

2020 SUSTAINABILITY REPORT

ENVIRONMENTAL

SOCIAL

GOVERNANCE

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Corporate Overview

Zimmer Biomet is a global medical technology leader with a comprehensive portfolio designed to maximize mobility and improve health. We seamlessly transform the patient experience through our innovative products and suite of integrated digital and robotic technologies that leverage data, analytics and artificial intelligence.

With more than 90 years of trusted leadership and proven expertise, Zimmer Biomet is positioned to deliver the highest quality solutions to patients and providers. Our legacy continues to come to life today through our progressive culture of evolution and innovation.

For more information about our product portfolio, our operations in more than 25 countries and sales in more than 100 countries, or about joining our team, visit www.zimmerbiomet.com or follow Zimmer Biomet on Twitter at [www.twitter.com/zimmerbiomet](https://twitter.com/zimmerbiomet).

Our Mission

Alleviate pain and improve the quality of life for people around the world.

Guiding Principles

- Respect the contributions and perspectives of all Team Members.
- Commit to the highest standards of patient safety, quality and integrity.
- Focus our resources in areas where we will make a difference.
- Ensure the Company's return is equivalent to the value we provide our customers and patients.
- Give back to our communities and people in need.

Our Sustainability Commitment

Zimmer Biomet is committed to being a good corporate citizen. Our global team is dedicated to sustainable practices across the entire spectrum of the environmental, social and governance platform.

COMPANY AWARDS





COVID-19

The COVID-19 pandemic has affected Zimmer Biomet's financial results, but there has been no significant impact on our overall operations, manufacturing or strategy. Additionally, the pandemic has not impacted the quality, safety and efficacy of our products.

Prior to COVID-19, Zimmer Biomet developed comprehensive crisis response plans and initiated contingency drills – including for pandemic events – across our operations. This exercise helped prepare the Company and create enhanced disaster recovery plans that have been a significant benefit throughout our response to COVID-19. Accordingly, we were able to promptly secure our global supply chain in early 2020, as COVID-19 reached pandemic proportions, and continued operations without compromising product quality and safety.

Our China manufacturing facilities quickly recovered from the initial outbreak of COVID-19 and resumed full operations sooner than initially expected. Zimmer Biomet

promptly secured the transportation of raw and finished goods materials, as well as personal protective equipment inside and outside of the Asia Pacific (APAC) region.

All of our manufacturing sites and distribution centers outside of APAC implemented enhanced safety protocols and established regional health contacts prior to the pandemic spreading across all regions. Our enhanced safety protocols were openly shared with our suppliers to ensure as secure a supply chain as possible. Zimmer Biomet personnel not directly connected to manufacturing operations, and the supply chain shifted to work from home arrangements as an added safety measure to secure the supply chain and reduce risk of infection for all team members.

A measured approach to balance manufacturing and cash flow proved successful and since that time, our service levels have been running at or above industry norms.



ENVIRONMENTAL

Environmental Risk Management Policy

Consistent with Zimmer Biomet’s Mission, Code of Business Conduct and Ethics and the Environmental, Health, Safety, and Sustainability (EHSS) Vision, we are committed to our policy of conducting business in a safe and environmentally sustainable manner that promotes the health of our employees, customers, community and the environment and that meets global EHSS requirements. The purpose of our Environmental Risk Management Policy is to implement the principles of the EHSS programs. Corporate and regional standards exist to support these principles.

This policy applies to all Zimmer Biomet locations throughout the world. It provides uniform guidance for the Zimmer Biomet EHSS teams to manage and monitor risk within the global manufacturing and distribution processes. As part of our EHSS Management System, Zimmer Biomet commits to:

Compliance

Zimmer Biomet complies with all applicable EHSS laws, regulations, Company EHSS Standards and other requirements to which the organization subscribes related to all EHSS subject matter and risks. Zimmer Biomet conducts audits and implements best practices to ensure compliance with these requirements.

Continuous Improvement

Zimmer Biomet establishes EHSS goals, objectives and targets across our global business and strives to continually improve our performance and publicly report on our progress. The Zimmer Biomet EHSS Standards establish controls and promote a positive EHSS culture.

Business Integration

Zimmer Biomet integrates EHSS principles into business decisions to proactively ensure the health and safety of our employees and communities while also promoting environmentally sustainable practices. Specifically, we require that an EHSS evaluation be integrated into product design, manufacturing and distribution business processes and services that will reduce EHSS risks, improve performance throughout our operations, products and packaging across their lifecycle, and promote pollution prevention.

Environment & Climate Change

Zimmer Biomet minimizes waste and emissions, reuses and recycles materials, promotes renewable energy use, reduces greenhouse gas emissions, and conserves energy and water wherever feasible, to minimize our impact on the environment.

Health & Safety

Zimmer Biomet EHSS establishes health and safety standards that promote a safe and healthy workplace by striving continuously to reduce hazards and risks to prevent workplace injuries and illnesses.

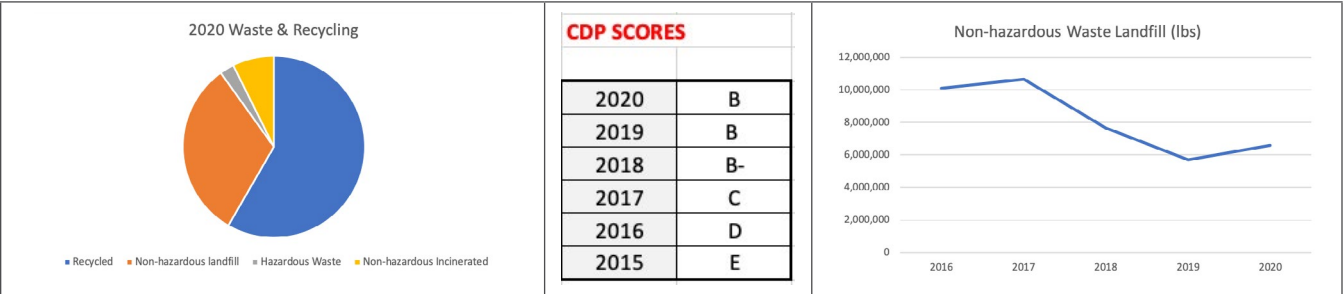
Communication & Education

Zimmer Biomet EHSS communicates this policy to employees, customers, shareholders, suppliers, community and other stakeholders. Zimmer Biomet EHSS Standards, Procedures and other resources enable employees to implement this policy and share best practices throughout the Company in order to promote continuous improvement and enhance environmental, health and safety performance.



Environmental Targets

We believe the environmental issues facing the world warrant an urgent and immediate response. Since 2015, Zimmer Biomet has achieved each of our environmental targets, including reductions in greenhouse gas (GHG) emissions, landfill waste and water usage. Zimmer Biomet has outfitted all major manufacturing and distribution sites globally with LED lighting. In addition, we actively participate in the Carbon Disclosure Project (CDP), with a 2020 ranking of B. In 2020, Zimmer Biomet publicly committed to setting a science-based target for GHG emissions. In setting our science-based targets, we are focusing on Scope 1, 2 and 3 emissions. Furthermore, in 2020, construction commenced on a large-scale solar farm for which Zimmer Biomet negotiated a Virtual Power Purchase Agreement (VPPA), which will offset our North American electrical load. We continue to pursue renewable energies in other regions throughout the world in order to advance our commitment to becoming a recognized leader within the environmental space. Additionally, we are proud that eight of our major manufacturing sites are zero waste to landfill, and we continue to increase recycling as we reduce our landfill waste.



Since 2011, Zimmer Biomet has been a corporate sponsor of ACRES Land Trust, Indiana’s oldest and largest membership-based nonprofit land conservation organization. ACRES protects more than 6,700 acres of forests, wetlands, grasslands and unique geological features in more than 100 nature preserves, many of which are open to the public.





One of Zimmer Biomet's core strategic pillars is our dedication to being a 'Best and Preferred Place to Work' and we advance that priority with an integrated and multi-faceted approach. Below are just some of the highlights of our 2020 achievements in this area.

Talent Management

Zimmer Biomet supports a fair and competitive work environment and is dedicated to attracting and retaining the best talent. We hire, compensate and promote based on qualifications, experience and skills. We offer all team members globally a performance-based annual bonus opportunity that is tied to defined financial metrics.

Zimmer Biomet is committed to helping our team members achieve their full potential. As such, we conduct annual talent reviews as part of our talent management processes.

One component of talent management is to identify critical roles that are aligned to our strategic pillar priorities. Given the high importance of these positions, we incorporate a clearly defined process to assess talent and ensure meaningful individual development plans are in place and activated.

Performance Management

In 2020, we implemented a new approach to continuous performance management – Performance Connections – which focuses on individual priority setting (>95% completion rate), mid-year career development conversations and ongoing check-ins that include a mechanism to request and receive feedback from managers, direct reports and colleagues. Frequent check-ins are vital to driving a culture of accountability, and to fostering a culture of engagement and connectivity, which is even more critical now given the rise in remote work arrangements.

Culture Promises and Habits

Aligned with our Culture Promises and Habits, we developed and deployed the Zimmer Biomet Leadership 360 Assessment as a tool for sharing insights into critical leadership characteristics and attributes, which are important to bringing the Zimmer Biomet Culture Promises and Habits to life. Leaders complete a self-assessment and solicit feedback from multiple stakeholders, including their manager, direct reports and peers. The insights from the 360-degree assessment process help inform development planning and reinforce behaviors that align with our Culture Promises.

Performance Coaching

We implemented a train-the-trainer program with customized training content for our HR leaders across the APAC region to teach them how to be more effective coaches. Virtual instructor-led sessions for people managers were cascaded in Japan, Australia, India, Singapore and Malaysia.

Leadership Development

We established iGrow, a regional leadership development program that takes high potential emerging leaders through team projects, learning and development activities, networking and team-building. In 2020, the group consisted of 21 team members from 15 functions across 12 countries. The program offered participants an accelerated learning experience to fast-track their journey to future leadership positions and saw 43 percent of the cohort promoted during or shortly after program completion.

New Hire Orientation

In 2020, we initiated our bi-weekly New Hire Orientation (NHO) program, with a focus on grounding new team members in the Company's history, products, and medical device/orthopedics industry. NHO helps new team members transition efficiently and effectively into the organization and prepares them to make meaningful contributions to the Company's success.

Global Onboarding Checklist

We developed and implemented a global, standard onboarding checklist intended to help guide new team members through more tactical and role-based steps that will help them quickly become oriented to the organization, as well as their team and position. Broken down into 30-60-90 day sections, the checklist is designed to provide the new team member with relevant information that will help them navigate the organization and get off to the best start possible.

Bookboon

Zimmer Biomet continued to offer our team members access to a free eLibrary, consisting of more than 650 business eBooks and audio books available in a number of different languages and with topics ranging from sales and leadership skills to technical skills like PowerPoint and Excel. These resources are intended to meet team members "where they are" by developing skills quickly through varied, curated micro-learning content.

Rotational Programs

In 2020, we continued our focus on early career development through two rotational programs. Both the Finance and Quality corporate functions hire new college graduates, typically from our co-op and intern population, into their two-year programs, designed to accelerate individuals' careers through rotational assignments.

Learning Management System

In 2020, Zimmer Biomet completed a significant update to our global Learning Management System (LMS), which improved the learner interface and team members' ability to locate and access on-demand courses, as well as streamlined administrator processes for assigning and maintaining training assignments. The Company also reviewed training plans and implemented processes that help ensure the right training is assigned to the right people, eliminating the assignment of unnecessary courses for many team members across the organization.



Diversity, Equity & Inclusion

Zimmer Biomet remains committed to creating, supporting and celebrating diverse and equal workplaces and communities. We continue to foster and embrace diversity and inclusion within our team and our communities, and commit our voices and our resources to community groups, business platforms and other organizations united to driving meaningful change and sustained improvement.

Zimmer Biomet believes that representation matters. As of December 31, 2020, women made up 36.1 percent of our total employee population, and 23.2 percent of positions at Director level and above. People of Color (POC) made up 24.5 percent of our total employee population in the U.S., and comprised 13.9 percent of positions at Director level and above. We are currently working to establish 2026 representation goals for women and POC at all levels of the organization, guided by internal data and external benchmarking.

Core to Zimmer Biomet's values is our commitment to stand together against hatred, discrimination and injustice, and we advance these values through our actions and investments. With this in mind, we have committed to the following initiatives to drive and accelerate change both within our own organization and around the globe. We have shared these commitments publicly and are tracking our progress against them:

- Engage our more than 20,000 global team members in cultural awareness and inclusion programming.
- Invest \$1 million and provide executive sponsorship to support ongoing programs and elevate the impact of our employee resource groups (ERGs).
- Commit at least \$5 million over five years through the Zimmer Biomet Foundation to nonprofit organizations dedicated to combating racism and supporting diversity, equality and justice. The Zimmer Biomet Foundation is an independent, nonprofit organization established in 2018 to address the needs of our global community.
- Match, through the Zimmer Biomet Foundation, employee financial contributions to non-profit organizations, including those dedicated to combating racism and supporting diversity, equality and justice.
- Expand our student and early career internship programs to attract and develop more Black leaders.
- Continue our financial support of Movement is Life, a multidisciplinary coalition seeking to eliminate racial, ethnic and gender disparities in muscle and joint health.

Employee Resource Groups (ERGs)

Zimmer Biomet's team members reflect the global communities in which we live and work. ERGs are trusted groups of team members who create a space of belonging for all team members and drive innovative business solutions in support of the Zimmer Biomet Mission and diversity, equity and inclusion strategy. Zimmer Biomet's continued investment in our ERGs has resulted in the elevation to global scale. The global ERG program relaunched in March 2021 with strong participation from team members across

the globe and with keynote speakers including our Chief Executive Officer, Chief Operating Officer and Chief Human Resources Officer, as well as our newly confirmed ERG leaders. The new ERG strategy, aligned to drive business results and team member engagement, was released during the relaunch. With a focused strategy and leaders who believe deeply in the work, we will move forward in the journey together to make Zimmer Biomet a Best and Preferred Place to Work.

Employee Engagement

We greatly value our team members' input and, to that end, we conduct comprehensive employee engagement surveys that ultimately inform our actions towards improving our team member experience and engagement. The surveys attempt to assess five drivers of engagement, including purpose, culture, leadership, personal growth and belonging. The results of surveys and commensurate action plans are shared with our Board of Directors and with all global team members.

We believe it is critically important to keep our team members engaged through frequent and transparent communication. This is accomplished through town hall meetings, video and written messages, news and recognition on our intranet site, and various other channels. To stay connected throughout the COVID-19 pandemic, our Chief Executive Officer kept team members informed of our priorities, financial results, management response and employee health and safety through frequent video messages and written communications.

Health, Safety & Wellness

The physical and mental health, financial well-being and work/life balance of our team members is vital to accomplishing our Mission and achieving our goals. We sponsor wellness programs designed to enhance physical, financial and mental well-being, and encourage participation in these programs through regular communications, educational sessions and other incentives.

We are also acutely focused on the health and safety of our team members in the workplace. Our environmental, health and safety team constantly monitors various metrics to ensure we are providing the safest environment in which to work. In 2020, our Total Recordable Incident Rate was 0.27 and our Lost Time Incident Rate was 0.11.



Work/Life Balance

Zimmer Biomet recognizes that a healthy balance in work and life is vital. Our full-time team members receive paid holidays and paid time off that is based on length of service. When life events occur, such as the birth or adoption of a child or the loss of a loved one, team members receive paid time off to focus on their families.

We have also rolled out a Virtual Workplace Program that enables designated part-time and full-time team members to effectively work remotely. Team members must be in a position designated by the Company as eligible for virtual work. In making that determination, the Company considered the requirements of the role, the cost of supporting the virtual work arrangement, nature of the work, required technology support and other relevant factors. Team members must be in good standing, meaning they have demonstrated satisfactory performance, in order to be eligible for a virtual work arrangement.

Pay Equity

We are committed to our pay equity process, with annual pay equity reviews conducted since 2016, following the merger of Zimmer and Biomet. Our comprehensive pay equity review covers pay, promotions and new hire practices. This includes various types of pay, such as base salary, bonus, long-term incentives and new hire sign-on awards (cash or equity).

Prior to 2019, the pay equity review was focused on gender differences, with any identified pay issue also being reviewed for ethnicity against similarly situated positions. Starting in 2019, we further enhanced our analysis to review pay differences by gender, age, ethnicity and location. Each year we assess our analysis capabilities to identify areas of opportunity.

Human Resources coordinates the Company's process to address any issues identified from the pay equity analysis. Individuals identified in the annual pay equity review continue to have their annual progress monitored in order to ensure that any pay issues are resolved.

Benefits

We review our benefits each plan year considering both our team member population as well as market benefit practices to ensure we are competitive in our offerings.

Over the last six years, we have focused on key areas for women, family and individual health:

- For women's health, we continue to offer key preventative services and for mothers, we provide opportunities to help support and transition back to the workforce.
- Team members and their families are assisted through many stages of life for a family. In 2019, we increased Infertility benefits and the number of Parental Leave days while continuing to provide child care discounts at multiple day care facilities.
- We understand our team members have individualized needs and we offer programs to support them such as employee assistance programs (EAP) counseling, as well as benefits such as transgender surgery/medical benefits which started in January 2017.
- We continue to assess the above key areas annually and adjust offerings as needed to support our team members.

Collective Bargaining

Zimmer Biomet has more than 20,000 active team members globally, approximately 200 of which are affiliated with a U.S. collective bargaining agreement.

Discrimination Policy

Zimmer Biomet is an equal opportunity employer and is fully committed to a policy of treating all of our team members and job applicants equally.

We take all reasonable steps to employ, train and promote team members on the basis of their experience, abilities and qualifications without regard to race, color, ethnic origin, nationality, national origin, religion or belief, sex, sexual orientation, gender reassignment, age, marital or civil partnership status or disability.

The Company also takes all reasonable steps to provide a work environment in which all team members are treated with respect and dignity and that is free of harassment based upon an employee's race, color, ethnic origin, nationality, national origin, religion or belief, sex, sexual orientation, gender reassignment, age, marital or civil partnership status or disability.

Zimmer Biomet does not condone any form of harassment, whether engaged in by team members or by outside third parties who do business with the Company.

Product Quality

Zimmer Biomet is committed to best-in-class product quality and the robustness of our Quality Management System. Every site has a stringent internal quality audit program. In addition, we have an independent corporate quality audit program and are frequently audited by external regulatory bodies such as the U.S. Food and Drug Administration (FDA) and other competent authorities around the world. Corporate audit and external audit results are closely monitored and reported at regular management review meetings, and the Company maintains a detailed set of key performance indicators in the quality area. In addition, the Quality, Regulatory and Technology Committee of the Board of Directors receives a comprehensive quality presentation at each quarterly meeting.

We have multiple manufacturing sites proactively participating in the Medical Device Innovation Consortium and the FDA Case for Quality Voluntary Improvement program. For more information on this program, visit <https://www.fda.gov/medical-devices/quality-and-compliance-medical-devices/case-quality>

Furthermore, we have a stringent supply chain monitoring program inclusive of quality, delivery and cost measures.

In recent years, Zimmer Biomet has made substantial progress on quality system enhancements and remediation across our network. As of June 2021, the Company has only one pending FDA Warning Letter, which pertains to our Warsaw, Indiana North Campus facility. The 2012 Ponce, Puerto Rico FDA Warning Letter was successfully cleared in 2020 after multiple positive follow-up FDA inspections. While the Warning Letter at the Warsaw North facility remains active, following an FDA re-inspection in 2020, the FDA classified the site as Voluntary Action Indicated, or VAI.

We have made significant investments in Quality Management System remediation and upgrades over the past four years. While these enhancements continue, we are very encouraged that these efforts have already resulted in a 60 percent reduction in FDA product recalls during that time.

Year	Class 1 Recalls	Class 2 Recalls	Class 3 Recalls	Forms 483 Received	Warning Letters Received
2016	1	40	1	3	1
2017	1	62	0	7	0
2018	1	48	0	3	1
2019	1	24	0	3	0
2020	0	21	0	1	0

We are advancing automation in manufacturing, quality systems and inspection and measurement methods such as Manufacturing Execution System (MES), Design Controls and Risk Management Software (The Vault), and InfinityQS.

We have rolled out the *Quality Begins With Me* program across the entire Zimmer Biomet network. This is a structured culture enhancement program with a mission to promote a blame free culture of driving proper behaviors, empowering team members to promote operational excellence and creating a singular binding focus on quality and compliance improvements. The program is intended to drive flawless execution to achieve doing things right the first time and every time.

We implemented Class A and Operational Excellence initiatives across all of our manufacturing sites to drive a continuous improvement culture and manufacturing and supply chain excellence. As evidence of this effort, Oliver Wight has certified Class A in our Ireland sites and we have moved to self-implementation and certification in the remaining facilities. For more information, visit <https://www.oliverwight-americas.com/services/class-a-standard-for-business-excellence/>

We have implemented Green Belt and Black Belt employee certification programs aimed at teaching and utilizing essential LEAN tools to drive waste reduction through continuous improvement, as well as to drive out variation by applying Define, Measure, Analyze, Improve and Control (DMAIC) problem-solving methodology and to make data-driven decisions through proven quality tools and statistical methods.

We are also working toward compliance and certification with the European Union Medical Device Regulation standards by 2024.

Supplier Code of Conduct

Zimmer Biomet strives to achieve and maintain the highest possible standards of corporate integrity and ethical behavior. We expect that our 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 instituted a Code of Supplier Conduct, available at <https://www.zimmerbiomet.com/content/dam/zimmer-biomet/sourcing/Zimmer-Biomet-Supplier-Code-of-Conduct.pdf>

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. Each supplier is to comply with the commercial best practices of the supplier's industry. Zimmer Biomet reserves the right to decline to deal with suppliers who do not comply with the law or our standards.

Zimmer Biomet also has taken steps to ensure that slavery and human trafficking is not taking place in our supply chains or any parts of our business operations through the UK Modern Slavery Act of 2015 and the California Transparency in Supply Chains Act of 2010.

<https://www.zimmerbiomet.com/content/dam/zimmerbiomet/homepage/CA%20Transparency%20and%20UK%20MSA%20Statement.pdf>

Supplier Social Responsibility Audits

Zimmer Biomet conducts social responsibility audits with all new suppliers in high risk regions and on existing suppliers every three years. Forty-seven suppliers were audited in 2019 with no major findings. Social Responsibility audits are planned every three years; the next round of audits will occur in 2022.

Supplier Diligence

For all new proposed international suppliers, due diligence investigations are conducted by the Zimmer Biomet Compliance team to make sure the third party is not on any watch lists. This global due diligence review starts at the front end of the request process. Ongoing due diligence is conducted annually for existing suppliers.

Supplier Quality Audits

New and existing supplier audit plans are established based on the applicable Quality Management System (QMS) requirement for the product/service the supplier provides. The applicable QMS requirements are focused on FDA and International Organization for Standardization (ISO) standards. These standards include FDA 21 CFR 820 and ISO 13485.

Zimmer Biomet has three global procedures detailing the process: (i) the Supplier Questionnaire is used to collect a variety of information on the supplier, including an overview of the supplier's quality system; (ii) the Supplier Qualification Report determines which audit plan will be followed and the

risk classification; and (iii) the Supplier Audit Plan details the information found during the audit and the attendees. All information gathered from the auditing process is stored in a global system and accessible to all Zimmer Biomet businesses.

Supplier Diversity Policy

We believe that a diverse supply chain strengthens our ability to carry out our Mission and improve the communities in which we live and work. Zimmer Biomet's Supplier Diversity Policy in the United States and Puerto Rico assists in establishing and maintaining business relationships with suppliers that are either certified in diverse categories by the Small Business Administration or self-certified where applicable.

We assign a Small Business Liaison Officer (SBLO) as an administrator for the Supplier Diversity Program. The SBLO assures that reports documenting procurement levels, broken down by supplier classification, are prepared as requested by government agencies and contract groups. Annual Summary Subcontract Reports and Year End Supplementary Small Disadvantaged Business (SDB) Reports are submitted according to existing Small Business Administration and U.S. Government mandates.

Zimmer Biomet's diversity reporting obligations to the U.S. Federal Government include spending in the United States and Puerto Rico in the following six diverse supplier categories annually:

1. Historically Underutilized Business Zone Small Business (HUBZone)
2. Service-Disabled Veteran-Owned Small Business (SDVOSB)
3. Small Business (SB)
4. Small Disadvantaged Business (SDB)
5. Veteran-Owned Small Business (VOSB)
6. Women-Owned Small Business (WOSB)



Management of Risks Associated with Use of Critical Materials

Zimmer Biomet has a Global Supply Risk Management process. We have established a systematic approach to:

- Ensure continuity of supply for goods and services
- Proactively manage (identify, assess, mitigate and monitor) potential supply risks which may result in product delays and/or revenue impact to the business
- Ensure that a global process is being utilized across the Zimmer Biomet Global Sourcing Organization

A key component in risk monitoring is the financial impacts that might occur in raw material scarcity and/or physical disruptions of Zimmer Biomet's own operations or in the operations of our supply chain. To mitigate these risks, Zimmer Biomet utilizes a third party to rank our top suppliers against 73 financial ratios on a scale of 1-100 to understand the overall financial health of these suppliers. It is considered to have substantive strategic impact on Zimmer Biomet's business if suppliers score below a 20 in this rating. Through a third-party vendor, the Company obtains international private company financial statements and has a greater than 85 percent success rate (and above 90 percent in certain markets) to measure the core health of a supplier out to 36 months, and predicating probability of default over 12 to 18 months via a quantitative model to generate a rating.

Animal Testing Policy

Zimmer Biomet's utilization of animal testing is consistent with animal welfare acts around the world. We utilize animal testing when required to demonstrate biological safety for our products that cannot be demonstrated by laboratory benchtop tests or when required to demonstrate compliance with medical device regulations. The laboratories that Zimmer Biomet engages for animal testing typically have American Association for Accreditation of Laboratory Animal Care (AAALAC) certification or have their own animal research committee (i.e., an independent review committee) to ensure compliance with national animal welfare acts. Zimmer Biomet does not perform animal testing directly; the work is contracted to labs.

Clinical Trial Program

Zimmer Biomet operates a robust global clinical research program that strives to collect meaningful clinical evidence to support our vast portfolio of products that ultimately help alleviate pain and improve the quality of life for people around the world. Our clinical research programs support the safety and effectiveness of our products, services and technologies in a compliant and transparent manner. Zimmer Biomet supported clinical trials are conducted



across many different programs, including sponsored multi-center global clinical trials, as well as Company supported smaller investigator initiated clinical trials.

Zimmer Biomet conducts studies all over the world that are managed by our global Clinical Affairs teams. These teams manage our regulated and post-market studies and are located in key locations across the globe. In all instances, these programs and teams adhere to Zimmer Biomet policies and procedures that incorporate the standards set forth in the International Conference on Harmonization, the Declaration of Helsinki, Good Clinical Practice guidelines and the AdvaMed Code of Ethics.

To protect the rights, safety and well-being of clinical trial participants, Zimmer Biomet has an overarching global procedure for Conducting Clinical Research Involving Human Subjects, GBL12000. This procedure also ensures that the clinical research from our clinical trials is qualified and reliable and can be used by worldwide regulatory authorities. As part of our procedures, clinical trials are reviewed and approved by several cross-functional internal committees, including a Clinical Investigation Review Committee and a Clinical Research Review Committee. Clinical trials are only approved if they are scientifically sound, meet a well-defined business need and are within fair

market value calculations. Clinical trial support can range from monetary funding, providing in-kind product, or even the loaning of specialized instrumentation and equipment. In addition to the internal Zimmer Biomet review and approval processes, all clinical studies are required to be reviewed and approved by an Institutional Review Board or Ethics Committee that is independent of both Zimmer Biomet and the participating investigational centers.

Clinical Trial Transparency

Zimmer Biomet supports clinical research to foster advances in clinical knowledge and furthering medical device development related to our products and programs. As such, clinical trial transparency is required to appropriately contribute to and comply with the International Committee of Medical Journal Editors (ICMJE) initiative and Food and Drug Administration Amendments Act (FDAAA) requirements by utilizing ClinicalTrials.gov to register our active clinical studies and study results once they are available. All study results are posted, regardless of whether the trial is deemed successful or failed to meet the primary end point. A sample listing of Zimmer Biomet clinical trials can be found at [ClinicalTrials.gov](https://clinicaltrials.gov).

Grants, Donations and Funding

Zimmer Biomet Foundation

As an independent, philanthropic and non-profit organization, the Zimmer Biomet Foundation (ZBF) improves the quality of life for our communities by providing resources to help: build healthy communities; advance STEM education; provide disaster relief; and address healthcare disparities while advancing diversity, equity and inclusion.

In 2020, the ZBF established the Team Member Relief Fund to help support Zimmer Biomet team members facing financial hardships due to personal or catastrophic tragedies. One example of the ZBF's contributions to global pandemic relief was a \$50,000 grant to Direct Relief, a humanitarian aid organization active in all 50 states and more than 80 countries focused on improving the health and lives of people affected by poverty and emergencies. As part of its 2020 COVID-19 response efforts, Direct Relief provided much needed support to numerous countries in the APAC, Europe, Middle East and Africa (EMEA), and Americas regions, including delivering personal protective equipment, surgical masks and intensive care unit medication kits.

The ZBF also launched a program to match team member donations to approved non-profit organizations with a dollar-for-dollar match.

Zimmer Biomet proudly supports team members volunteering in their communities and abroad by offering resources to match team members with volunteer opportunities and work policies that allow them to take the time to support their community.

In 2020, the ZBF announced a \$2 million partnership with the National Association for the Advancement of Colored People (NAACP) to focus on expanding medical access for people of color by establishing a health-related Black Opportunity Index.

Numerous organizations received support from the ZBF throughout 2020. Zimmer Biomet continued to fund the ZBF with a large contribution in 2020, allowing ZBF to continue charitable work globally.

The ZBF provided donations and funding to various organizations to support community and global projects in 2020, including:

American Red Cross	redcross.org
Americares	americares.org
Arthritis Foundation	arthritis.org
Beaman Home	thebeamanhome.com
Big Brothers Big Sisters	bbbs.org
Cardinal Services	cardinalservices.org
Combined Community Services	combinedcommunityservices.org
Direct Relief	directrelief.org/
Kosciusko Community YMCA	kcymca.org
Lilly Center for Lakes & Streams	lakes.grace.edu
United Way	unitedway.org
Warsaw Community Schools	warsaw.k12.in.us

In addition, Zimmer Biomet donated orthopedic products to support more than 10 philanthropic medical mission trips in 2020 to help patients in need around the globe. Due to the pandemic, several planned medical mission trips were postponed and rescheduled for future dates. Zimmer Biomet continued to partner with Faith in Practice by donating a replenishment of implant inventory necessary to continually perform charitable surgeries in Guatemala. Additionally, we continue to support charitable surgeries in the U.S. by donating implants through Americares. In 2020, Americares was able to support approximately 40 charitable surgeries in the U.S. with Zimmer Biomet implants.

americares

Saves lives and improves health for people affected by poverty or disaster so they can reach their full potential.

www.americares.org

Faith in Practice

Committed to serving the poor of Guatemala through short-term medical mission trips that take an integrated approach to care that strives to reach those in the greatest need.

www.faithinpractice.org

In 2020, Zimmer Biomet provided grants, donations and funding for numerous educational and philanthropic projects. These included grants to support orthopedic post-graduate medical education, including funding to OMeGA Medical Grants Association. OMeGA is an independent legal entity with a singular mission: to award and administer grants for graduate orthopedic medical education through an open, accessible process designed to safeguard against potential conflicts of interest and to ensure transparency in the allocation of resources. Zimmer Biomet also provided educational grants to support independent medical education conferences that promote scientific knowledge, medical advancement and the delivery of effective healthcare. In addition, Zimmer Biomet provided grants to third-party organizations for independent research to advance patient treatment designed for improved outcomes.

Funding was also provided to support programs that promote diversity and multiculturalism in medical schools and in surgeon professional development, as well as industry minority initiatives to raise orthopedic treatment awareness and support higher education. One example of diversity-related funding is the support we provide to The Perry Initiative, which is committed to inspiring young women to be leaders in the fields of orthopedic surgery and engineering.

Zimmer Biomet is the Founding Sponsor of Nth Dimensions, an educational non-profit organization created to help increase diversity of women and underrepresented minorities in the field of orthopedics, including pre-medical students, medical students and residents. We are a corporate partner of the J. Robert Gladden Orthopaedic Society, a multi-cultural organization with a mission to increase diversity within the orthopedic profession. We also provide support to the Ruth Jackson Orthopedic Society, which is dedicated to advancing the science and practice of orthopedic surgery among women, as well as

the American Association of Latino Orthopaedic Surgeons, which represents not only members of Latino descent, but all orthopedists who treat members of the Latino and Hispanic communities.

Access to Healthcare

Movement is Life

Since 2004, Zimmer Biomet has funded initiatives that focus on defining and reducing musculoskeletal disparities. *Movement is Life*, a multi-disciplinary coalition, partners with thought leaders and national member organizations aligned to create sustainable change in marginalized populations. The coalition is dedicated to the elimination of racial, ethnic, geographic and gender disparities in muscle and joint health by promoting physical mobility to improve quality of life among African American, Hispanic and rural women.

Movement is Life programs include:

- Operation Change, a community based public health intervention focused on positive behavior modification in individuals who suffer from joint pain and chronic comorbid conditions such as diabetes and obesity.
- The “Start Moving Start Living” website that serves as a repository for culturally competent patient communication tools to raise awareness about the health risks associated with immobility in the United States.
- During the 2020 legislative session, Movement is Life worked with the late Congressman John Lewis to create the Equality in Medicare Medicaid Treatment (EMMT) Act. The EMMT bill would require the collection of data prior to the distribution of funds. By doing so, it would improve the distribution of resources based on need to the disparate communities, thus providing more equitable healthcare.



Patient Privacy and Data Security

At Zimmer Biomet, the patient is always the patient, and never the product. Patient data is used to improve outcomes and create value for patients and their care teams through our algorithms, systems and products in order to support our commitment to the highest standards of patient safety, quality and integrity.

Our commitment to protecting patient and customer data is embodied in our four Privacy and Data Security Pillars:

- **Privacy.** Zimmer Biomet maintains robust practices to help ensure that that right is protected. Patients and customers decide what they share with us.
- **Security.** Zimmer Biomet protects the data that patients and customers entrust us with through strong safeguards. Among other measures, we apply encryption in transit and at rest, scheduled security risk assessments and penetration testing by third parties.
- **Data usage.** Zimmer Biomet will only use customer and patient data to provide the services we have agreed upon, and for purposes that are compatible with providing those services.
- **Ownership.** We put patients and customers in control of their data and have established tools and processes that give patients easy options to exercise their rights with respect to their personal data.

Privacy

There have never been more opportunities to use information collected in the course of treatment to create innovative solutions to improve patient outcomes. At the same time, the importance of protecting patient privacy has never been higher.

At Zimmer Biomet, privacy is built into our products by design and by default, and we work to ensure that privacy measures are fully integrated into our products and services. By taking this approach, Zimmer Biomet products and services accommodate privacy in an effective and user-friendly way.

In 2020, Zimmer Biomet engaged with OneTrust, the industry-leading privacy management solution, to further embed privacy in our products and services. Our mymobility platform, for example, is now supported with a dedicated portal for individuals to exercise their privacy rights, with user-friendly features such as explanatory hover text, local-language accessibility, and automated identity verification. We want to make it as easy as possible for patients to communicate their privacy preferences.



Data Security

Zimmer Biomet implements and verifies stringent security requirements to protect data we hold for patients and customers. These include a broad array of security controls, including encryption, third-party penetration testing, malware defenses, access limitations and auditing. We also have our compliance with security requirements arising under Health Insurance Portability and Accountability Act (HIPAA), General Data Protection Regulation (GDPR), California Consumer Privacy Act (CCPA), LGPD (Brazil) and other key data protection regulations reviewed and verified by third-party experts. We are transparent regarding our security controls so that customers can understand and document the ways in which their information is protected.

Data Usage

Zimmer Biomet ensures that information is only collected, used and disclosed for permissible purposes. Through our contracts with customers, notice and consent forms, and other means, we are transparent about the ways we use information to create value for patients and providers. We have implemented robust policies, procedures and trainings designed to ensure that patients' and customers' information is being handled consistent with those statements.

Ownership

The patient, provider and Zimmer Biomet each have rights and responsibilities regarding data collected in the course of treatment.

Zimmer Biomet's customer engagements, patient consents and notices and other privacy and information security practices are designed to ensure that these rights and responsibilities are respected.

Cybersecurity

Zimmer Biomet understands a strong cybersecurity program is essential in today's business landscape and has continued to invest in people, processes and next generation cybersecurity technology solutions to combat this evolving risk. Cyber threats will continue to emerge and evolve, so we manage cyber-risks in alignment with industry best practices.

Our commitment to cybersecurity includes a programmatic approach aiming to protect the confidentiality, integrity and availability of our systems, data and products. This continuous process ensures that measures are in place to improve and update our cybersecurity program using key methods such as independent assessments, penetration testing, vulnerabilities scanning and obtaining key industry certifications.

Zimmer Biomet has a dedicated global security operations team that executes the cybersecurity incident response plan and conducts regular exercises to gauge our preparedness and effectiveness. Utilizing our cybersecurity awareness program, we have increased awareness of cyber threats to users globally and continue to share best practices with all our team members.

The cybersecurity program is led by Zimmer Biomet's Chief Information Security Officer and the Chief Information Officer, and regular progress updates are presented to the Audit Committee of the Board of Directors.

GOVERNANCE

Corporate Governance

At Zimmer Biomet, the way we conduct our business is critically important. We are committed to effective corporate governance, adhering to the highest ethical standards and acting as a responsible member of our communities.

Our business is managed under the direction of our Board of Directors. The Board has responsibility for establishing broad corporate policies and for our overall performance.

As of May 15, 2021, our Board is made up of ten Directors. Directors are nominated based on their skills, experiences, backgrounds and the needs of the Board and our Company. Every Director must stand for election annually. At all times, a majority of the Board of Directors must meet the criteria for independence established by applicable laws and regulations and the New York Stock Exchange. All of our Directors, except our Chairman, are independent.

Directors are recruited to strengthen the Board's diversity and ensure that the Board reflects and understands the diverse perspectives of Zimmer Biomet's stakeholders around the globe. Three of our ten Directors (30%) are women, three (30%) are ethnically diverse, one (10%) identifies as LGBTQ+, and four (40%) were born outside the United States. Further, of our four Board committees, one (25%) is chaired by a woman.

The Board recognizes the importance of having a strong independent Board leadership structure to ensure accountability. Accordingly, our Corporate Governance Guidelines provide for the appointment of a Lead Independent Director when the Chairman is not independent. The Board believes that a Lead Independent Director is an integral part of our Board structure and facilitates the effective performance of the Board in its role of providing governance and oversight. Among other duties and responsibilities, the Lead Independent Director convenes and presides at meetings of the independent Directors, including executive sessions of the independent

Directors held in conjunction with each regularly scheduled Board meeting, reviews and provides input on meeting agendas for the Board and its committees, and provides feedback on the flow of information from management to the Board. The Lead Independent Director is also available, as appropriate, for direct communication with shareholders.

Zimmer Biomet has developed risk management processes designed to promote long-term shareholder value with oversight by the Board of Directors. Sustainability topics are incorporated into our risk management processes. Various executive leadership team members have responsibility for implementing processes designed to identify, evaluate, mitigate and monitor risks. Reviews of key risks occur at regularly scheduled meetings of the Board of Directors and its committees. The Board executes its oversight responsibility for risk management directly and through its committees:

Audit Committee

Oversight Areas:

- The integrity of our financial statements
- The performance of our Internal Audit function
- Our compliance with legal and regulatory requirements
- Our Corporate Compliance Program
- Privacy, data security, business continuity and cybersecurity-related risk exposures

Compensation and Management

Development Committee

Oversight Areas:

- The compensation of our senior executives
- Our incentive and equity-based compensation plans and programs
- Senior management talent and development plans (in conjunction with the full Board)
- Our policies and strategies relating to human capital management (in conjunction with the full Board)

Corporate Governance Committee

Oversight Areas:

- Our public policy, government relations and advocacy activities
- Our sustainability activities, including initiatives related to the environment
- Our community relations activities and charitable contributions
- Our initiatives related to promoting access to healthcare and other social responsibility issues

Quality, Regulatory and Technology Committee

Oversight Areas:

- Product quality and safety
- Risks relating to our compliance with laws and regulations enforced by the U.S. Food and Drug Administration and comparable foreign government regulators
- Research, innovation and technology initiatives

Executive Compensation

Our executives receive fixed compensation (base salary), as well as short-term and long-term performance-based compensation. Applicable performance metrics and targets align executives' interests with those of Zimmer Biomet shareholders and are approved by the Compensation and Management Development Committee of our Board of Directors.

We are committed to the highest standards of patient safety and quality in our products and services and to world-class integrity and ethical business practices. In support of this commitment, and to drive accountability for compliance with, and sustained improvements in, our global quality system, the Compensation and Management Development Committee included a global quality bonus modifier component to executives' annual cash incentive plan in 2020. The modifier was designed such that, based on the achievement of specified global quality metrics related to

our FDA inspection results, it could result in a decrease (but not an increase) to executives' 2020 bonus payouts by up to five percent (5%). In 2020, across our global network, we resolved one FDA Warning Letter, we received no new FDA Warning Letters and our average number of Form 483 observations per inspection was less than 3.0. As a result, the global quality bonus modifier had no impact on our executives' 2020 bonus payouts.

For more information on our executive compensation philosophy and programs, please see our [2021 proxy statement](#)

Ethical Business Conduct

At Zimmer Biomet, we are committed to being a leader in the area of ethics and compliance. Every day we strive for the highest standards of patient safety, quality and integrity in all that we do.

Whether working with surgeons, regulators, distributors, partners or fellow team members, we know that what we do to contribute to the company's Mission is just as important as how we do it.

This was especially true during the last year as Zimmer Biomet navigated the challenges associated with the COVID-19 pandemic. Leadership and team members alike remained focused on doing business the right way to uphold our high ethical standards as we transitioned many of our in-person healthcare professional interactions and training to virtual settings.

Our commitment to doing business with integrity is guided by our comprehensive compliance policies and procedures which help team members navigate the applicable laws, regulations and industry codes, as well as Zimmer Biomet's own ethical standards. These standards are outlined in Zimmer Biomet's Code of Business Conduct and Ethics.

The Code defines ZB's approach to delivering high performance with high integrity and articulates the ethical standards by which team members are held accountable. It also guides and inspires positive interactions with customers and with people in the communities in which we live and work.

To ensure that every team member understands and is accountable for our Code, Zimmer Biomet:

- Provides the Code in 31 languages so team members can read it in their first language
- Requires training on the Code for all new hires within 60 days of their start date and retrain all existing team members on the Code annually



In 2020:

- **100 percent** of team members successfully completed the Code of Business Conduct & Ethics training

Since 2016, Zimmer Biomet has conducted an annual **Compliance Week** to further strengthen our compliance culture by engaging team members across the globe with activities and communications that promote ethics and integrity.



In 2020:

- Team members embraced the virtual format of the Compliance Week celebration by:
 - ◊ Tuning in to watch the Integrity in Action Compliance Conversations video series between our Compliance leadership and some of Zimmer Biomet's most important stakeholders
 - ◊ Participating in local and global activities highlighting how to put integrity into action

In addition, Zimmer Biomet is committed to compliance with a variety of industry codes designed to ensure that relationships with healthcare professionals and other customers are conducted in accordance with the highest ethical standards and transparency. We endorse and are committed to complying with the relevant codes for industry associations of which Zimmer Biomet is a member, including:

- ABHI (UK)
- ABIMED Code of Conduct (Brazil)
- ABIMO (Brazil)
- ABRAIDI (Brazil)
- AdvaMed China (China)
- AdvaMed Code of Ethics (United States)
- American Medical Devices and Diagnostics Manufacturers' Association (Japan)
- AMID (Mexico)
- APOMED (Portugal)
- ARTED (Turkey)
- Austromed: Verhaltenskodex (Austria)
- beMedTech (Belgium)
- BVMed: Kodex Medizinprodukte (Germany)
- CANIFARMA (Mexico)
- Confindustria dispositivi medici (Italy)
- CZECHMED (Czech Republic)
- Fenin Code of Ethics (Spain)
- IMEDA (CIS)
- Instituto Ética Saúde (Brazil)
- Korea Medical Devices Industry Association (Korea)
- Mecomed Code of Ethical Business Practice (Middle East)
- Medical Technology Association of India (India)
- Medical Technology Industry Group (Singapore)
- Medicoindustrien (Denmark)
- MedTech Europe: Code of Ethical Business Practice
- MedTech Sweden (Sweden)
- MTAA Code of Practice (Australia)
- MTANZ Code of Practice (New Zealand)
- Nefemed (Netherlands)
- ORDER (Turkey)
- Salib-MedTech (Finland)
- SAMED: Medical Device Code of Ethical Marketing and Business Practice (South Africa)
- SNITEM (France)
- Swiss Medtech (Switzerland)
- Taiwan Advanced Medical Technology Association (TAMTA) Code (Taiwan)
- Thai Medical Device Technology Industry Association (Thailand)

Countering Corruption

The cornerstone of our best-in-class compliance program is Zimmer Biomet's commitment to ensuring that team members and business partners conduct themselves ethically and in compliance with all applicable laws, regulations, industry codes, and company policies, including refraining from any bribery, kickback or corruption-related activities.

The Company has established anti-bribery and anti-corruption policies and procedures that cover, among other things, interactions with healthcare providers and government officials. These policies and procedures are reinforced by a robust training program as well as periodic auditing and monitoring. Zimmer Biomet has a zero-tolerance policy when it comes to bribery and corruption.

Zimmer Biomet's Global Third-Party Compliance team supports and monitors business partners, such as distributors, to help ensure they adhere to the same ethical standards as our team members. To ensure compliance, Zimmer Biomet performs anti-corruption due diligence prior to engaging a third party, and periodically thereafter during the course of the Company's relationship with a third-party, in addition to third-party compliance audits.

Zimmer Biomet also has a dedicated global compliance investigations team staffed by experienced anti-corruption investigators that manages and conducts all compliance investigations.

Whistleblower Program

Zimmer Biomet's ability to deliver on our Mission of improving lives depends on us being a *Trusted Partner*. Team members and business partners are empowered to speak up whenever there's a concern about a potential or actual violation of organizational policies, procedures or internal controls, or applicable laws, regulations and industry codes.

Concerns can be raised directly to managers, Compliance, HR or through the Company's Compliance Hotline. The Code strictly prohibits retaliation related to Compliance reporting.

Zimmer Biomet's Compliance function tracks and oversees all reported concerns from investigation to resolution. The Company has developed a robust and rigorous remediation process to ensure appropriate corrective actions are implemented following all substantiated investigations, such as team member separations, documented warnings and retraining.



In 2020:

- We had **100 percent** completion of remediation activities arising from compliance investigations, audits and monitoring.

Ethical Marketing

Zimmer Biomet engages in marketing to provide valuable information regarding our products and services to healthcare professionals (HCPs), patients and others.

All marketing activities conducted by Zimmer Biomet must have a commercially reasonable and legitimate business purpose, and not involve cash, fees or other forms of compensation provided directly or indirectly to HCPs or public officials. Marketing activities are also expected to be separate from any company-sponsored training or education program. We do not use marketing to improperly influence purchasing, leasing, recommendation, use, prescription or coverage decisions associated with our products and services.



Zimmer Biomet's Statement of Engagement on Public Policy Issues

Zimmer Biomet operates in a heavily regulated global marketplace and, therefore, believes it is important to be able to express its views on a variety of proposals to policymakers and other stakeholders in a transparent manner. These efforts include monitoring public policy proposals, analyzing these proposals and advocating for those policies that enhance patient and healthcare provider access to innovative technologies to treat debilitating joint pain and musculoskeletal conditions.

Zimmer Biomet is committed to participating constructively and responsibly in the public policy process. Government policy proposals to regulate the healthcare system may directly affect the Company's business and the incentives for innovation. There are also important policy proposals that can further the Company's business interests, including those of the Company's shareholders. Zimmer Biomet actively seeks to inform the debate on these proposals in the United States and in other countries. The Company also supports policies that advance the interests of patients, improve public health and promote access to healthcare and innovation.

Zimmer Biomet's engagement in the political process is focused on the following areas:

- Access to musculoskeletal care
- Transparent, timely, and scientifically-based regulatory decision-making
- Market-based payment or reimbursement
- Strong protection of patents and other intellectual property rights
- Open and competitive access to international markets
- Tax policies that support innovation and global competitiveness
- Sensible medical malpractice reform

Specific policies of interest to Zimmer Biomet include the following:

- **Corporate Tax Policy** – Zimmer Biomet supported the changes to the U.S. corporate tax code in 2017, which created a more globally competitive system for U.S. businesses by lowering the corporate tax rate and shifting to a territorial system.
- **Stability in Payment Policies** – As innovation in medical technology changes the way that care is delivered, Zimmer Biomet supports payment and reimbursement policies that ensure stability and access for patients, providers, innovators and the entire healthcare ecosystem.
- **Diversity, Equity and Inclusion** – Zimmer Biomet supports policies that strengthen a diverse and inclusive medical technology workforce and ensure equitable patient access to innovative devices and therapies.
- **Medical Device User Fee Amendments (MDUFA)** – Zimmer Biomet supports a well-resourced and well-functioning U.S. Food and Drug Administration (FDA). The long-standing user fee program has helped FDA make significant improvements to the regulatory approval process for new medical devices. In 2021, Zimmer Biomet and its industry trade group will begin negotiations with FDA and Congress regarding changes to MDUFA in anticipation of legislation in 2022.
- **Support for International Trade Agreements** – Zimmer Biomet supports trade policy initiatives that seek to improve access to medical devices in overseas export markets.



How Zimmer Biomet Engages

The primary means by which Zimmer Biomet engages in public policy debate is through communication of information to government officials, policy makers and their staffs. Zimmer Biomet's Government Affairs office in Washington, D.C. is responsible for advocacy activities with the U.S. Congress and the Executive Branch, as well as advocacy at the state level. The Government Affairs office, which also has staff outside the United States, reports to the Senior Vice President and General Counsel. Globally, the Company currently has eight full-time employees wholly dedicated to Government Affairs matters.

To assist with its advocacy and policy analysis work, Zimmer Biomet occasionally contracts with private firms specializing in government affairs advocacy. These firms provide the organization with expertise on issues that are important to the Company and its shareholders.

In compliance with the U.S. [Lobbying Disclosure Act](#), Zimmer Biomet files quarterly reports with the U.S. Congress describing the Company's advocacy activities in Washington, D.C. and the amount of money spent each quarter to support these activities. These reports also include the cost of maintaining the Government Affairs office in Washington, D.C. and the portion of Zimmer Biomet's trade association dues associated with advocacy activities. To view Zimmer Biomet's quarterly lobbying expenditures, click on the above link and search for Zimmer Biomet under registrant.

All Zimmer Biomet employees and agents must abide by the Company's Code of Business Conduct and Ethics. This Code covers a wide range of business practices and procedures, and is designed to deter wrongdoing and promote the

highest ethical standards. Among other things, the Code makes clear that no illegal payments of any kind (monetary or otherwise) are to be offered or made to an individual or entity—including officials or employees of national, state, local or foreign governments or national or foreign political candidates—at any time or under any circumstances.

Industry Groups and Trade Associations

Zimmer Biomet is a member of several industry and trade groups. The Company works with these groups on a variety of issues of importance to Zimmer Biomet and the medical device industry. These groups can help the industry reach consensus on policy issues and be more effective with issue advocacy. With Zimmer Biomet representatives on the boards and committees of industry groups and associations, the Company can voice questions or concerns it may have about policy or related activities. At times, the Company may not agree fully with the views of these associations or their individual member companies; in such instances, Zimmer Biomet reserves the right to remove itself from related association or industry group activities when the Company determines it is appropriate to do so.

Following is a list of U.S. industry and trade groups of which Zimmer Biomet is a member and for which the Company pays at least \$25,000/year in membership fees, with the percentage of fees attributable to non-tax deductible, federal lobbying expenditures noted in italics:

- Advanced Medical Technology Association (AdvaMed) – 10%
- Medical Device Competitiveness Coalition (MDCC) – 100%
- U.S. Chamber of Commerce – 20-25%

Political Contributions

Zimmer Biomet's policies prohibit contributions of corporate funds to candidates, political party committees and political action committees. Contributions by Zimmer Biomet's Political Action Committee (Z-PAC) – which is supported entirely by voluntary contributions made by employees and non-employee directors of the Company – support candidates, parties or committees whose views on specific issues are consistent with the Company's priorities. The Z-PAC is governed by an Advisory Committee consisting of representatives from across the Company's U.S. business units and business functions. The Advisory Committee reviews Z-PAC activities and establishes policies and priorities.

The Z-PAC contributes to candidates and political committees on a bi-partisan basis, and does not make contributions in connection with U.S. Presidential elections. Contribution decisions are not made to reflect the personal political views or interests of senior management. In deciding whom to support, consideration is given to candidates who represent the communities Zimmer Biomet serves, those who serve on relevant committees or in leadership and those who have shown support for policies and initiatives of importance to the Company. Z-PAC contribution guidelines also emphasize the character and integrity of candidates, including the candidate's position on issues that may impair Zimmer Biomet's corporate reputation or are contrary to its values, such as the candidate's positions and record in the area of diversity, equity and inclusion. Contributions made by the Z-PAC are, as required by law, reported in filings with the Federal Election Commission (FEC). The most recent FEC report is available [here](#).

Following the events of January 6, 2021 at the U.S. Capitol in Washington, DC, we halted our Z-PAC contributions, but these contributions have since been partially reinstated. We continue to review the ongoing pause in contributions to those who voted against the Presidential election certification in Arizona and/or Pennsylvania.

2020 Sustainability Accounting Standards Board Index

We are proud to publish Zimmer Biomet's first Sustainability Accounting Standards Board (SASB) Index. This reflects our continued commitment to our sustainability efforts and increased transparency in our sustainability disclosures.

Topic	Code	SASB Metric	2020 Reporting
Affordability & Pricing	HC-MS-240a.2	Description of how price information for each product is disclosed to customers or to their agents	In the United States, customers will typically engage with a local sales representative and local office to provide pricing for products. Larger healthcare systems will issue Requests for Proposals (RFPs). The pricing is communicated through the contract process either via hard copy (local, state or federal government accounts), email or through electronic interchanges.
Product Safety	HC-MS-250a.1	Number of recalls issued, total units recalled	21 recalls in 2020.
Product Safety	HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	None
Product Safety	HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	In 2020, Zimmer Biomet did not receive any warning letters, seizures, or consent decrees.
Ethical Marketing	HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	None
Ethical Marketing	HC-MS-270a.2	Description of code of ethics governing promotion of off-label use of products	Please see page 19
Product Design & Lifecycle Management	HC-MS-410a.2	Total amount of products accepted for takeback and reused, recycled, or donated, broken down by: 1) devices and equipment and 2) supplies	None
Supply Chain Management	HC-MS-430a.1	Percentage of 1) entity's facilities and 2) tier I suppliers' facilities participating in third-party audit programs for manufacturing and product quality	<p>100% of Zimmer Biomet manufacturing sites are audited by a third party and are ISO certified.</p> <p>50% of Tier 1 suppliers are audited by a third party.</p> <p>The highest risk suppliers are audited by a third party as part of their ISO certification or are audited by a Zimmer Biomet facility.</p> <p>Those suppliers not participating in third-party audit programs have been vetted as the lowest risk, given the minimal likelihood of severity to the Zimmer Biomet quality system based on a failure of the product or service to meet specifications.</p>

Topic	Code	SASB Metric	2020 Reporting
Supply Chain Management	HC-MS-430a.2	Description of efforts to maintain traceability within the distribution chain	<p>Zimmer Biomet and all distributors, including all sales and office staff, are required to implement identification and traceability controls.</p> <p>Distribution records must include the customer's name, address, part number, control number, date and quantity shipped.</p> <p>The distribution record is maintained by Zimmer Biomet from the time of receipt through storage, handling and distribution until the product is implanted into a patient, permanently retired from use or permanently disposed of.</p>
Supply Chain Management	HC-MS-430a.3	Description of the management of risks associated with the use of critical materials	Please see page 12
Business Ethics	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	None
Business Ethics	HC-MS-510a.2	Description of code of ethics governing interactions with health care professionals	Please see page 23

For ESG surveys please contact surveys@zimmerbiomet.com

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