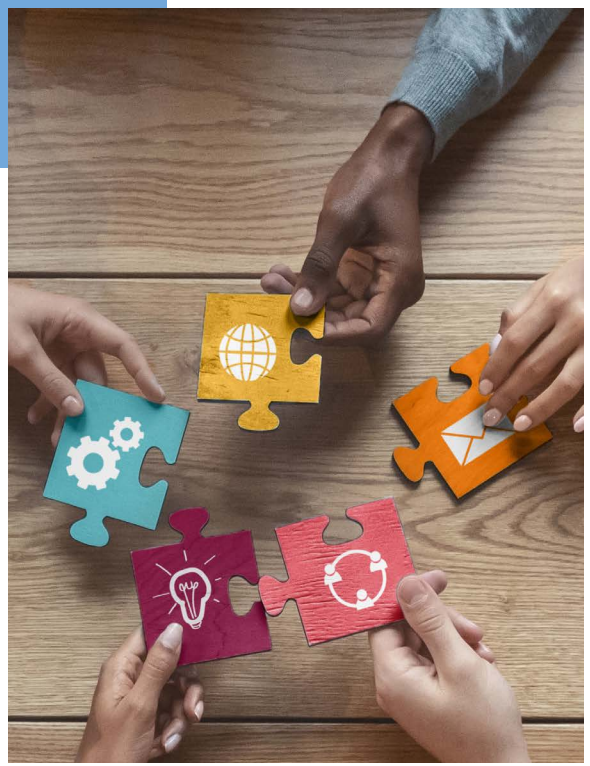
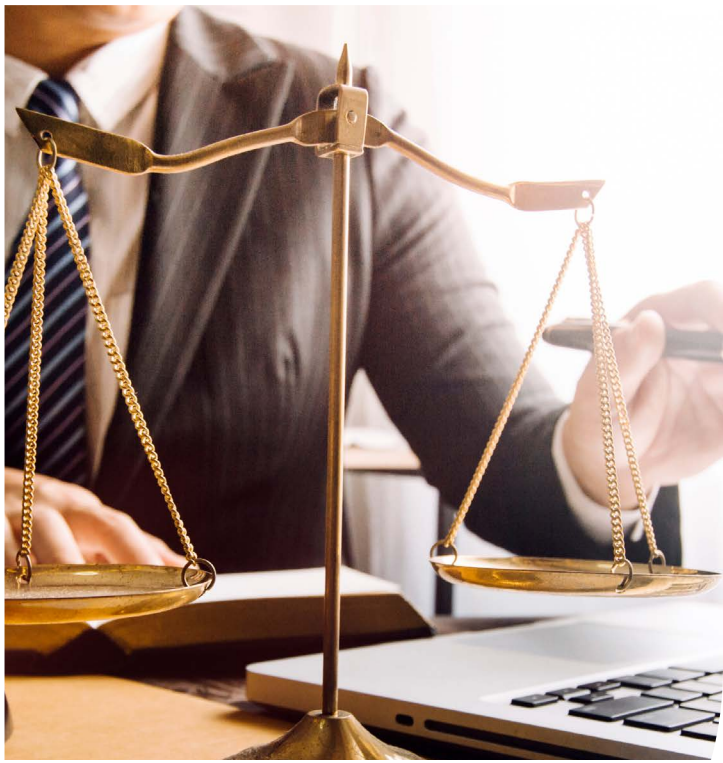
TREACE Medical Concepts, Inc.

2024 ESG Progress Report

Environmental



Social



Governance

About this Report

This report includes disclosures that are informed by the Sustainability Accounting Standards Board (SASB) standards for the Medical Equipment & Supplies industry. All financial information is reported in U.S. dollars, and unless otherwise stated, this report covers fiscal years 2020, 2021, 2022 and 2023, as well as some key activities that have occurred already in 2024. This report was published on May XX, 2024.

Safe Harbor Cautionary Statement Regarding Forward-Looking Statements and Other Important Notes

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are forward-looking statements, including, but not limited to statements about current and future compliance initiatives, the timing for certifying our quality management system to ISO standards, and expected environmental, social and governance policies and practices. Forward-looking statements are based on management's current assumptions and expectations of future events and trends, which affect or may affect our business, strategy, operations or financial performance, and actual results and other events may differ materially from those expressed or implied in such statements due to numerous risks and uncertainties. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. This report contains ESG-related statements based on estimates and assumptions that are subject to a high level of inherent uncertainty. Certain factors that could cause actual results or other events to differ materially, and adversely, from those contemplated in this report can be found in our periodic reports filed with the Securities and Exchange Commission (SEC), including but not limited to our most recent Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 27, 2024 and other subsequent reports. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "assume," "believe," "contemplate," "continue," "could," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. Disclosures based on external standards may change due to revisions in framework requirements, availability of information, changes in our business or applicable governmental policies, or other factors, some of which may be beyond our control. Because forward-looking statements are inherently subject to risks and uncertainties, you should not rely on these forward-looking statements as predictions of future events. These forward-looking statements speak only as of their date, and we undertake no, and expressly disclaim any, obligation to update these statements, whether as a result of any new information, future developments or otherwise.

Additionally, the events and efforts discussed in this report, including both forward-looking statements and other statements, are informed by a variety of standards (including standard for the measurement of underlying data) and the interests of various stakeholders and should carefully review all cautionary language and risk factors that relate to any such statements. As such, while such matters may be significant, the inclusion of such statements is not an indication that these contents are necessarily material for the purposes of our compliance with or reporting pursuant to the U.S. federal securities laws and regulations. Moreover, given the uncertainties, estimates, and assumptions required to make some of the disclosures in this report, as well as the timelines involved, materiality regarding ESG matters is inherently difficult to assess far in advance.

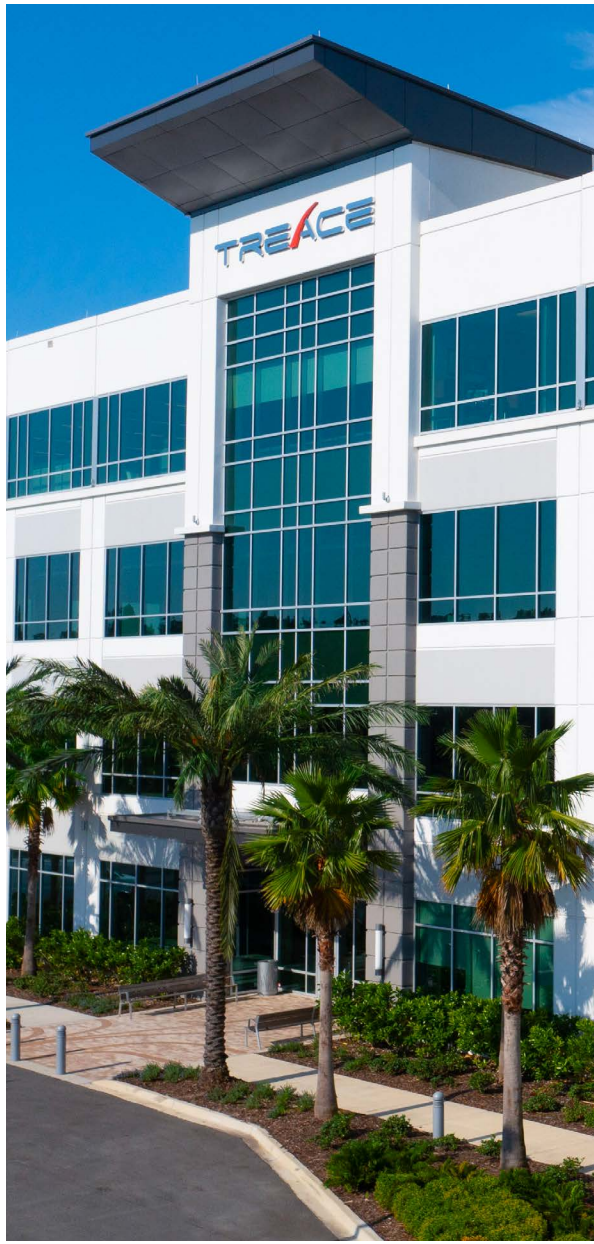
Furthermore, much of this information is subject to methodologies, assumptions, or third-party information that is still evolving and subject to change, and we cannot guarantee that our disclosures will necessarily align with any particular stakeholder's preferences or interpretations of best practices, including strict alignment with any third-party frameworks we may leverage.

Website and document references throughout this report are provided for convenience only, and their content is not incorporated by reference.

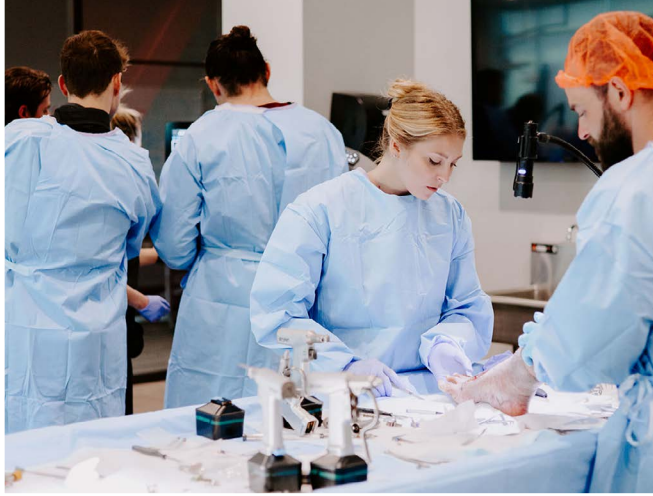
Terminology

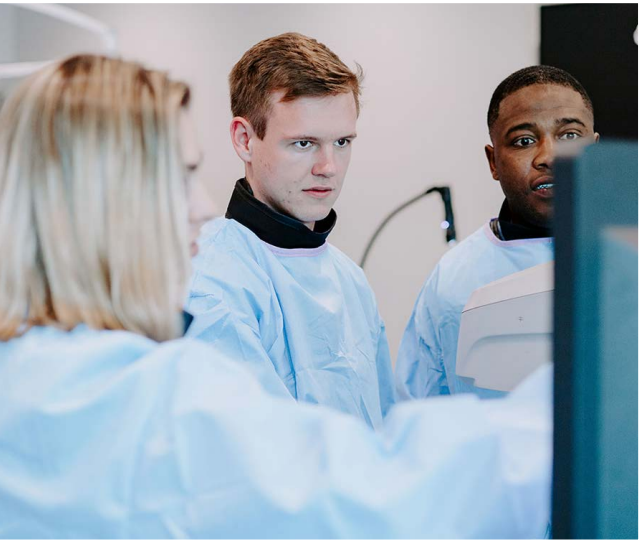
As used in this ESG Progress Report, unless expressly indicated or the context otherwise requires, references to "Treace Medical," "we," "us," "our," "company," and similar references refer to Treace Medical Concepts, Inc.

Contents

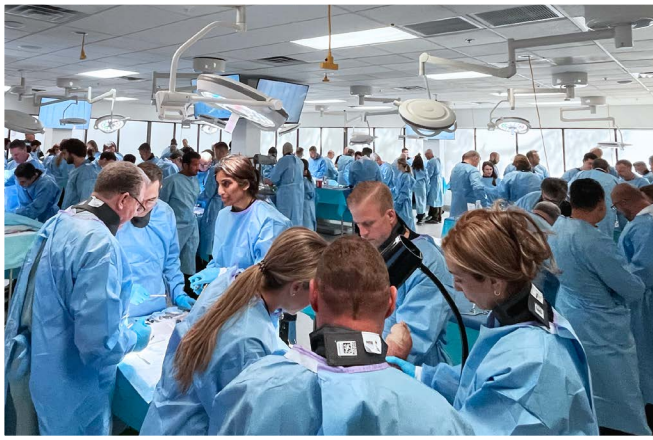



WELCOME
TREACE






2024 NATIONAL BUNION DAY



A Message From Our CEO

We are pleased to publish our second annual report on Treace Medical's environmental, social, and governance (ESG) activities. We continue to identify, refine, and address the ESG efforts that matter to our business and stakeholders and are approaching these efforts with diligence while seeking to create long-term value for our stakeholders.

Our goal is to advance the standard of care for the surgical management of bunion and related midfoot deformities. Millions of people suffer from bunions, which can have a significant impact on mobility and quality of life. Since our initial surgical cases in 2015, Treace Medical has been committed to educating people about surgical options that can provide lasting relief from bunion pain through our innovative procedures that are designed to decrease recovery time, reduce recurrence rates, and improve patient outcomes.

We are proud of the significant efforts of our team members to serve our customers and their patients and to successfully execute our plans over the past year, including the activities detailed in this report. We are also proud to publish our Human Rights Policy and Environmental Stewardship Statement, reiterating our commitment to doing business ethically and responsibly.

As a uniquely focused foot and ankle company, with our dedicated employees and surgeon advisors, engaging medical and patient education programs, robust pipeline of new technologies, differentiated set of clinical studies, and strong governance foundation, I am confident we have the right people and strategies in place to execute our plans for the benefit of patients, our customers and investors, and other Treace Medical stakeholders. We look forward to continuing to report on our ESG accomplishments.

John T. Treace
CEO, Founder, and Board Member

About Treace Medical

Treace Medical is 100% focused on improving surgical outcomes for bunion patients.

$187.1M[1]

2023 Revenue

8+

Focused years of innovation and technique refinement

22

Clinical publications directly support the Lapiplasty® procedure

100,000+

Lapiplasty® procedures performed including many highly active patients[2]

2,855+[3]

Surgeons performing the Lapiplasty® Procedure in the last 12 months

1. U.S. Sales Revenue = $187.1 million

2. TMCI data on file

3. as of December 31, 2023

Highlights of our recent ESG achievements include the following:




- Reached over 100,000 Lapiplasty® Procedures performed as of April 2024
- Introduced five new products in 2023 designed to make bunion and related midfoot correction procedures faster, more efficient to perform and less invasive
- Launched new packaging that reduces the size of our packages in order to reduce the paper and other resources used in our packaging and lower the costs and environmental impact of transporting our products.
- Initiated a sterilization batching process to lower shipping and sterilization costs, decrease electricity and other utility usage for our third-party sterilization processors, and reduce emissions from the sterilization process
- Developed onsite clean room capabilities so that we are ready to assemble product kits at our corporate headquarters in 2024, with a goal of reducing emissions and costs of transportation
- Continued our robust supplier and internal quality management, cybersecurity, data privacy and compliance programs
- Deepened our internal safety training and resources and sustained our strong product and employee safety record
- Expanded access to our products through our comprehensive and active medical education programs for surgeons and multi-channel patient education campaigns
- Enhanced growth opportunities for our talent, including leveraging CliftonStrengths® assessments for training and development, initiating the Treace Leadership Development Program, and expanding our sales training
- Completed an FDA on-site establishment inspection at our corporate headquarters with no significant deficiencies and no FDA Form 483 findings, also known as “Inspectional Observations”
- Issued compelling, long-term data from post-market clinical studies showing positive patient outcomes after the Lapiplasty® Procedure
- Honored our first two Treace Medical Ethics and Culture Award Winners
- Celebrated our second annual Treace Medical Ethics and Culture Week

Advancing the Standard of Care in the Surgical Management of Bunions

We are a medical technology company with the goal of advancing the standard of care for the surgical management of bunions and related midfoot deformities. We seek to improve surgical outcomes for patients suffering from painful bunion deformities. Bunions are complex 3-dimensional deformities that originate from an unstable joint in the middle of the foot and affect approximately 67 million Americans, of which we estimate 1.1 million are annual surgical candidates. We have pioneered and patented the Lapiplasty® 3D Bunion Correction® System – a combination of instruments, implants, and surgical methods designed to surgically correct all three planes of the bunion deformity and secure the unstable joint, addressing the root cause of the bunion and helping patients get back to their active lifestyles.

To further support the needs of bunion patients, we have introduced our Adductoplasty® Midfoot Correction System, designed for reproducible surgical correction of the midfoot as well as our Hammertoe PEEK Fixation System designed to address hammertoe, claw toe and mallet toe deformities. We continue to expand our footprint in the foot and ankle market with the introduction of its SpeedPlate™ Rapid Compression Implants, an innovative fixation platform with broad versatility across Lapiplasty® and Adductoplasty® procedures, as well as other common bone fusion procedures of the foot.

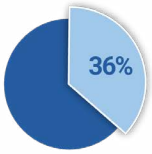
A large, underserved

$5B+ U.S. market opportunity

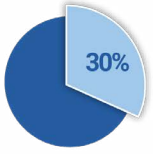
Bunions affect **~1 in 4** U.S. adults[1], a population of **67 million.**

10K
U.S. bunion surgeons

of adults age 18 to 65 in the US **have bunions**[1]



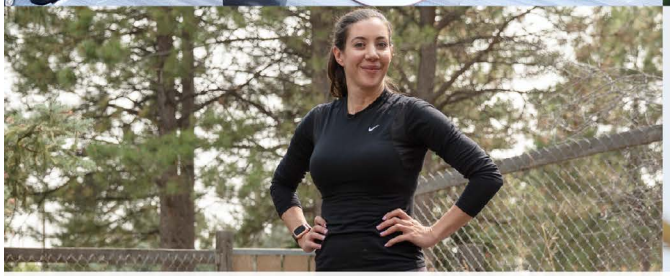
of adults older than 65 in the US **have bunions**[1]



of females in the US **have bunions**[1]

1. Nix S, et al. J Foot Ankle Res 2010

"Having this surgery was a great experience and everything I hoped it would be."

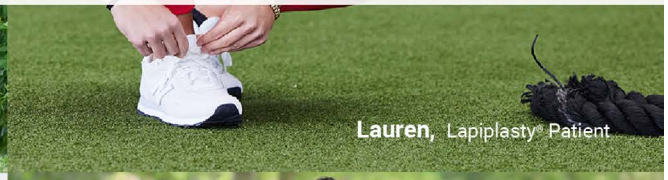


"I have been able to get back into the swing of things. Every day, my foot feels better!"

"I had very little pain from the surgery. Overall it was easier than anticipated."

"Every patient is different, but I had such a great experience with my surgeries!"

"Being able to wear heels or really any shoe for longer than an hour…has made a world of difference."



"I'm just so grateful there are options out there to help us. I've had no pain at all. No problems since."

These experiences are unique and specific to these patients only. Individual results may vary depending on age, weight, health, and other variables. There are risks and recovery takes time. Risks include infection, pain, implant loosening and loss of correction with improper bone healing. More information on benefits, patient risk information and recovery times are available at Lapiplasty.com.

Our Mission Statement

Our mission is to advance the standard of care for the surgical management of bunion and related midfoot deformities. We are committed to operating our business with the highest standards of ethical conduct. We intend to exceed our customers' expectations through an innovation-driven, high-velocity approach to solving treatment and surgical problems.

Our products and services are designed to enable foot and ankle surgeons to improve patient outcomes and reduce healthcare costs, while providing rewarding experiences and opportunities for our employees and stakeholders.

Integrity

means that we are honest and always do the right thing for our customers, employees, and stockholders.

Excellence

means that we have a passion for what we do, that we realize that medical learning is at the heart of what we do, that we have a sense of urgency to win every day, and that we seek to create true value – not through paper or gimmicks.

Courage

means that we take accountability and avoid surprises – that we tell the bad news first, not last.

Collaboration

means that we enlist the willing cooperation of others, that we surround ourselves with high performers, that we maintain an employee-friendly environment, and that we have fun doing our job!

Our Core Values and Beliefs

We believe a strong culture of integrity and compliance is critically important to building a world class business. This means each of our employees living by our four core values of Integrity, Courage, Excellence and Collaboration.

Our Approach to ESG

In developing this report, we have prioritized certain environmental, social and governance issues applicable to our industry and our business and of interest to certain of our stakeholders. Our analysis was informed by feedback from investors and other stakeholders, peer benchmarking, analysis prepared by ESG rating agencies, and guidance from ESG reporting frameworks such as the Sustainability Accounting Standards Board (SASB) standards for the Medical Equipment & Supplies industry.

We welcome input from our stakeholders on this report and expect to enhance our ESG efforts in the years ahead. To provide an oversight structure for ESG at Treace Medical, we established Board-level oversight for ESG matters through the Nominating, Compliance & ESG Committee, which receives periodic briefings from the executive team and functional leadership about the status of Treace Medical's ESG-related practices, policies, disclosures, and strategies.

Increasing Access to Treatment

Millions of Americans suffer from bunions. We are passionate about expanding access to the our procedures and products. Our approach to expanding access to our procedures include our extensive surgeon and patient education programs.

Providing Patient Education to Help Increase Access to Treatment

Our patient awareness and education initiatives are an important part of our strategy to increase awareness and access to the Lapiplasty® Procedure and our other products and procedures. We have been investing in impactful direct-to-patient education and conduct outreach through national direct-to-consumer education programs. Through these initiatives, we aim to educate potential patients on bunion deformities and our novel solutions and encourage patients to seek more information on our website where they can learn about the procedure and its risks, benefits and recovery process, and connect with Lapiplasty® surgeons in their areas who can help them determine whether our products or procedures are right for them.

Providing Surgeon Training to Help Increase Access to Treatment

Advancing medical learning is at our core. We devote significant resources to training and educating physicians on the safe, effective, and approved use of the Lapiplasty® Procedure, the Adductoplasty® Midfoot Correction Procedures and other procedures using our products. Our comprehensive education programs include simulated surgical workshops, technical assistance in the operating room and advanced training for both new and existing surgeon customers. Our practice is to provide simulated surgical training to surgeons before they perform the Lapiplasty® Procedure or Adductoplasty® Procedures. To facilitate this training, we have developed a robust curriculum including clinical and procedural details as well as hands-on surgical workshops designed to simulate a live surgical procedure.

These training events incorporate highly-skilled training personnel including experienced surgeon faculty and clinical specialists. Additionally, we host ongoing peer-to-peer advanced educational training programs to continue to develop the expertise of our surgeon customers. These include monthly online “Mastery Webinar” series and hands-on workshops with experienced faculty surgeons that cover more advanced Lapiplasty® techniques and training on our newly developed products and procedures.

Our training programs are complemented by clinical specialists that assist with surgeon training and live surgery support with new surgeon users. We believe that our multi-layered approach to medical education for surgeons, which includes simulated surgical initial workshops before the first surgery with ongoing advanced skills and mastery training, will result in surgeon users improving their skill and familiarity with the Lapiplasty® Procedure and will lead to better clinical outcomes for patients suffering from bunions.

We strive to provide effective surgeon education as part of our mission to advance the standard of care for the surgical management of bunion and related midfoot deformities.

National / Regional / Local Trainings

Includes introductory trainings, advanced skill courses, and masters courses

Intro & Mastery Webinars

Includes monthly preplanned introductory and mastery webinars

Medical Society Conferences

Includes the American College of Foot and Ankle Surgeons Annual Scientific Conference and American Orthopaedic Foot & Ankle Society Annual Meeting.

Peer-to-Peer Discussions

Includes 1:1 discussions between surgeon faculty and other surgeons to discuss cases, patient outcomes, complications, etc.

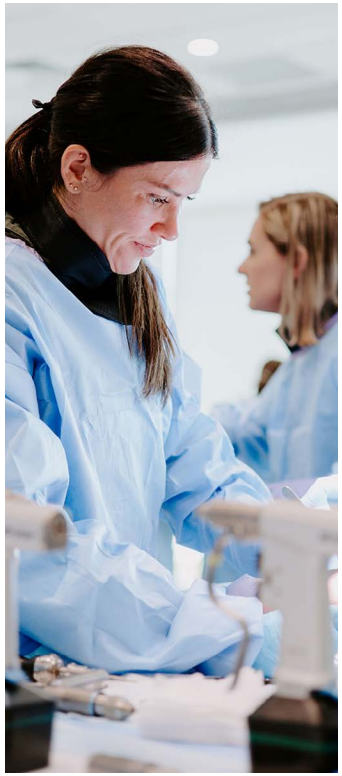
HQ Educational Site Visits

Includes visits to our headquarters locations for introductory, advanced skills and mastery courses

Increasing Access to Treatment

Coverage and Reimbursement for our Procedures Help Expand Access to Treatment

The Lapiplasty® and Adductoplasty® Procedures can be performed in either hospital outpatient or ambulatory surgery center settings. The Procedures are billed with existing CPT codes. Third party payors, including government programs, such as Medicare and Medicaid, private insurance plans, and managed care programs, typically cover bunionectomy and midfoot joint fusion procedures that utilize the Lapiplasty® or Adductoplasty® Procedures when the procedures are medically necessary. These existing codes and insurance coverage help make the Lapiplasty® and/or Adductoplasty® Procedures accessible to most bunion sufferers.



Our Pricing Policies Help Expand Access to Treatment

To broaden access to our procedures, we offer a range of types of kits and products at different price points. Customer pricing is negotiated between our pricing and national accounts team and customers at the group purchasing organization (GPO), healthcare system and/or local hospital or surgery center level, depending on the customer's processes. We establish pricing with reference to applicable reimbursement schedules to promote access to our products as we continue to innovate and enhance them to facilitate the reproducibility and ease of the Lapiplasty® and Adductoplasty® Procedures.

Pricing also considers contract length, volume commitments and expectations, administrative fees and other relevant factors. Pricing is shared with our customers via a quote, local agreement or GPO/integrated delivery network contract. These agreements require each party to maintain the confidentiality of the agreement details but to also comply with applicable legal disclosure requirements.

Environmental

We look to integrate sustainability considerations into the life cycle of our medical devices to address global challenges and preserve resources for future generations. While we are early in our journey, we are taking steps to embed responsible environmental practices throughout our operations and have started to establish processes to gather data and analyze key environmental metrics.

Our **125,000 sq. ft.** headquarters facility includes environmentally friendly features such as:

- Low flow faucets in restrooms
- LED lighting with occupancy sensors
- Remote programmable HVAC systems that shut down during off-hours
- Reclaimed water for irrigation

Facilities

In the Fall of 2022, we relocated to a larger headquarters facility in Ponte Vedra, Florida, that accommodates the increased capacity requirements of our surgeon education, sales training, research & development, warehousing, and other infrastructure needs. This facility is equipped with environmentally friendly features, some of which are detailed above.

We also provide charging stations in our parking lot for employees with electric vehicles as well as bicycle racks. A number of employees commute to our office by bicycle or golf cart from nearby residential neighborhoods. We continue to use electronic signature and record keeping technology and shred and recycle office documents to further reduce paper and material waste from our operations. In 2023, we added recycling bins in major break rooms in our headquarters with educational information about which materials can be recycled.

FOCUS:

Packaging Reduction Program

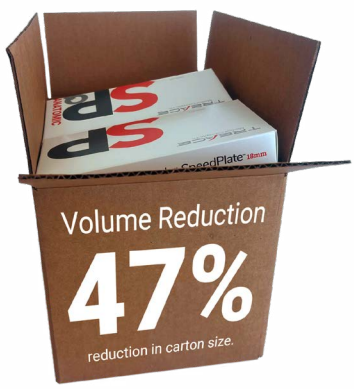
We strive to reduce our packaging footprint and have a team that has focused on reducing the size of our packaging. In early 2024, we introduced new, smaller packaging with the following benefits.

Previously, one tray at a time was sealed at the third party kit assembly providers we use. With the introduction of the new smaller packaging, on the same sealing machine, the new smaller tray seal tool can seal more than one tray at a time.*

Time Reduction

Sterilizer 1: Three-up tool — **67%** reduction in sealing time

Sterilizer 2: Two-up tool — **50%** reduction in sealing time



Sterilization Efficiency

~150%

Gamma Efficiency.

The gamma sterilizer that could hold 960 kits can now sterilize 2,400 kits in the new smaller packaging.

Material Reduction

35.7%

total mass reduction per kit*

* Based on mass of highest selling kit (SK50), includes product components. Mass of SK50 Rev B (265.3g) versus mass of SK50 Rev C (170.55g).

Foam Usage Reduction

~64%

reduction in foam block size included in the packaging of each sterile kit

FOCUS:

Sterilization Batching

In the past, Treace Medical product was sterilized whenever product arrived at the sterilization facility which at times resulted in unused capacity in the sterilization machine.

In 2023, we implemented a sterilization batching process where product is shipped in batches to the sterilization facility. Once there is sufficient Treace Medical product to fill the sterilizer, the sterilizer is operated. This batching process resulted in a number of benefits, including the following:

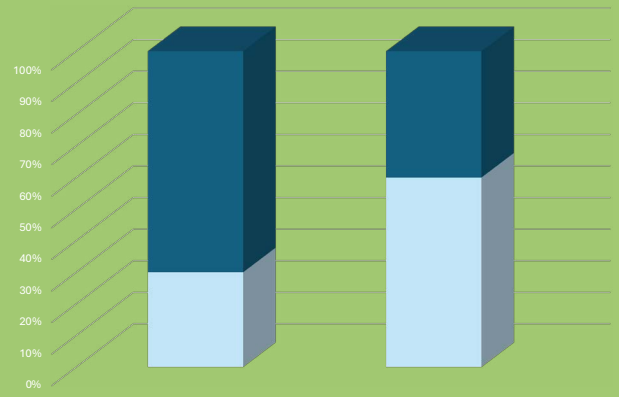
Gamma Efficiency Increase

2.5x as many kits sterilized per cycle*

*Based on maximum number of kits that can fit in a carrier per the sterilizer loading diagram. 960 kits per cycle in large packaging; 2400 kits per cycle in small packaging.

29.6% reduction in sterilization batching runs (compared to the number of sterilization runs in the prior 12 months)

Sterilization carrier space utilization by volume



Treace Medical products placed in the sterilizer

Product Design & Lifecycle Management

The Lapiplasty® and Adductoplasty® Procedures bring together our single-use implant kits and our reusable instrument trays, which are designed to support approximately 45 surgeries per year over at least three years. We also take back instruments, trays and certain other items. These items are either reinspected and returned for use by our sales representatives or customers or are used for education and training sessions with surgeons.

Environmental Compliance

We are committed to running safe and sustainable operations that comply with applicable environmental laws and our internal standards. We expect our suppliers to also comply with applicable environmental regulations and, as far as reasonably practicable, reduce any detrimental effects on the environment from their activities, such as pollution, waste, and wastewater. For more information, please see our Environmental Stewardship Statement.

Because our single use instruments are considered sharps, we have contracts with waste management companies to dispose of these instruments and other hazardous medical waste in a safe and efficient manner.

Environmentally Friendly Features at HQ

Product Quality and Supply Chain Management

Designing and delivering safe, effective and high-quality products to our customers is a top priority for Treace Medical. To support this, we have deployed robust quality management procedures to comply with applicable quality standards and regulations.

As a part of our standard practices, we have never used use ethylene oxide (EtO) as a sterilization method and instead utilize gamma radiation to sterilize our products.

Oversight

Our team is dedicated to the effectiveness and continuous improvement of our quality management system (QMS) while promoting compliance with relevant quality regulations. It is each team member's primary responsibility to deliver high-quality products that meet FDA requirements and our own internal standards. While our senior management team is ultimately responsible for overseeing our quality policies, the Senior Vice President for Quality Assurance and Regulatory Affairs is specifically tasked with the duties required to meet our quality objectives, including:

- Enabling processes needed for the QMS to be established, implemented and maintained;
- Reporting to senior management on the performance of the QMS and needed improvements; and
- Enabling the promotion of awareness of regulatory and customer requirements throughout the organization.

Quality Management System

Across the organization, we strive for excellence during the design, development, and deployment of our devices. We have designed our QMS to adhere to FDA regulations and align with ISO 13485, the international standard for medical device quality management systems set by the International Organization for Standardization (ISO). By its final rule issued on January 31, 2024, the FDA has incorporated by reference the quality management system requirements of ISO 13485 into the FDA's quality system regulation under 21 CFR 820. Knowing that the FDA was seeking to harmonize its quality management system regulation with ISO 13485, we disclosed in last year's ESG Report that we were working toward certifying our QMS to ISO 13485 over the next 12 to 24 months. We have made significant progress toward that certification and expect that our QMS will receive ISO 13485 certification before the end of 2024.

FDA 2023 on-site establishment inspection: no significant deficiencies or Inspectional Observations issued.

In September 2023, the FDA conducted an on-site establishment inspection at our corporate headquarters. The inspection covered our corrective action and preventive action procedures, complaint handling/medical device reporting (MDR) procedures, purchasing controls, and design controls procedures. The establishment inspection did not reveal any significant deficiencies, and no Form FDA-483, Inspectional Observations, were issued.

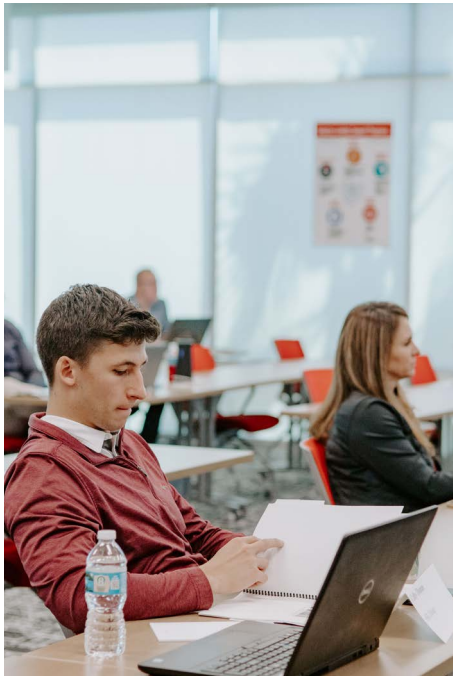
We conduct periodic internal reviews and supplier assessments to improve the effectiveness of our QMS and utilize appropriate metrics to monitor and improve processes. We have also implemented controls to promote compatibility of design, production, inspection, and testing procedures for our products. We periodically update these procedures to identify additional resources and skills needed to achieve our quality goals.

Product Experience Reporting and Corrective Action

Corrective and preventive actions serve to reduce defects in our products and implement measures to correct and address the root cause of non-conformities.

The Quality Assurance and Regulatory Affairs team maintains copies of quality audit reports. In the event that corrective actions are implemented, the Quality Assurance and Regulatory Affairs team may conduct follow-up audits.

We require our employees to file a product experience report if they become aware of any adverse event, malfunction, or other potential problem with our products. To date, we have not been subject to any regulatory enforcement actions nor had any monetary losses as a result of legal proceedings associated with product safety.



Training on Quality System and Product Safety

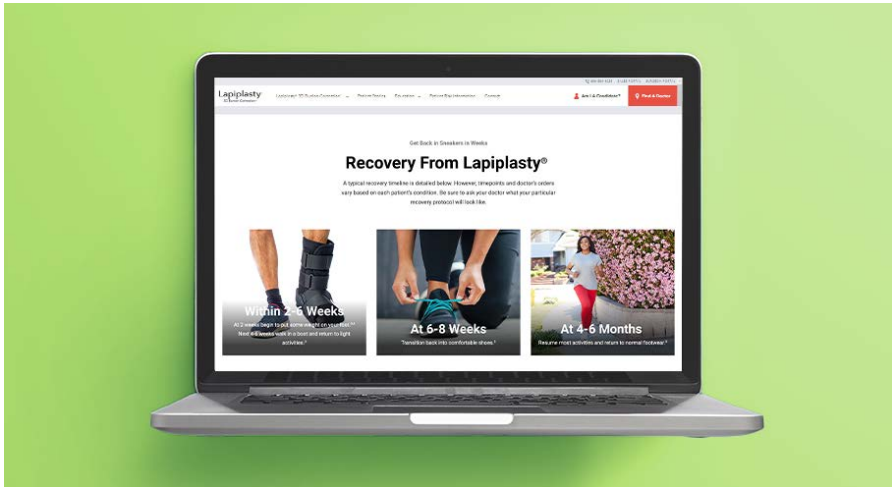
As part of Treace's new hire orientation and training for all employees, the Quality Assurance and Regulatory Affairs team provides training on the quality system. Department managers are responsible for reviewing all employees whose work affects the quality of products and services, such that they understand and follow our quality system requirements; each employee is expected to acknowledge signature that they have read our quality policy and understand our quality system.

Furthermore, corporate employees are required to complete annual quality system regulation training, including management's responsibilities, production and process controls, design controls, corrective and preventive action plans, packaging and labeling, document control, supplier controls, identification and traceability, acceptance activities and nonconforming products. In addition, sales and corporate team members receive annual training on reporting product experiences which includes examples of experiences that may indicate potential defects that may require further evaluation and the importance of each employee's roles in product safety.

Ethical Marketing - Labeling and Warnings

We have adopted an explicit policy on responsible marketing, advertising and sale of our products. Our Code of Conduct provides that we will represent our products and services accurately and will comply with applicable regulatory and legal requirements governing the marketing and sale of our products and services. The Code of Conduct also states our commitment to acting with integrity in all marketing practices, including labeling, promotional programs, product samples, and communication with stakeholders.

We have adopted procedures requiring review and approval of marketing or promotional materials that are distributed to the sales team, directly to customers, or otherwise publicly published. The procedures require approval by the collateral owner, a legal member, and a regulatory team member before the marketing or promotional material may be used or published. All approved marketing and promotional materials as well as the signed approval documentation are maintained in centralized repositories. Employees in the following departments receive training on the process for advance review and approval of marketing and promotion material: marketing, medical education, regulatory, legal, clinical affairs, sales training, and quality (including the document control team). Documentation is audited periodically to confirm that published materials match the approved collateral, approvals are documented, and other aspects of the procedure are followed.



Our sales representatives and associate sales representatives receive extensive training as described in more detail in the section entitled “Career Development and Performance Management.” All newly- hired sales personnel receive ethics and compliance training that covers page the responsible marketing, advertising and sale of our products. Furthermore, sales personnel receive periodic refresher ethics and compliance training covering the topic of responsible marketing, advertising and sale of our products.

Supply Chain Management

In addition to providing quality products and services, we expect our suppliers to operate their business in a way that supports our commitment to lawful conduct and upholding our high ethical standards. We contractually require that our suppliers operate in compliance with applicable laws, rules, regulatory requirements and good manufacturing practices. We take a risk based approach in conduct reviews and oversight of certain parties in our supply chain to promote the quality, safety, and efficacy of our products. Our supplier qualification process requires that our Tier I and Tier II suppliers, which comprise a majority of our supplier spending, obtain ISO 13485 certification. Under ISO 13485, Tier I and II suppliers must train their personnel periodically on quality assurance according to their certification qualifications and procedures.

We perform initial qualification audits and ongoing routine audits on Tier I and Tier II suppliers to monitor the effectiveness of the QMS and to assess the conformance of quality-related activities to written procedures, quality standards and regulations. We have our internal personnel conduct these audits of the quality management records of Tier I suppliers every year and Tier II suppliers every other year. We develop the scope of each supplier audit based on the products supplied, supplier performance metrics, matters covered in prior audits, regulatory developments, and other relevant considerations. Our initial qualification process for a supplier includes a review of, among other things, the supplier's employee training process, and the periodic routine audit may cover the supplier's training process depending on audit scope and sample selection. The audit of supplier training is meant to assess whether supplier employees are trained:

- to adequately perform their assigned responsibilities, and
- on awareness of potential device defects that may result from improper performance or errors in executing verification or validation activities.

We expect our suppliers to:

- Ensure their work product meets applicable quality standards and establish quality assurance processes to identify defects and implement corrective actions;
- Facilitate the delivery of products or services whose quality meets contract requirements;
- Develop, implement, and maintain methods and processes appropriate to their products to minimize the risk of introducing nonconforming parts and materials into deliverable product; and
- Put in place effective processes to detect counterfeit parts and materials, provide notification to recipients of nonconforming products when warranted, and exclude them from the delivered product.

We continuously evaluate suppliers of materials and services that have an impact on the quality of the final product based on adherence to quality standards and delivery commitments. For more information on our expectations for suppliers, please refer to our Supplier Code of Conduct.

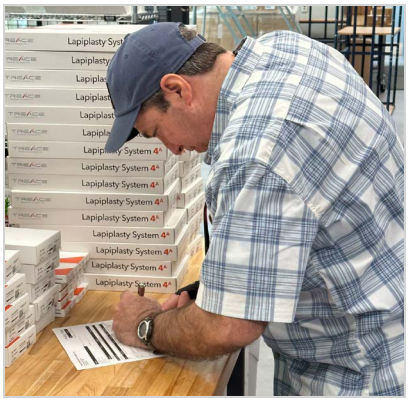
In 2023, we expanded our supplier survey in terms of the types of suppliers surveyed and the scope of the questions we ask them. The survey was issued to all Tier I, Tier II, Tier III and Tier IV suppliers (other than Tier IV service providers) and included questions about, among other matters, suppliers' sustainability and environmental management, workforce safety, use of forced or child labor and anti-bribery practices. Tier I, II, III and IV are classifications that Treaces uses with suppliers that contract directly with Treace to manufacture products that we sell or surgical instruments that we make available to our customers or to provide goods and services that are involved in our products. Treace classifies its suppliers as Tier I to IV depending on the supplier's degree of involvement in our product offerings.

Supplier Diversity

Some of our customers, including the federal government, may include goals and/or seek information about our use of veteran, minority or women-owned suppliers. To identify suppliers that are certified as woman-, minority-, or veteran-owned businesses, or businesses that might otherwise be considered underrepresented or disadvantaged, we expanded our suppliers survey to our Tier I through Tier IV suppliers (other than Tier IV service providers). The survey asked our suppliers to provide details about whether they were 51%+ owned by veterans, women, minority, disabled or other disadvantaged groups, their status as a certified diverse supplier, or their inclusion in the VETbiz.va.gov government database. Questions in the survey regarding these details are voluntary for our suppliers.

Product Traceability

To enable purchased products, components, and subcontracted services related to the quality of final products to be ordered in accordance with specified requirements, we maintain documented procedures and monitor product packaging and labeling. The Quality Assurance and Regulatory Affairs team maintains documentation and management of quality records, including Device Master Record and Device History Record files that contain specifications and production histories of finished devices. We use an Enterprise Resource Planning (ERP) system that helps us track purchased components, products, and services related to the quality of final products. The ERP system allows us to capture part and lot numbers that are traceable back to the manufacturer's or supplier's raw material types. We also assign unique device identifiers for our finished products so they are traceable back from the point of delivery.



Supplier Diversity and Business Survey

At Treace Medical Concepts, Inc., ("TMC") we strive to achieve and maintain a high standard of integrity and are committed to conducting business in an ethical, legal, and socially responsible manner. Further, our goal is to be a good corporate citizen and have our business operations reflect our diverse communities, customers, and employees.

In order to meet these values, we aim to develop relationships with a supplier base that shares in our principles of embracing diversity and inclusion as well as conducting business with integrity and ethics, including compliance with TMC Supplier Code of Conduct (https://www.lapiplasty.com/supplier-code-of-conduct), pertinent supplier quality requirements, and applicable global environmental regulations.

Accordingly, TMC will be tracking and monitoring information regarding our supplier base. It is our expectation that our suppliers respond to this Survey in a truthful and timely manner. If you have any questions about this Survey, please reach out to supplierquality@treace.net.

By promoting a globally comprehensive and robust supply chain, TMC enhances its ability to serve the needs of our customers and patients. Thank you for your continued interest in partnering with TMC.

Critical Materials

We currently leverage third-party manufacturing relationships to enable low-cost production while maintaining a capital efficient business model. We have multiple sources of supply for critical instrumentation and product components of the Lapiplasty®, Adductoplasty® and other procedures and have established back-up manufacturing capabilities for most of our products. We also maintain a safety stock of key components in the event that we are required to transition to and qualify a new third-party supplier for our products. Because our suppliers for our products are evaluated, qualified, and approved through our supplier management program, we believe we have a robust change control policy with these key suppliers. This policy is intended to prevent any component or critical process changes from being made without our prior approval.

Conflict Minerals

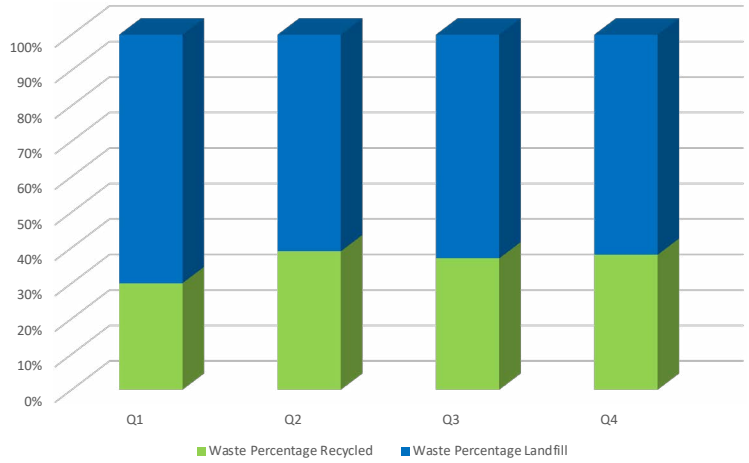
We strive to source minerals responsibly by selecting suppliers that share our core values and exercise due diligence procedures to mitigate potential risks. Any minerals and components used in products supplied to us should be responsibly sourced in compliance with applicable laws and sustainable practices. Our Tier I suppliers have confirmed that the products they manufacture for us do not contain tantalum, tungsten, tin or gold originating in the Democratic Republic of Congo or any of its nine adjoining countries. Moreover, suppliers are expected to conduct adequate due diligence to prevent the entry of any materials or suppliers into their supply chain that are associated with armed conflict, child labor, forced or involuntary labor, human trafficking, or gross human rights violations or are otherwise responsible for substantially negative environmental impacts.

Environmental Metrics

Our Facilities and Environmental Health and Safety Departments oversee environmental metrics that track the energy and resource consumption of our Florida headquarters facility as reported by our utility and waste management companies.

A key metric is the percentage of our waste that is recycled compared to waste that goes to the landfill. We calculate the waste recycling percentage based on our internal analysis of the pounds of waste generated at our Florida headquarters that are sent to landfills versus the percentage sent to recycling facilities. The calculation of the pounds generated considers pounds of waste measured by our external waste services providers. Waste streams included in the calculation include certain fluids, paper shredding, scrap metals, wood pallets, e-waste, batteries, regulated medical waste and non-hazardous municipal waste.

Waste vs. Recycle – 2023:



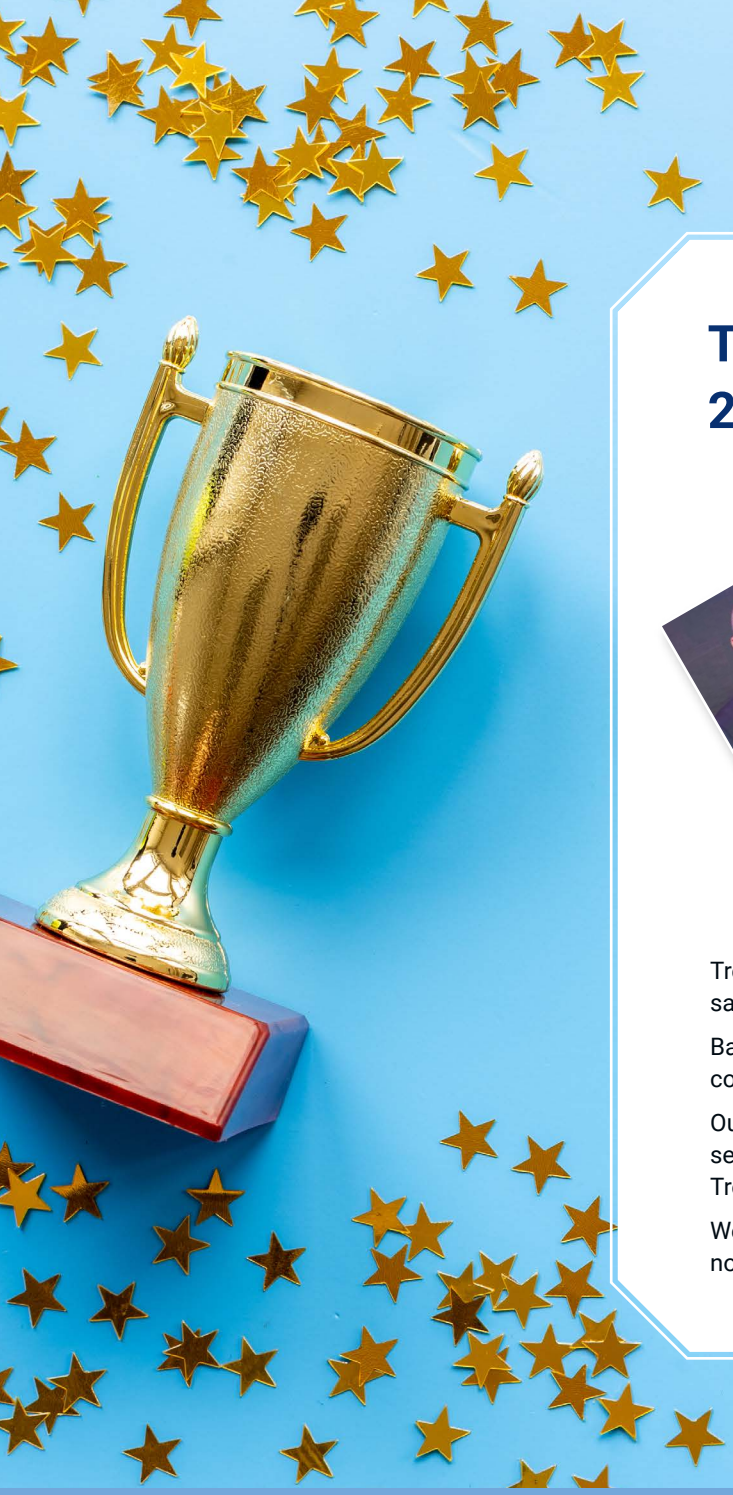
The Environmental Protection Agency (EPA) estimates that only **25%** of the average American waste stream is recycled. Treace Medical's waste stream that was sent to recycling centers in 2023 **was 35.6%.**

Social

Our Mission and Beliefs

Our goal is to advance the standard of care for the surgical management of bunions and related midfoot deformities. To achieve that goal, we must have the right people in place across our business who are aligned with our core values and shared beliefs.

During November 2023, we held our second annual Ethics & Culture Week to celebrate our unique culture, reinforce Treace Medical's shared commitment to ethical behavior, and recognize employees' dedication to Treace Medical's values and ethical standards. As part of Ethics & Culture Week, we honored two employees with the Treace Ethical Culture Award.



Treace Medical has recognized two employees as its 2023 Treace Ethics and Culture Award recipients.

Treace Medical has recognized two employees as its 2023 Treace Ethics and Culture Award recipients -- one sales representative in the field and one leader in the corporate office.

Based on employee nominations and selected by an awards committee, these awards recognize employees' commitment to our values of **Integrity, Excellence, Courage and Collaboration** in their work.

Our 2023 Treace Ethics and Culture Award recipients were recognized for their commitment to do what's right, to selflessly collaborate with and support their peers, and to have the courage to make tough decisions in line with Treace Values and Ethics.

We are proud of the first two recipients of Treace Ethics and Culture Award and of the many other employees nominated for this honor as a result of their commitment to Treace values.

Culture and Employee Engagement

We are committed to promoting an inclusive culture that fosters creativity and innovation and allows employees to be their best at work. We want to create an environment where our employees can do the best work of their careers here at Treace Medical and a culture where employees look forward to coming into work every morning. We strive to offer a collegial, collaborative culture supported by competitive, performance-based compensation and benefits, equity awards, career development opportunities, and access to continual growth through live and remote training.

In 2022, we worked with an independent third-party consulting firm to conduct an employee engagement survey. The survey showed that 87% of our employees were engaged, which compares favorably with average engagement of 76% of the approximately 80 medical device and biotechnology companies in the benchmark compiled by the consulting firm. The engagement score is based on responses to five survey questions and is a measure of how motivated people are to put in extra effort for their organization, and a sign of how committed they are to staying there.

survey showed that
87%
of our employees were engaged

The survey had an overall participation rate of 78%, and 93% of employees who responded were "proud to work for Treace" and "would recommend Treace as a great place to work." We have used these survey results to determine how we can continue to create work environments that energize our employees and enable them to develop and maintain a positive working culture.

Culture Team

As part of our work to perpetuate our outstanding culture, we have developed a Culture Team that is a cross-functional group of employees across all levels of the organization who develop and drive focused initiatives to advance our core values and employee experience while emphasizing our culture of ethics and compliance. The Culture Team is sponsored by four executive leaders, which indicates the importance of this team.

The Culture Team has played a key role in promoting employee ideas and led the development and implementation of two new recognition programs, including our first annual Treace Culture and Ethics Award.

I believe Treace Medical Concepts products and services contribute to improving people's lives

survey showed that
100%
of our employees agreed with this statement

Talent Recruitment and Retention

We are committed to developing strong talent at all levels of the organization by growing talent internally, innovatively expanding external talent pools, and implementing succession plans at all levels throughout the organization. We have a number of initiatives in place to attract, develop, and retain strong talent in our rewarding and inclusive culture.

As of December 31, 2023, we had 516 full-time employees. During 2023, our employee base grew 22% to support the rapid growth of our business, with 76% of the new hires being added to our sales team. As we recruit, we are working on innovatively expanding external talent pools. We actively seek to encourage candidates from a wide range of backgrounds and strive to provide a work environment where the best ideas are welcomed from anywhere.

We intend to continue making significant investments in recruiting and training sales representatives, clinical representatives, research & development engineers and other personnel as we expand our business.

Diversity, Equity, and Inclusion (DE&I)

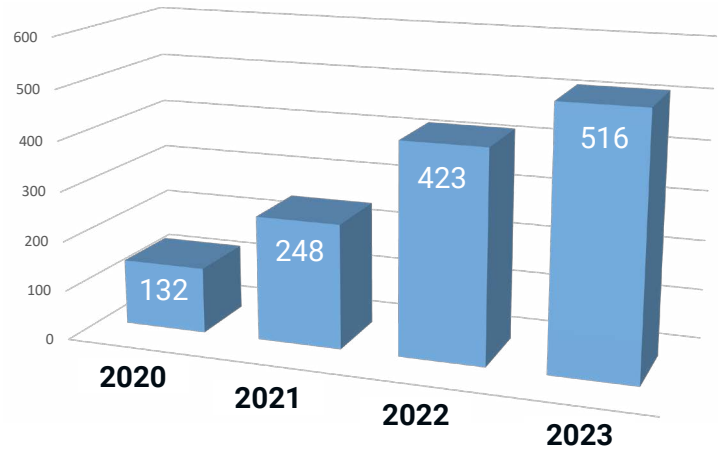
We believe in the value of a varied and inclusive team to enable innovation and outcomes for our customers and their patients.

We celebrate the unique qualities, perspectives, and life experiences that define us as individuals and strive to ensure that our workforce and business model reflect the diversity of our customers and patients. We expect our managers to promote standards of equitable employment and aim to provide underrepresented or disadvantaged suppliers and contractors with an equal opportunity to compete for our business. Our Chief Human Resources Officer oversees our DE&I strategy and provides regular updates to the Compensation Committee of the Board of Directors about the company's performance on key metrics.

We seek out a range of talent by sharing our openings with external organizations that provide rich engagement opportunities with people of varying backgrounds. In particular, we have established relationships with the Medical Sales College to help educate and attract aspiring sales talent, provide on-site demonstrations of the Lapiplasty® Procedure, and review student resumes for our associate sales representative positions.

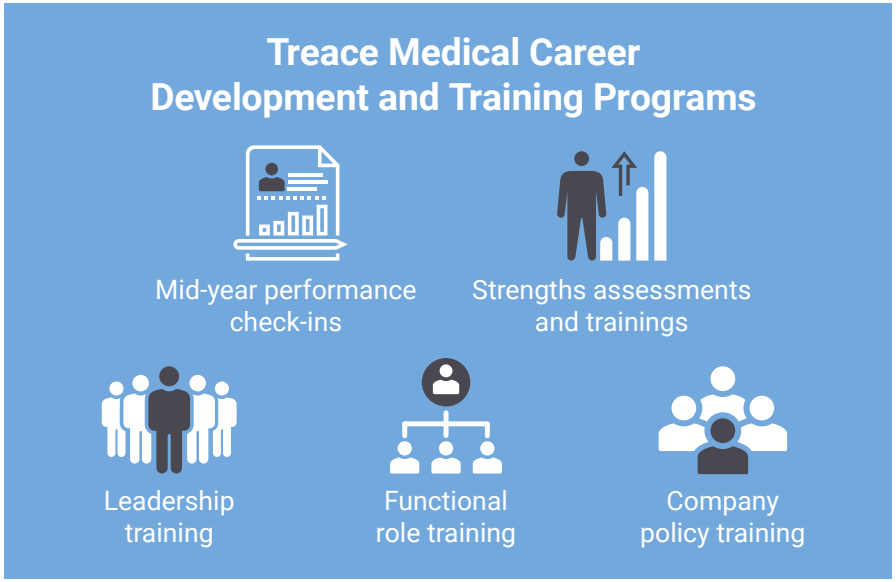
In performing clinical trials, we strive to include individuals of varied race, ethnicity, age, and gender to help improve the quality of demographic sub-group data for reporting and analysis purposes.

Increase in Treace Medical's Employee Workforce



Career Development and Performance Management

We are committed to developing great talent at all levels of the organization, growing talent internally, and ensuring bench strength and succession plans at all levels throughout the organization. On an annual basis, our leadership team participates in a talent review and succession planning exercise to identify organizational needs, development opportunities, and potential future leaders. In 2022, we rolled out a new annual performance review process that is designed to foster more constructive and growth mindset-oriented dialogue between employees and their leaders, discussing both short-term performance and long-term career aspirations. We also launched a new mid-year performance check-in program to create an additional, structured opportunity for employees to gather feedback through open, honest, and direct conversations with their managers.



As a part of our commitment to provide growth opportunities for our talent, we leverage the CliftonStrengths® assessments for trainings that are focused on successful teamwork and collaboration. We have launched a new Treace Leadership Development Program, with 75 people leaders having completed the course as of April 2024. Our goal is to have every people leader complete this training by 2025.

Additionally, we support certain individuals for separate targeted or functional leadership training and development programs and have partnered with an executive development consultant to support our executive team's development.

We have instituted in-depth training and education programs for our sales representatives and clinical specialists to achieve the level of clinical competency with our products expected by surgeons. Our continuous education programs for sales personnel consist of in-person foundational training, procedure observation, and sales skills development. These employees develop a thorough understanding of bunions, patient selection, procedure planning, and regulatory policies to meaningfully support continued clinical adoption and existing surgeon customers. Developing the expertise of our sales personnel enables them to provide meaningful clinical and technical support in the operating room, which we believe will lead to better clinical outcomes for patients.

Compensation and Total Rewards

We support our collegial, collaborative culture by offering competitive, performance-based compensation, benefits, and equity awards.

Our human capital strategies, initiatives, and outcomes are reviewed regularly with the compensation committee of our board of directors. In addition, we partner with consulting firms to regularly benchmark our peer group companies and the broader market. As a result of this analysis, we have implemented rewards practices that we believe will allow us to maintain our competitiveness in the market. We also strongly believe in allowing employees to participate as owners in the Company; this is done through broad-based equity programs granting stock options and restricted stock units, with approximately 80% of our employees receiving at least one equity grant.

We care deeply about the health and well-being of our employees and provide a comprehensive, competitive benefits package to eligible employees and their families. This package includes:

We also provide employees with access to a decision support tool to help them select benefits and savings plans that best suit their needs.

Headquarters Facilities

Our headquarters facility is equipped with state-of-the-art features designed to enhance the work experience of our employees. These include well-equipped training and lab rooms, an onsite café, private health and wellness rooms, quiet areas, and collaboration zones.

Commitment to Equal Employment Opportunities

We are committed to providing equal employment opportunities to all of our job applicants and colleagues, without regard to legally protected personal characteristics such as race, color, ethnicity, creed, ancestry, religion, sex, sexual orientation, age, gender identity or gender expression, national origin, marital status, pregnancy, childbirth or related medical condition, genetic information, military service or veteran status, medical condition (as defined by applicable law), presence of a mental or physical disability, or other characteristics protected by applicable laws.

Discrimination and Harassment

We seek to promote a work environment free from harassment, including any unwelcome comments, behaviors, actions, or conduct that demonstrates hostility based on a protected personal characteristic. We prohibit any conduct that creates an intimidating, hostile or offensive working environment, or unreasonably interferes with an individual's ability to work. Our policy underscores that all workplace decisions are to be made without regard to personal characteristics protected by applicable laws, and that we will not tolerate illegal discrimination or harassment of any kind. All employees are encouraged to report any incidents of discrimination or harassment, and retaliation for good faith reports is prohibited.

Workplace Safety

Protecting the health and safety of our colleagues, agents, visitors, and the communities in which we operate is a business priority and is central to our values. We actively seek to identify and act upon meaningful opportunities to reduce risk and improve our safety performance, and we encourage our employees to report conditions that they perceive to be unsafe, unhealthy, or hazardous to the environment.

Environmental, Health and Safety Program

Our Environmental, Health and Safety (EHS) department works to ensure that our organization complies with applicable EHS regulations. Among other initiatives, our EHS team has implemented multiple safety programs, regularly performs safety hazard evaluations within our facility, develops and tests action plans for emergencies such as fire response, severe weather threats and shelter in place incidents, and trains our employees on maintaining safety in the workplace.

Our EHS Department trains all employees. New employees, new sales team members and our employees working in office settings receive training on office safety precautions, such as slips, trips, and falls, as well as maintaining proper workspace ergonomics. Our EHS team also trains employees who work in laboratories or operating rooms, such as research & development personnel and sales representatives, on radiation exposure protection and how to use personal protective equipment.

The EHS team offers a comprehensive array of safety resources to equip employees with the requisite knowledge for executing their roles efficiently and safely and to communicate about EHS matters.

In our building, QR codes are strategically placed on each first aid cabinet location to facilitate the reporting of injuries and unsafe conditions. When someone uses the QR Code, the EHS team is promptly notified, allowing the team to respond swiftly to check the well-being of the affected employees and address any potential hazards around the building. Similarly, Treace Medical employees can access the EHS Safety Portal anytime. The EHS Safety Portal is an integral part of Treace's intranet and hosts a wealth of informative resources tailored to empower employees in locating information and reporting of issues regarding facilities, and safety. The EHS Safety Portal reflects Treace Medical's unwavering commitment to safety and provides avenues for employees to report Injuries and unsafe conditions, review the number of days without an OSHA Recordable Incident, and access the interactive ASK EHS! feature for addressing questions to the EHS team.

Safety Training Topics Available to Treace Medical Employees

- Bloodborne Pathogens
- Box Cutter Safety
- Emergency Action Plan
- EV Charging Stations
- Eye Strain
- Fire Safety
- Hazard Communication
- Hepatitis B Vaccination
- Hurricane Preparedness
- Injury Reporting
- Loading Dock Safety
- Lockout Tagout
- New Hire Orientation
- Office Ergonomics
- OSHA Information and Statistics
- Pallet Jack Safety
- Personal Protective Equipment
- Radiation Safety
- Recycle Center
- Safe Lifting
- Slips, Trips, and Falls
- Vehicle Safety
- Workers' Compensation...

Corporate Giving

As part of our focus on community impact and philanthropy, we support a number of charitable organizations through donations and volunteer activities. In 2023, we donated over $30,500 to St. Jude Children's Research Hospital, and we participated in an annual toy drive for Wolfson Children's Hospital in Jacksonville, Florida. We have also participated in broader community service efforts through food drives with organizations such as Feeding Northeast Florida in Jacksonville.

In 2023, we provided a grant to support a volunteer trip to Yucatan, Mexico, where foot and ankle orthopaedic surgeons from the U.S. evaluated patients, performed corrective surgeries on lower extremity deformities, and provided knowledge and instruction to local surgeons.

We also support the AOFAS Women's Leadership Initiative, which supports and encourages women in foot and ankle orthopaedic surgery. The initiative includes the Women's Leadership Awards, which recognizes outstanding female leaders in foot and ankle orthopaedics, as well as a Women's Leadership Scholarship Program. Last year, we sponsored two awards that were presented at the 2023 AOFAS Annual Meeting.

In 2023, we were a proud sponsor of the 2023 Biofreeze Pickleball National Championships. We support activities and programs that support Treace's mission to help people get back on their feet and participate in the activities they love.

Governance

Corporate Governance

We are committed to responsible corporate governance practices and fostering a culture of integrity and accountability.

We have adopted written Corporate Governance Guidelines which provide the framework for our governance practices, along with our Certificate of Incorporation, Bylaws, committee charters and other key governance practices and policies. Our Corporate Governance Guidelines cover a range of topics including, but not limited to, independence of the Board, director qualification standards, executive sessions, board access to senior management and independent advisors, meeting attendance, service on other boards, board and committee self-evaluation, compensation, and succession planning.

The Nominating, Compliance & ESG Committee is responsible for reviewing and assessing the adequacy of these guidelines and recommending any proposed changes to the Board for approval. Our Corporate Governance Guidelines were amended in February 2023 to reflect an increased emphasis on actively seeking highly qualified women and individuals from underrepresented racial and ethnic groups to include in the pool from which new director candidates are chosen.

For more information about our governance practices, please refer to our most recent proxy statement, our Corporate Governance Guidelines, and our committee charters:

- Audit Committee Charter
- Compensation Committee Charter
- Nominating, Compliance & ESG Committee Charter

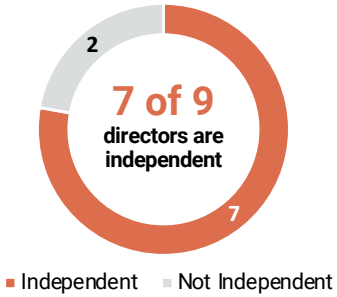
Board Composition

Currently, our Board is composed of seven independent directors, as well as our Board Chair and our Chief Executive Officer. Our Board evaluates each individual director in the context of our Board as a whole, with the objective of assembling a group that can best oversee and contribute to the success of the business and represent stockholder interests through the exercise of sound judgment. We believe it is important to have a balanced and diverse board and are committed to maintaining and building director diversity in terms of skills, personal and professional backgrounds, perspectives and experiences. See below for more information about the members of our Board.

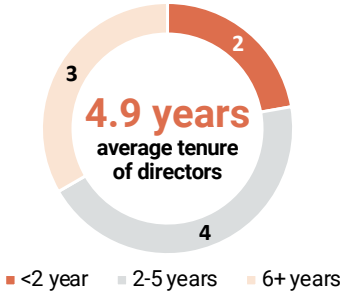
Director Dashboard

As reflected below, our directors bring diverse viewpoints and perspectives and exhibit a balance of tenure, skills, experiences and backgrounds that we believe enhances the deliberation and decision-making processes of our Board, allowing it to effectively fulfill its oversight function.

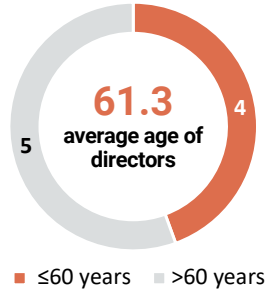
Independence



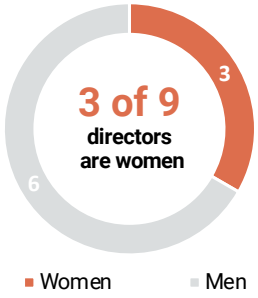
Board Tenure



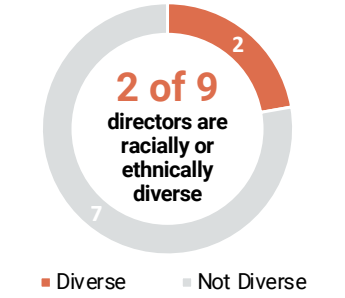
Average Age



Gender Diversity

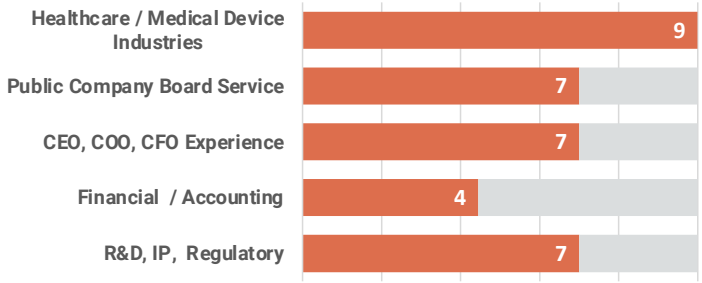


Racial or Ethnic Diversity



Skills & Experience

Our directors bring a balance of relevant skills and experiences to our boardroom including those listed below.



Ethics & Compliance

Oversight

Our compliance program, established by our Chief Legal & Compliance Officer in conjunction with senior management and supported by our Board of Directors, is designed to foster a culture of compliance, prevent and detect violations of law or company policy, and provide guidance to company personnel in fulfilling those goals.

Our Chief Legal & Compliance Officer is responsible for overseeing the compliance program, educating and training employees on legal and compliance matters, and investigating any allegations of possible impropriety in accordance with established policies. We have also established a Management Compliance Committee to assist the Chief Legal & Compliance Officer in the oversight and management of the compliance program. Two committees of the Board of Directors, the Audit Committee and the Nominating, Compliance & ESG Committee, also help guide and oversee the implementation of the compliance program.

Code of Conduct

Treace Medical's Code of Conduct (the Code) is designed to support our core values. We operate in a highly regulated environment, and each of our employees, consultants, agents, and other companies and individuals acting on our behalf are responsible for adhering to applicable laws, rules, and regulations. The Code describes how we operate and guides the decisions we make in support of our mission, including how we speak up when we see or become aware of potential violations of the Code.

The Code applies to all board members and employees, and compliance with the Code and related compliance documents is mandatory across the organization. Our senior management team sets the tone and models ethical behavior, cultivates an inclusive open-door culture, and communicates the expectation that each of our employees must embody our core values.

Integrity | **Courage** | **Excellence** | **Collaboration**

Ethical Marketing and Interactions

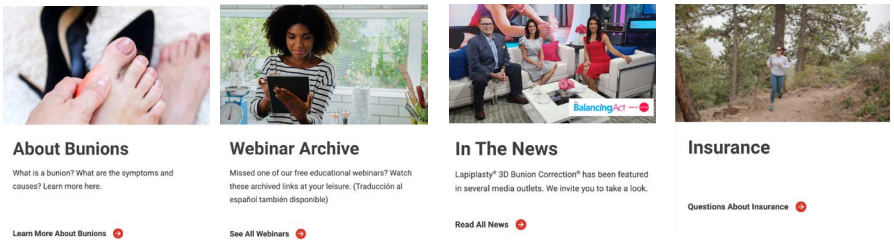
As previously discussed, we are committed to acting with integrity in all aspects of our relationships with colleagues, customers, suppliers and other stakeholders. We carefully consider how our interactions with customers may appear and do not engage in illegal or unfair activities such as false or misleading advertising, bribery, corruption, or making unfair comments about competitors' products. To date, we have not experienced any monetary losses associated with bribery, corruption, or false marketing claims.

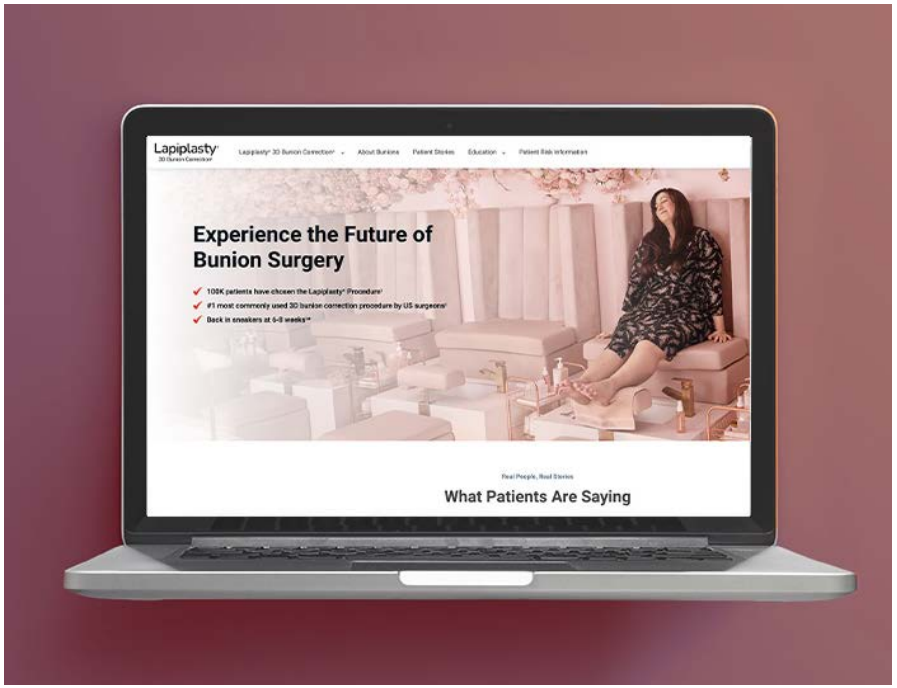
Anti-Corruption

We aim to conduct our business transparently and ethically and prohibit all forms of bribery and corruption. The Code prohibits employees and business partners acting on our behalf from offering, promising, authorizing, or providing a payment or benefit that is intended to improperly influence a government official, healthcare professional, or any other person, including commercial entities and individuals, in exercising their responsibilities.

Fair Dealing

We promote fair competition in all our business matters and prohibit our employees from engaging in unlawful or unethical dealings. We do not permit direct or indirect discussions about competitively sensitive information with competitors, suppliers, or customers that could unfairly restrict trade. We are committed to competing fairly and following the antitrust and competition laws of all jurisdictions in which we operate.





Patient Education and Ethical Marketing

We understand that bunions and other midfoot issues are painful and can greatly affect a person's quality of life. Accordingly, we have an active patient education program that explains the benefits and risks of the Lapiplasty® Procedure. Information about the risks and recovery from the Lapiplasty® Procedure are explained on our website and mentioned and linked in our patient education materials. In our patient education initiatives, we follow all applicable laws and only communicate truthful, informative, non-misleading information regarding the capabilities of our products and prohibit the use of inflated and deceptive information about our products. The indications and instructions for use are referenced in surgeon training materials and emphasized in our surgeon education events. We devote significant time and resources in our review of patient and surgeon education materials to assure that claims are accurate, supported by reliable data and consistent with the approved product labeling. See the section entitled "Ethical Marketing – Labeling and Warnings" for more information on our quality management process for marketing materials.

FOCUS:

Demonstrating Ethics in Action

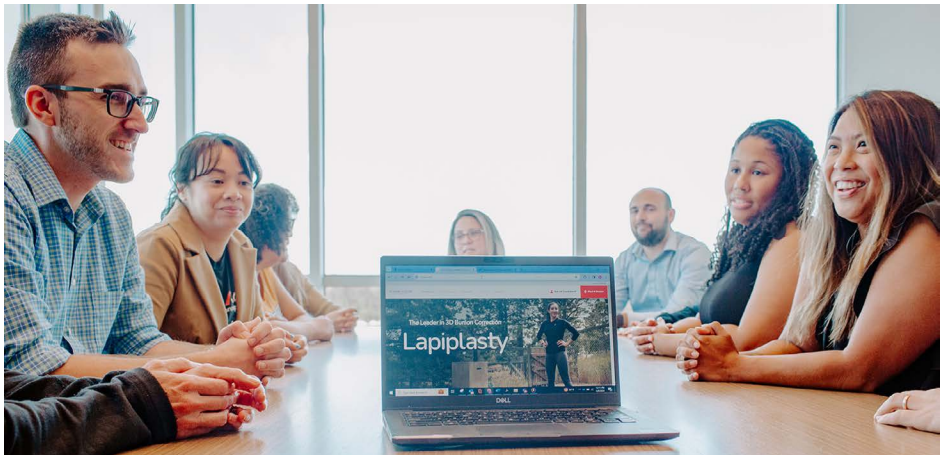
Quality Assurance and Regulatory Affairs Team

The Quality Assurance and Regulatory Affairs Team is an integral part of delivery of safe and compliant products for our customer and their patients. The team manages premarket FDA clearances, supplier qualification, product inspections, the FDA inspection, ISO 13485 certification effort, marketing materials review, and product experience reporting.

The team is a shining example of Treace employees shared commitment to the organization, the team and to each other. The team has grown over the last nine years from one person to a small but mighty group who support and encourage one another as they continue to take on new challenges. They are known for their collaboration on all things including:

- Shared decision-making across the company
- Training to all employees on key policies, such as the quality policy
- Strong team leadership modeled through trust and encouragement
- Engagement in team building with community service activities
- Individual and team recognition events

One example of how this team has affected the entire organization is by championing the strengths-based development program. The program originated with the team, which has then spread the word about how beneficial this program has been, both for individual employees and in how they work together as a team. Through the use of strengths-based training and support from leadership, this team has championed a very positive, strengths-based culture, resulting in improved performance, which has in turn led to new roles, promotions and career growth for many of the team members.



Surgeon Education and Interactions with Healthcare Professionals

Advancing medical learning is at our core. As noted in the section entitled "Providing Surgeon Training to Help Increase Access to Treatment," we devote significant resources to training and educating physicians on the safe, effective, and approved use of the Lapiplasty®, Adductoplasty® and other Procedures. We use highly experienced surgeon faculty and company staff to deliver both online webinars and in-person lab events across the country throughout the year. We also conduct training and educational events at our onsite training center at our headquarters facility in Ponte Vedra, Florida.

Our compliance programs are designed to better enable us to act with integrity and transparency when we interact with surgeons and Healthcare Professionals (HCPs) and other customers. We expect our employees to adhere to the Federal Anti-Kickback Statute and similar laws and require them to confirm their arrangements are compliant with these regulations. We report to the Centers for Medicare and Medicaid Services (CMS) payments and transfers of value made to U.S. Healthcare Providers and Organizations.

For surgeon education events and other business meetings with HCPs, we have established rules such as meal dollar limits so that HCPs are not provided meals, refreshments, or travel beyond reasonable amounts. We recognize our interactions with healthcare professionals can cause apparent or actual conflicts of interest. Therefore, we disclose financial and other interests and relationships between the company and HCPs in research, education and clinical practice when required or appropriate.

AdvaMed Code

To support our commitment to a strong culture of integrity and compliance, we endorse and strive to abide by the Advanced Medical Technology Association Code of Ethics on Interactions with Healthcare Professionals (AdvaMed Code). The AdvaMed Code is designed to enable interactions between medical device manufacturers and HCPs to be appropriate and meet high ethical standards. We designed our compliance program to substantially comply with the standards set forth in the AdvaMed Code, and we have received AdvaMed Certification.

Reimbursement Compliance

To properly provide reimbursement information, we have adopted guidelines outlining appropriate reimbursement information and specifying proper methods of communication of such information (as well as indicating impermissible methods and activities). Only members of our reimbursement team are permitted to respond to reimbursement questions. All other employees are prohibited from discussing reimbursement from payors for our products beyond providing our written reimbursement guide and sharing the reimbursement team's contact information. It is our policy to always report prices accurately and fully to our customers and advise them of their obligations with the government.

Compliance Training

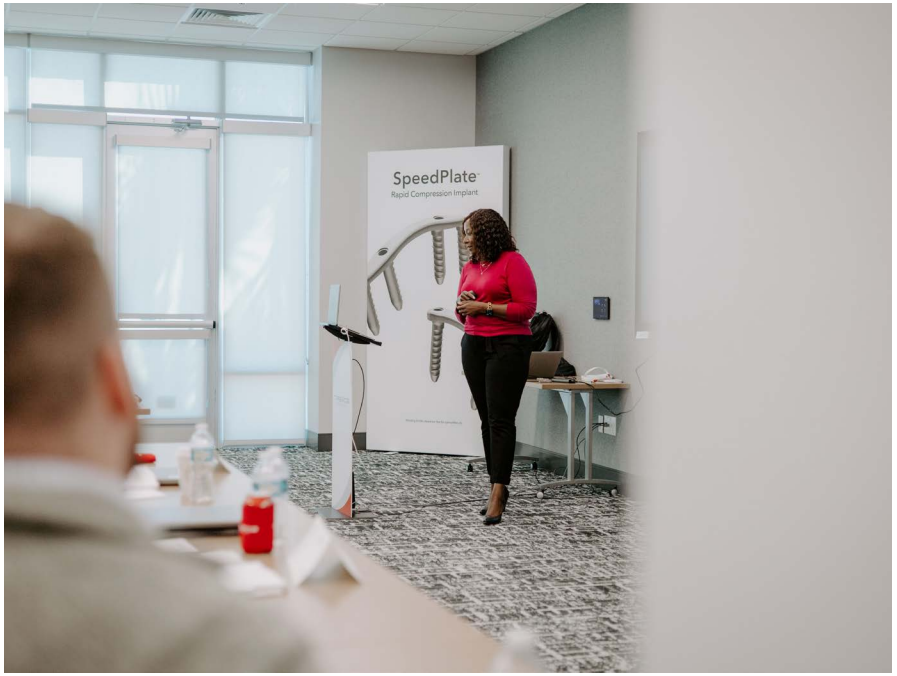
We have established a compliance training curriculum for all employees upon hire reinforced by scheduled, periodic refresher training as well as remedial or updated training when needed. We have also implemented additional compliance training covering fraud, abuse, and antitrust laws for employees and certain business partners who interact with customers or are involved in negotiating purchase agreements. Our Chief Legal & Compliance Officer reviews our compliance training and education policy and program annually.

In 2023, all employees and certain business partners were provided with training regarding our Code of Conduct. Training is required on the Code within the first 60 days of employment and all employees are expected to be retrained annually. We reinforce key messages and information about our compliance program through a variety of channels, including communications from management, infographics and articles on our company intranet, interactive online training, and in-person and virtual compliance presentations during company town halls and certain team meetings

As highlighted above, we host an annual “Ethics and Culture Week” to highlight our ethical culture at Treace, maintain awareness about our resources, recognize employees, and reinforce our principles through engaging on-site and virtual sessions and activities. See the section entitled “Our Mission and Beliefs” for more information about Culture Week.

Lobbying

Treace Medical has not made any corporate political contributions to parties or individuals, even where such contributions may have been legal. Our employees and directors may, at their discretion, participate in community affairs and exercise citizenship responsibilities but will not receive any reimbursement from corporate funds for a personal political contribution.



Reporting Violations of the Code of Conduct and Other Policies

We expect our employees to be completely honest and open with respect to any situation involving violations or potential violations of our compliance policies. We take these reports very seriously and are committed to investigating all reported compliance concerns in a manner commensurate with the severity of the reported concern. We have established investigation procedures and impose internal disciplinary action, process changes, and curative actions where appropriate.

Where appropriate, we will use violations as an opportunity to educate and provide more training as necessary, while more severe violations will result in more severe action being taken including, without limitation, potential loss of employment.

We allow our employees and certain business partners Ito make anonymous reports of suspected violations through a third-party website and compliance hotline available 24 hours a day, 7 days a week. We have additional channels for raising questions and reporting concerns, including the Compliance Office (through incident reporting forms, emails, phone calls or in person), Human Resources, and people leaders (i.e., any employee who leads a team of other employees). Retaliation against any individual for making a good faith report of a potential violation is prohibited and is itself a violation of our Code of Conduct.

We have notices about the compliance hotline posted in break rooms at the corporate headquarters, including information and links to reporting channels on our Legal and Compliance Intranet site, and we remind employees about the hotline regularly at quarterly town hall meetings.

We have disciplinary review committees and an escalation path from those committees to the Nominating, Compliance & ESG Committee of the Board of Directors.

Internal Audits and Risk Assessments

We conduct an Enterprise Risk Assessment and a compliance risk assessment annually to guide our audit and monitoring plans. Results of our audit and monitoring plans are shared with our relevant internal teams and monitored for timely remediation. We conduct retroactive and live, continuous monitoring across key risk areas and seek opportunities to enhance our compliance program.

Information Security

We are committed to protecting the privacy and security of our information assets and the data entrusted to us. Our cybersecurity program comprises multiple levels of physical, technical, and administrative safeguards and is informed by industry standards, including the Center for Information Security (CIS) framework for security controls and benchmarks, the National Institute of Standards and Technology (NIST) standards, and the ISO 27000 framework. This does not imply that we meet any particular technical standards, specifications, or requirements at all times, only that we use CIS, NIST, and ISO 27000 as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

It is our policy to protect the data and privacy of those who entrust us with their personal information. We collect and store personal information only to the extent necessary and only for lawful purposes. Accordingly, we adopted a Privacy Policy that details how personal information is collected and stored and what rights data subjects have with respect to such information.

The Information Security Team

Since cybersecurity threats are complex and evolving, we have a dedicated team of both internal and external cybersecurity experts, which is led by our Chief Information Officer. This team is responsible for publishing information technology and security policies, promoting compliance with those policies, implementing a program to mitigate potential threats, and performing periodic risk and maturity assessments. Our risk mitigation measures include network segmentation, cyber protection and containment, detection and response, and recovery.

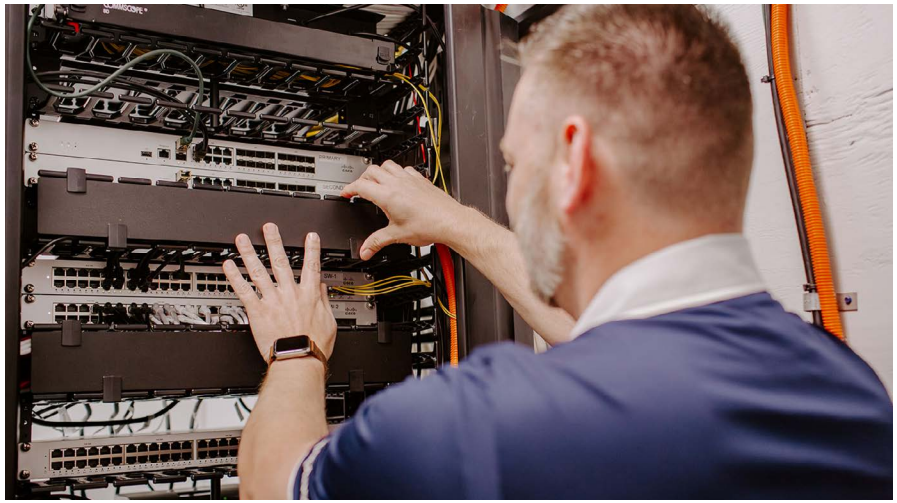
The primary goal of this team is to decrease the risk of cyber incidents having a material impact.

We have plans in place to respond to cybersecurity incidents. These plans address issues relating to preparation for and detection of incidents, as well as responding to and recovering from incidents. We have procedures designed to assess, investigate, contain, remediate, and mitigate cybersecurity incidents, as well as procedures that seek to comply with legal obligations and regulatory reporting requirements. In addition to incident response planning, we provide cybersecurity training and education to employees to help prevent incidents. The employee training uses frequent phishing tests and a mandatory training curriculum to build awareness among our employees of the latest and most common types of attacks. This curriculum includes awareness on phishing, malware, social engineering, and overall security best practices for new and existing employees. We periodically engage with assessors, consultants, auditors, and other third parties to review our cybersecurity processes.

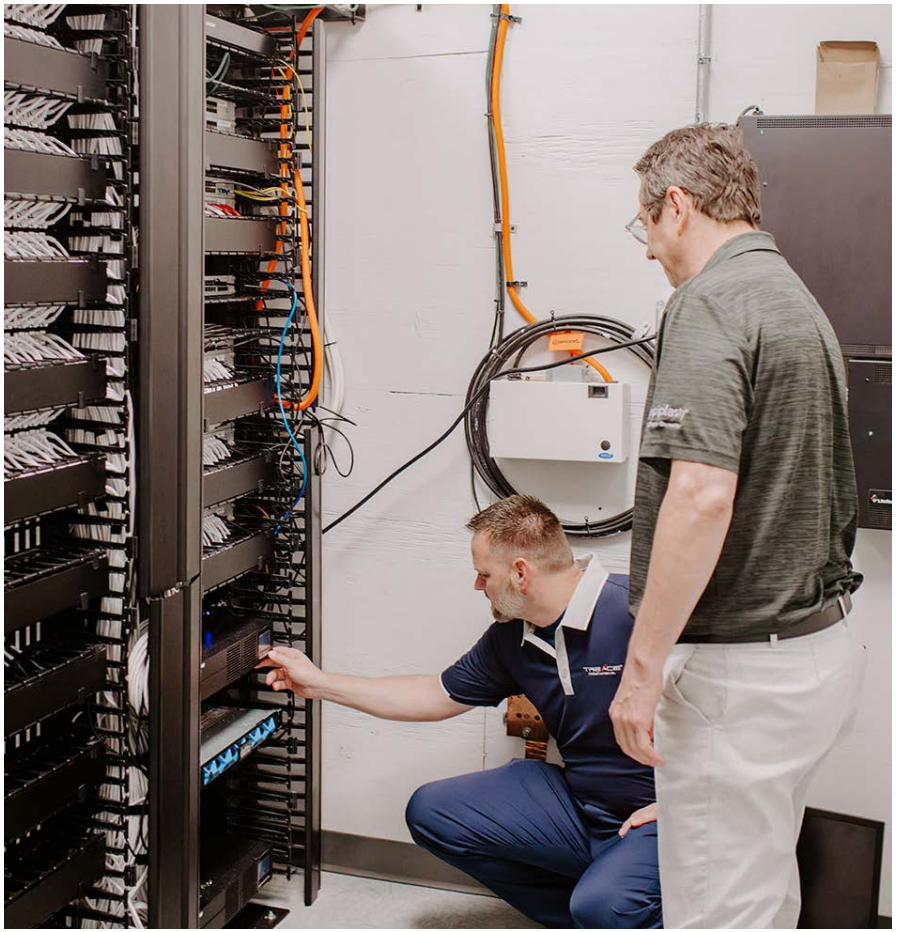
Recognizing the risks associated with third-party service providers, we implement processes to manage these risks. We conduct assessments of critical third-party providers before engagement and maintain ongoing monitoring to assess compliance with our cybersecurity standards. In addition, we require SOC 1 Type II attestations from those IT vendors whose applications or cloud infrastructure handle sensitive information.

Cybersecurity Governance

Our Board of Directors considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee responsibility for oversight of risk assessment and risk management, including cybersecurity, and the Company's policies and controls relating to information technology, management information systems, and cybersecurity. The Audit Committee receives quarterly reports on cybersecurity metrics and meets in person with the Chief Information Officer every other quarter to discuss cybersecurity policies, procedures, and risk and remediation efforts. In addition, management updates the Audit Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential. The Audit Committee reports to the full Board of Directors regarding its activities, including those related to cybersecurity. The Audit Committee reports to the full Board of Directors regarding its activities, including those related to cybersecurity.



The Chief Information Officer has over three decades of technology experience, working for leading technology and consulting companies and previously served as chief information and security officer for both public and private medical device and healthcare organizations. Our cybersecurity team includes a former chief information security officer for large healthcare organizations, a former head of global security for a major enterprise cybersecurity platform, and other similarly credentialed professionals.



The Chief Information Officer is regularly informed about the latest developments in cybersecurity, including potential threats and innovative risk management techniques. We believe this ongoing knowledge acquisition is crucial for the effective prevention, detection, mitigation, and remediation of cybersecurity incidents. The cybersecurity team implements and oversees processes for the regular monitoring of our information systems. In the event of a cybersecurity incident, the cybersecurity team follows a written security incident response runbook, which includes procedures to, among other things, respond to the incident, mitigate its impact, and evaluate and satisfy applicable obligations.

Sustainability Accounting Standards Board (SASB) Index

The following index maps Treace's disclosures to certain SASB indicators. Data and information in this Report pertain to efforts in 2020, 2021, and 2022.

Disclosure Topic	Accounting / Activity Metric(s)	2023	2022	2021	2020	SASB Code
Affordability & Pricing	Description of how price information for each product is disclosed to customers or to their agents	See "Coverage and Reimbursement" and "Pricing" sections in **Increasing Access to Treatment** section on page 9				HC-MS-240a.2
Product Safety	Number of recalls issued, total units recalled (as classified in the FDA Medical Device Recalls database at Medical Device Recalls)	0	0	0	0	HC-MS-250a.1
Product Safety	List of products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database	0	0	0	0	HC-MS-250a.2
Product Safety	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience database	0	0	0	0	HC-MS-250a.3
Product Safety	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	0	0	0	0	HC-MS-250a.4
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	$0	$0	$0	$0	HC-MS-270a.1
Ethical Marketing	Description of code of ethics governing promotion of off-label use of products	See "Labeling and Warnings" section on page 16 and "Ethical Marketing and Interactions" on page 32				HC-MS-270a.2
Product Design & 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	See "Product Design & Lifecycle Management" on page 13 and the topics covered on page 18				HC-MS-410a.1

Disclosure Topic	Accounting / Activity Metric(s)	2023	2022	2021	2020	SASB Code
Product Design & Lifecycle Management	Total amount of products accepted for take-back and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies	See "Product Design & Lifecycle Management" section of Environment chapter, page 13				HC-MS-410a.2
Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	(1) See "Quality Management System" section in Environmental chapter, page 14 (2) See "Supply Chain Management" section in Environmental chapter, page 17				HC-MS-430a.1
Supply Chain Management	Description of efforts to maintain traceability within the distribution chain	See "Product Traceability" section in Product Quality & Supply Chain Management chapter, page 18				HC-MS-430a.2
Supply Chain Management	Description of the management of risks associated with the use of critical materials	See "Critical Materials" section in Product Quality & Supply Chain Management chapter, page 18				HC-MS-430a.3
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	$0	$0	$0	$0	HC-MS-510a.1
Business Ethics	Description of code of ethics governing interactions with health care professionals	See "Ethical Marketing and Interactions" section in Ethics & Compliance chapter, page 32				HC-MS-510a.2

TREACE®
Medical Concepts, Inc.