

Code of Supplier Conduct

January 2022



INTRODUCTION

Zimmer Biomet¹ strives to achieve and maintain the highest possible standards of corporate integrity and ethical behavior. Zimmer Biomet expects that its Suppliers will conduct their business not only in a lawful manner but also in compliance with the same high standards of integrity and ethics. In order to establish guidelines for such standards, Zimmer Biomet has established this Code of Supplier Conduct. This Code is not meant to be all-inclusive or exhaustive. The Code sets forth and highlights important legal, ethical, behavioral and other requirements for parties who wish to be a Zimmer Biomet Supplier. Zimmer Biomet Suppliers are further expected to take reasonable and necessary steps to help ensure that their sub-contractors and sub-suppliers conduct business in compliance with this Code of Supplier Conduct. Zimmer Biomet reserves the right to amend, modify and add to this Code of Supplier Conduct from time to time as Zimmer Biomet, in its sole discretion, believes is appropriate.

COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS, AND INDUSTRY BEST PRACTICES

At a minimum, Suppliers must conduct business in accordance with all applicable country, state, and local laws and regulations covering the jurisdictions in which they operate including, without limitation, laws relating to employment, human rights, the environment, health and safety, and trade. Supplier is to comply with the commercial best practices of Supplier's industry. Zimmer Biomet reserves the right to decline to deal with Suppliers who do not comply with the law.

STANDARDS OF EMPLOYMENT

- **Safe Work Environment.** Suppliers shall maintain a clean, safe, and healthy work environment to include appropriate controls, safety procedures, preventative maintenance, and appropriate protective equipment in compliance with all applicable laws and regulations. Supplier shall maintain written safety and health policies and systems to maintain such a work environment and minimize workplace accidents and injuries. Suppliers should measure, track, and improve Health & Safety performance and establish emergency response plans. ¹
- **Security.** Supplier shall maintain reasonably adequate security at all its facilities. Supplier shall implement and maintain supply chain security procedures designed to comply with all applicable

¹ This Code of Supplier Conduct, incorporated by reference into purchase order terms and conditions, applies to all suppliers providing goods or services ("Suppliers") to Zimmer, Inc. and Biomet, Inc., or any of their subsidiaries and affiliates.

customs principles, laws, regulations and rules.

- **Child Labor Avoidance.** Suppliers must not employ any person younger than the legal minimum age for working in the jurisdiction in which such person is employed and must comply with all applicable minimum legal age requirements and other applicable child labor laws. Zimmer Biomet does support the use of legitimate workplace apprenticeship programs, but only if they comply with all applicable laws and regulations.
- **Slavery and Human Trafficking.** Suppliers must not support, promote or engage in the practice of slavery or human trafficking, and suppliers must comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business. Additionally, the materials incorporated into Supplier's products must comply with the laws regarding human trafficking of the country or countries in which they are doing business. Including but not limited to UK Modern Slavery Act and California Transparency in Supply Chains Act.
- **Wages and Benefits.** Suppliers must provide compensation, including regular wages and overtime hours, and legally mandated benefits, in accordance with all applicable laws and standards.
- **Working Hours.** Suppliers must comply with all applicable laws governing the number of maximum work hours, vacation time, leave periods and holidays. Suppliers' employees shall not work beyond the maximum working hours permitted by applicable law. Suppliers will compensate for overtime in accordance with applicable laws.
- **Respect and Dignity.** Suppliers shall take appropriate measures to promote and ensure that Suppliers workplace(s) are free from harassment of any type, harsh treatment, threats of violence, corporal punishment, or other forms of physical, mental or emotional coercion.
- **Non-Discrimination.** All conditions of employment by Suppliers shall be based upon an individual's merit and ability to perform the responsibilities of the job. Suppliers shall not discriminate on the basis of race, color, national origin, gender, religion, age, nationality, disability, social or ethnic origin, pregnancy, political affiliation, veteran status, union membership or marital status, or other factors prohibited by applicable laws and regulations.
- **Freedom of Association.** Suppliers agree to respect the rights of their employees regarding the rights of such employees generally whether to associate or not associate with any group or labor organization, in accordance with applicable laws and regulations.
- **Immigration Laws.** Suppliers shall only employ employees with a legal right to work in the jurisdiction(s) in which Suppliers intend to hire such employees. Suppliers shall review appropriate and relevant documentation and confirm the legal status of their prospective employees prior to hiring such prospective employee.
- **Reporting –** Ensure that workers report convers or illegal activities in the workplace without threat of reprisal, intimidation or harassment.

ETHICS AND BUSINESS CONDUCT

- **Fair Dealings.** Suppliers shall conduct all business dealings in a fair and above-board manner. Suppliers must uphold fair business standards in advertising, sales and competition and prohibit agreements or actions that unreasonably restrain trade, are deceptive or misleading, or that unlawfully reduce competition. Suppliers must compete fairly and ethically for all business opportunities and ensure all statements, communications and representations to Zimmer Biomet are accurate and truthful.
- **Securities and Insider Trading Laws.** Suppliers that possess nonpublic information may not use or share that information to trade or enable others to trade in Zimmer Biomet securities.
- **Anti-Corruption and Anti-Bribery.** Suppliers will conduct their business without engaging in any form of bribery, extortion, embezzlement or corruption, including public or private bribery or kickbacks. Supplier will abide by, and will cause all of its affiliates and the respective directors, officers, employees, agents or representatives of such affiliates, its sub-contractors and sub-suppliers, as well as any other person acting on behalf of Supplier or any of its affiliates ("Relevant Parties") to abide by the US Foreign Corrupt Practices Act ("FCPA"); the U.K. Bribery Act, the Organization for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions ("OECD Bribery Convention") and its local country enabling legislation; and any anti-corruption and anti-bribery laws, rules and regulations in all the jurisdictions in which Supplier transacts business. Suppliers will maintain integrity, transparency and accuracy in corporate record keeping. Supplier will immediately notify Zimmer Biomet in the event that Supplier should become aware of any behavior by itself or any Relevant Party that violates or is likely to violate the FCPA, UK Bribery Act, the OECD Bribery Convention or any other anticorruption law, rule or regulation.
- **Conflict of Interest.** Suppliers are expected to disclose to Zimmer Biomet any situation that may present a conflict of interest with respect to Zimmer Biomet. For that reason, Suppliers must inform Zimmer Biomet if an employee of any Supplier, or their family member, has a relationship with a Zimmer Biomet employee who can make decisions that will affect such Supplier's business, or if any Zimmer Biomet employee, or their family member, may have an interest of any kind in such Supplier's business or any kind of economic ties with such Supplier. This information may be disclosed to the applicable Zimmer Biomet Sourcing Director or Vice President, Compliance Office, Legal Department, or by contacting Zimmer Biomet Compliance via the internet at <https://www.zimmerbiomet.com/en/compliance.html>.
- **Gifts and Entertainment.** As a global company, we operate in many diverse environments. Certain activities are an expression of politeness or a reflection of societal and cultural practices. Customary activities include modest forms of hospitality, such as lunches or dinners and occasional gifts, which do not influence business decisions. Gifts of nominal / minimal value may be accepted, but cannot be in the form of cash, gift certificates, or gift cards. Zimmer Biomet team

members can attend occasional entertainment if the event is attended by the supplier, and the costs involved are in line with local custom for business-related entertainment.

SUSTAINABILITY AND ENVIRONMENTAL RESPONSIBILITY

- **Business Continuity.** Suppliers, acting in conjunction with a Supplier Risk Management program, shall use an established systematic approach to ensure continuity of supply for goods and services. Using this system, the objective is to proactively manage potential supply risks which may result in product delays and impact to the business. The process strives to ensure utilization across the Global Supply Chain to identify, assess, mitigate and monitor risk.
- **Environmental Sustainability.** Suppliers will act in an environmentally responsible manner. Suppliers shall comply with applicable environmental laws and regulations and remediate any environmental problems they may cause. Suppliers shall strive to implement and maintain manufacturing operations which are environmentally friendly. Zimmer Biomet will actively seek Suppliers that share our commitment to protecting the environment and who work to sustain, protect, and restore the environment, by such means as energy conservation, recycling, water conservation and proper disposal of waste.
- **Restriction of Hazardous Substances.** Supplier will also conform to the latest Restriction of Hazardous Substances standards unless approved by Zimmer Biomet. The materials include items used for contact materials, components, raw materials, and finished goods. These restricted materials include but are not limited to the following Laws and Regulations:
 - **Restriction of Hazardous Substances (RoHS) standards.**
 - **Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)** including the regulations regarding Restricted Substance List (RSL) and Substance of Very High Concern (SVHC).
 - **Medical Devices Regulation (EU) 2017/745 (“MDR”) GSPR - General Safety and Performance Requirements.**
- **Animal Tissue.** In compliance with European Union (EU) approved Regulation 722/2012 Zimmer Biomet identified those products that could contain animal origin materials (e.g. polishing materials, soaps, lubricants, coolants, detergents and other cleaning materials, packaging materials including glues/inks/etc., plastics release agents, and polishing leather gloves). Moreover, Zimmer Biomet has worked to replace animal origin materials with animal origin free substitutions. We are asking our suppliers to do the same. Suppliers must declare to Zimmer Biomet all products that “utilize” (as defined by EU approved Regulation 722/2012) tissues of animal origin. Suppliers MUST also declare any possible risk mitigation / exemptions as defined by:
 - (EU) Commission Reg No 722/2012 Article 1 or 2

- (EU) Commission Reg No 722/2012 Annex 1
- BS EN ISO 22442-1: 2020
- or other EU regulations.
 - Zimmer Biomet reserves the right to not accept certain materials that “utilize” animal tissues and/or their derivative
- **Conflict Minerals.** As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, the U.S. Securities and Exchange Commission (SEC) adopted a rule regarding disclosure and reporting requirements with respect to the use of conflict minerals. Under the rule, issuers must disclose their use of conflict minerals in the products they manufacture or contract to manufacture if the conflict minerals are necessary to the functionality or production of a product, and companies must report whether the conflict minerals originated in the DRC or adjoining countries. Zimmer Biomet expects its suppliers to source conflict minerals from socially responsible sub-tier suppliers and manufacturers and to undertake reasonable due diligence within their supply chains to determine the origin of the conflict minerals contained in materials and products they supply to Zimmer Biomet. See Zimmer Biomet's *Policy Statement on Conflict Minerals* <https://www.zimmerbiomet.com/content/dam/zb-corporate/en/suppliers>.
- **Any other applicable Country, State, or local laws with respect to the Environment.** Which may include, but not be limited to: Chemicals Strategy for Sustainability, Sustainable Packaging, Sustainable Corporate Governance and Human Rights Due Diligence, and Sustainable Product.

CONFIDENTIALITY AND PRIVACY

- **Confidentiality.** Suppliers with access to confidential Zimmer Biomet information must not disclose such information to other parties without Zimmer Biomet's written consent. In addition, Suppliers must safeguard against improper use of intellectual property, including disclosure of confidential or sensitive information. Transfer of confidential information must be done in a manner that protects intellectual property rights. Such confidential information may include, but is not limited to, Product Pricing, Costs, Employees, Designs, Customers, operating systems, policies and practices, Production technologies and know---how, and Engineering, technical and scientific.
- **Privacy.** When Suppliers handle personal confidential information in the performance of services on our behalf, we require them to ensure that such information is protected against unauthorized disclosure and is appropriately safeguarded. Suppliers must immediately report actual or possible unauthorized disclosures of personal confidential Zimmer Biomet team member information to Zimmer Biomet's Compliance Department. "Personal confidential information" includes but is not limited to private information about individuals including name, address, birth date, identification numbers, etc. See <https://www.privacyshield.gov/WELCOME> for more information regarding this

initiative to see if you are required to comply.

COMPLIANCE AND RECORD RETENTION

- **Audits and Assessments.** Suppliers will implement appropriate programs, policies and procedures to help ensure compliance with the standards and obligations set forth in this Code of Supplier Conduct, including designating one or more of its management staff to be responsible for monitoring their compliance with this Code. Zimmer Biomet or a third-party designated by Zimmer Biomet may conduct periodic audits, inspections and/or review of Suppliers' facilities for purposes of confirming such compliance.
- **Certifications.** Suppliers must certify that the materials incorporated into Supplier's products comply with the laws regarding human trafficking of the country or countries in which they are doing business.
- **Corrective Action.** Suppliers are expected to promptly take corrective action to address any deficiencies identified with respect to compliance with this Code of Supplier Conduct.
- **Compliance.** Suppliers will maintain necessary records and documentation to demonstrate such implementation and their compliance with this Code of Supplier Conduct.
- **Consequences.** If a Supplier is found to be in violation of this Code of Supplier Conduct, Zimmer Biomet will take all appropriate measures to address the violation. Zimmer Biomet reserves the right to terminate its relationship with any Supplier for failure to comply with this Code of Supplier Conduct.
- **Reporting Noncompliance.** Suppliers, their employees and their subcontractors should report any questionable behavior by Zimmer Biomet employees or by such Suppliers, their employees or subcontractors. Reports can be filed, either by email or phone to the Vice President of Sourcing or contacting the Zimmer Biomet Compliance via the internet at <https://www.zimmerbiomet.com/en/compliance.html>.