cadaver training, we have increased the reach of our surgeon training through the use of our SI-BONE SImulator™, a portable training technology with virtual imaging and multiple pelvic variations on which surgeons can practice iFuse procedures. This training technology enables on-site training, eliminates cadaver costs, and offers a radiation-free training option.

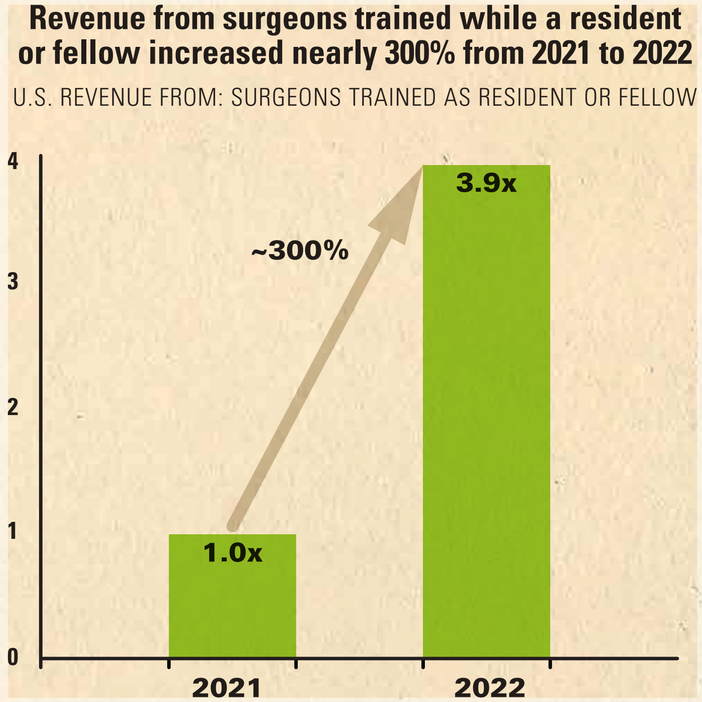
In 2022, we increased our training programs in academic medical centers to accelerate engagement by residents and fellows. By reaching surgeons at the start of their careers, our goal is to arm them with information on SI joint differential diagnosis and our procedures. This also enables us to connect with key opinion leaders to support our development efforts.

Sales to surgeons that were trained while a resident or fellow increased by nearly 300% from 2021 to 2022.

We also conduct educational programs for the larger healthcare community to reach those providers who interact with SI joint patients earlier in the patient treatment journey. We focus on the appropriate diagnosis of SI joint dysfunction and available treatments both surgical and non-surgical. We reach primary care physicians, pain management physicians, chiropractors, physical therapists, and advanced practice providers, among others.

In addition to traditional didactic and cadaver training, we have increased the reach of our surgeon training through the use of our SI-BONE SImulator™





Employee Spotlight

Maria Montalvo

Territory Manager

"Surgeons know they can rely on us as partners."

Maria has learned that although there are many pathways for training surgeons on iFuse procedures, there is no silver bullet. Instead, there are fundamentals: intense preparation, follow-up, and follow-through. She explains, "It's important to prepare training for the particular surgeon. To understand how he or she likes to learn." And Maria, with the support of her SI-BONE colleagues, works to meet each physician's training needs and preferences.

Training needs and preferences can vary over a surgeon's career, and SI-BONE seeks to offer appropriate and valuable education at each stage. For surgeons at the start of their careers, Maria offers training to residents and fellows at academic programs in her home state of Louisiana. She has watched orthopedic and neurosurgery residents progress through seven years of residency, and out into private practice. Maria is gratified to see their progress: "We have our own home-grown surgeons here in Louisiana who trained locally as residents. They just love the iFuse procedure!"

Resident training programs not only train tomorrow's surgeons but also create SI-BONE advocates. Maria explained that she recently worked to train a surgeon on Bedrock Granite. He became such an advocate of the product that he, in turn, trained all of his residents. And now the entire team is identifying patients who can benefit from the procedure.

For practicing surgeons, SI-BONE's new surgeon trainings generally include a didactic classroom session followed by a hands-on lab. Traditionally, the hands-on portion was a cadaver lab, an option that is still available. But other options exist if a simpler modality is preferred. Anatomic models offer a realistic experience under fluoroscopy, and the SImulator is an innovative training platform with tissue and pelvic inserts that provides a radiation-free training experience, including virtual x-ray, CT imaging and navigation. Advanced courses and masters' courses provide additional content on diagnostics, revision strategies, imaging, and navigation.

One valuable resource that Maria has come to rely on is the expertise of surgeon champions. These highly qualified and trained surgeons act as academic consultants and teach others in the region. Maria sees value in having peers teaching peers. She explains, "These champions have done a ton of SI joint fusions, so who better to learn from? Relying on experts really adds value to the surgeons who are learning."

"It's hard to get a surgeon to change the way they think and adopt something new. But the evidence behind SI-BONE procedures really impresses them. It's evidence-based medicine from the get-go. And surgeons know that we are the best-of-the-best and that they can rely on us as partners."

At the end of the day, it's the patient outcomes that motivate Maria: "When you talk to patients who have had successful iFuse surgery, it brings you to tears to see how happy they are and that they have their lives back."

SI-BONE®

ETHICAL GOVERNANCE

SI-BONE's Board of Directors

Our Board of Directors consists of experienced professionals in the healthcare and technology industries whose experience and expertise provide them with the ability to provide strong oversight and strategic direction to SI-BONE. Our Board oversees our risk management process and assesses strategic risk exposure. The Board reviews, approves, and monitors our fundamental financial and business strategies, assesses major risks and how to address them, and oversees the processes and procedures designed to maintain SI-BONE's integrity.

CORPORATE GOVERNANCE GUIDELINES

The Board has adopted Corporate Governance Guidelines to help ensure that it is meeting its obligation to oversee and provide strategic guidance to the Company.

SI-BONE's Corporate Governance Guidelines:

- Align stakeholder interests by ensuring that a majority of directors are independent, providing limits on director membership on other boards, and prohibiting hedging and pledging.
- Set forth the practices our Board follows with respect to nominating directors, holding board meetings, structuring committees and membership, and executive succession planning.

In addition, to further align the Board with stakeholder interests, our stock ownership guidelines require our directors and covered executives to hold meaningful amounts of our common stock, including common stock equal to 3x base salary for our CEO and directors.

Our "clawback" policy provides for the recoupment by the Company of certain incentive-based compensation provided to executive officers in the event of an accounting restatement. Our policy provides for the recovery of erroneously awarded incentive-based compensation that was awarded to an executive officer during the three completed fiscal years immediately preceding the date the company determines an accounting restatement is necessary. The recoupment does not require culpability on the part of the executive officer from whom the compensation is being clawed back from.

In 2022, we introduced performance-based equity with 50% of our CEO's and 25% of our CFO's equity grants provided in the form of performance share units tied to certain performance criteria established by the Board of Directors.

INDEPENDENT LEADERSHIP

Independent leadership is a key component of our corporate governance. Seven of our nine directors are independent. The Executive Chairman of our Board of Directors is our former Chief Executive Officer and President, and the board has appointed a Lead Independent Director. Given our chairman's recent status as an employee of the Company, we believe that this combination of independent and non-independent board leadership benefits SI-BONE.

- The role of Chairman of the Board being filled by our former CEO and President provides for continuity of leadership and promotes effective communication between the management and the Board.
- The Lead Independent Director provides an important independent perspective and offers an alternative channel of communication to the Board.

Our directors serve for staggered three-year terms. We believe that a classified board, with a supermajority vote required to amend our charter and bylaws, is in the best interest of our shareholders because it improves board stability and encourages long-term planning. As our company matures, we will continue to evaluate our corporate governance structures, including these important stockholder protection measures. Additionally, members of our leadership team hold regular meetings with investors and their governance representatives to discuss their views.

It is expected that the CEO serves on the Board and any member of the management team who can assist the Board in fulfilling its responsibilities may serve on the Board as appropriate. There are no set term limits for board members, nor is there any retirement age. There are four regular board meetings held throughout the year, with the expectation that our board members attend all of them.

BOARD COMMITTEE STRUCTURE

We have three standing committees which oversee the main governance functions and consist of only independent directors: the Nominating and Corporate Governance Committee, the Compensation Committee, and the Audit Committee.

Each board committee meets regularly and reports to the full Board of Directors from time to time and whenever requested to do so by the Board. For additional information on the committees, see our committee charters:

- Audit Committee Charter
- Nominating & Corporate Governance Committee Charter
- Compensation Committee Charter

Board of Directors: 44% Female and **22%** from Underrepresented Groups

Business Resiliency and Ethics & Compliance

Business Resiliency

RISK MANAGEMENT

Risk management and oversight is one of the Board's main responsibilities. Management discusses strategic and operational risks with the board at regular Board presentations on business operations and strategy.

In 2022, we undertook an Enterprise Risk Management project that included risk assessments completed by all directors and senior staff members. Through this process, we prioritized the risks facing the Company and gained further insight into risk mitigation. These risks were then incorporated into the Company's strategic planning session.

BUSINESS CONTINUITY

SI-BONE works to create business resiliency in the face of disruptions caused by supply chain issues, cybersecurity, pandemics, and other related risks. To facilitate business resiliency, an overarching plan, our Business Continuity Assessment (BCA), applies to internal business processes, facilities, and our quality system, as well as external service suppliers who provide parts, materials, logistics, and sterilization services. Our BCA is updated at least every 5 years or when a material change occurs. The BCA assesses and evaluates the strengths, weaknesses, and mitigation plans related to operation and product supply chains to help minimize the effects caused by potential business disruptions.

Ethics & Compliance

SI-BONE is committed to acting ethically in serving our stakeholders, and in complying with all applicable laws in countries where we operate.

To ensure that we are upholding our commitment to ethics and compliance we have a number of documents and safeguards in place to hold SI-BONE and its employees accountable. Key policies include:

Code of Business Conduct and Ethics. This policy sets forth our foundational expectations for employees, officers, and directors to conduct themselves ethically, lawfully, and with integrity when acting for SI-BONE. This policy incorporates adherence to the AdvaMed Code of Ethics on Interactions with Health Care Professionals ("AdvaMed Code") and, for our colleagues in the European Union, with the MedTech Europe Code of Ethical Business Practice (the "MedTech Code"). Our Code of Business Conduct and Ethics contains guidance specific to insider trading, anti-corruption, anti-bribery, antitrust, conflicts of interest, ethical marketing and promotion, among many other topics.

Whistleblower Policy for Accounting and Auditing Matters. This policy is designed to facilitate the reporting of complaints regarding possible violation of law or policy, including accounting or auditing matters.

Insider Trading Policy. This policy governs acceptable transactions in SI-BONE securities and prohibits insider trading.

All employees are required to train on these policies and a number of other relevant policies.

COLLABORATION WITH HEALTHCARE PROFESSIONALS

With healthcare professionals being an important customer constituency, it is important that our Health Care Professionals Interactions Policy is strictly followed by our employees. This policy covers the requirements that under no circumstance may a company representative engage in any conduct that unlawfully induces (or appears to unlawfully induce) anyone to refer patients or to purchase, lease, recommend, use, or arrange for the purchase, lease, or use of, Company products.

In 2022, the company implemented new compliance software tools that improve oversight of interactions with healthcare professionals and transparency reporting requirements.

ETHICAL MARKETING

We promote our products accurately and honestly. SI-BONE maintains a robust process to ensure that all promotions are consistent with approved instruction for use and comply with applicable laws and regulations. Our promotional material review process is guided by a standard operating procedure that sets forth our substantive and procedural requirements. At its core, our procedure requires that all promotions are on-label and are truthful, not misleading, and substantiated. All promotional materials are reviewed and approved by appropriate reviewers prior to release. Our standard promotional materials are not released until approved by Marketing, Regulatory, Medical Affairs, and Legal/Compliance, with additional approvals required based on the substance of the material.

COMPLIANCE COMMITTEE

Our Compliance Committee meets quarterly to provide oversight and governance for the Company's compliance function and compliance-related matters. The Compliance Committee comprises members from multiple departments and includes SI-BONE senior executives, demonstrating our commitment to ensuring that our Company is adhering to its compliance commitments. Our internal compliance team conducts regular compliance monitoring as dictated by the annual monitoring plan approved by the Compliance Committee. Similar to the annual compliance monitoring, we screen all third-party distributors and agents globally upon onboarding and regularly monitor them for potential risks.

It is important that our employees feel comfortable reporting any suspected ethics or compliance violations without fear of retaliation. In conjunction with our whistleblower policy, we have a whistleblower hotline in place to allow for anonymous reporting. This hotline is available both internally and externally on our website for anyone to report policy violations or any concerns they may have.

Data Privacy & Cybersecurity

Data Privacy

SI-BONE is committed to protecting the privacy of personal data in compliance with applicable laws and regulations. Our privacy program is guided by the "data protection by design" principle, which requires analysis of privacy protections whenever a new system, platform, or activity proposes a change to the processing or storage of personal data. Our use of personal data follows these core principles:

- Lawfulness, Fairness, and Transparency - personal data shall be processed lawfully, fairly, and in a transparent manner in relation to the data subject.
- Purpose Limitation - personal data shall be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes.
- Data Minimization - personal data shall be adequate, relevant, and limited to what is necessary in relation to the purposes for which they are processed. To the extent practicable, personal data shall further be subject to appropriate anonymization and pseudonymizing practices.
- Accuracy - personal data shall be accurate and kept up to date.
- Storage Limitation - personal data shall be kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data is processed.
- Integrity & Confidentiality -personal data shall be processed in a manner that ensures appropriate security of the personal data, including protection against unauthorized or unlawful processing, and against accidental loss, destruction, or damage.
- Accountability – SI-BONE shall be responsible for, and be able to demonstrate compliance with its data privacy policy.

All employees receive annual training on applicable privacy policies, including on maintaining patient privacy and responding to subject requests for personal information.

Cybersecurity

Cybersecurity is extremely important to our business given our handling of potentially sensitive medical information and our role in the healthcare sector. We have implemented several programs and measures to protect our business, customers, employees, and patients.

Our information technology security focuses on physical access, network access, password management, and patch management. We assess our systems by way of business tool reports, internal monitoring, and internal/external audits. Our team makes sure our databases, software, and computers are backed up to prevent loss.

SI-BONE has an incident management and response plan, as well as a Disaster Recovery Business Continuity Plan.

Our Audit Committee and the full Board oversee our information security risks. We also maintain cyber liability insurance coverage.

Looking Ahead

We are pleased to present our second sustainability report. As our sustainability efforts mature, we will remain focused on our commitment to making a positive impact on our communities. We appreciate the opportunity to update you on our performance in the years ahead.

Thank you for joining us on this journey.

ABOUT THIS REPORT

This report is prepared in accordance with the Sustainable Accounting Standards Board (SASB) Medical Equipment & Supplies Standards.

Sustainability Accounting Standards Board (SASB) Index – Medical Equipment & Supplies

All data reflects the year ended December 31, 2022, unless otherwise noted.

ACCOUNTING METRIC	CODE	LOCATION/RESPONSE
AFFORDABILITY AND PRICING		
Ratio of weighted average rate of net price increases (for all products) to the annual increase in the U.S. Consumer Price Index	HC-MS-240a.1	Not disclosed
Description of how price information for each product is disclosed to customers or to their agents	HC-MS-240a.2	Our pricing takes into account local market and healthcare system dynamics, including the economic value that our products generate for the healthcare system. Pricing is negotiated with entities, and is determined by factors such as geography, volume, reimbursement levels, health system and group purchasing organization affiliations, and purchasing commitments. Several hospitals and health systems across the nation have category pricing maximums which we abide by to ensure the surgeons and the patients have access to our products.
PRODUCT SAFETY		
Number of recalls issued, total units recalled	HC-MS-250a.1	SI-BONE reports all recalls involving a risk to health to the FDA. This information is available here. SI-BONE had no FDA-reportable recalls in 2022.
List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	HC-MS-250a.2	SI-BONE's medical products are subject to FDA's MedWatch Safety Alerts, and none of SI-BONE's products were so listed.
Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	HC-MS-250a.3	SI-BONE reports all necessary data as required by the FDA. This information is available here. No fatalities related to our products were reported in 2022.
Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	HC-MS-250a.4	None
ETHICAL MARKETING		
Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	HC-MS-270a.1	None
Description of code of ethics governing promotion of off-label use of products	HC-MS-270a.2	All promotions must be consistent with approved instruction for use for our products and that the company will not tolerate, or market our products for, any "off-label" promotion or in any fashion other than in accordance with their instruction for use. Please see Ethical Marketing pg. 33 for more details.
PRODUCT DESIGN AND LIFECYCLE MANAGEMENT		
Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	HC-MS-410a.1	SI-BONE maintains a thorough biocompatibility assessment of all materials used in our products. In addition, all chemical processes such as passivation and cleaning are validated to ensure to that they are repeatable. During production, endotoxins that typically arise from water-based cleaning methods, and bioburden that typically arises from handling and processes, are monitored on a regular basis.

Please see next page

Sustainability Accounting Standards Board (SASB) Index – Medical Equipment & Supplies

All data reflects the year ended December 31, 2022, unless otherwise noted.

ACCOUNTING METRIC	CODE	LOCATION/RESPONSE
PRODUCT DESIGN AND LIFECYCLE MANAGEMENT (continued)		
Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	HC-MS-410a.2	(1) See Packaging Waste & Recycling, pg. 26 (2) Implants: 100%
SUPPLY CHAIN MANAGEMENT		
Percentage of (1) entity's facilities and (2) Tier 1 suppliers' facilities participating in third-party audit programs for manufacturing and product quality	HC-MS-430a.1	SI-BONE's U.S. and EU headquarters are ISO 13485 certified via third party audit. All SI-BONE suppliers are evaluated, and critical suppliers are subject to higher standards. Out of 52 suppliers on SI-BONE's Approved Supplier List with a criticality level of "high" or "critical," 87% have current ISO 13485 certification.
Description of efforts to maintain traceability within the distribution chain	HC-MS-430a.2	See Responsible Sourcing, pg. 25
Description of the management of risks associated with the use of critical materials	HC-MS-430a.3	See Business Resiliency, pg. 33
BUSINESS ETHICS		
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	HC-MS-510a.1	None
Description of code of ethics governing interactions with health care professionals	HC-MS-510a.2	See Ethics and Compliance, pg. 33
ACTIVITY METRIC	**CODE**	**LOCATION/RESPONSE**
Number of units sold by product category	HC-MS-000.A	Not disclosed

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