

California Transparency in Supply Chains Act Disclosure

As of January 1, 2012, the California Transparency in Supply Chains Act of 2010 (SB 657) is effective in the State of California. As a result, many companies manufacturing or selling products in California are required to disclose their efforts (if any) to address the issues of human trafficking and slavery, thereby allowing consumers to make better, more informed choices regarding the products they buy and the companies they choose to support.

Zimmer Biomet Holdings, Inc., and its direct or indirect affiliates or subsidiaries ("Zimmer Biomet") strive to achieve and maintain the highest possible standards of corporate integrity and ethical behavior. Zimmer Biomet takes the issues of slavery and human trafficking very seriously and will continue doing its part by responsibly managing its supply chains in an effort to eradicate human trafficking and slavery. Zimmer Biomet makes the following disclosures required by Section 1714.43(c) of the California Civil Code:

1. **Verification** – Zimmer Biomet expects that its suppliers will conduct their businesses 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 a Supplier Code of Conduct. The Supplier Code of Conduct requires supplier compliance with important legal, ethical, behavioral and other requirements. Specifically, the Supplier Code of Conduct states that suppliers must not support, promote or engage in the practice of slavery or human trafficking, and it requires suppliers to comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.

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 the Supplier Code of Conduct. Suppliers are expected to promptly take corrective action to address any deficiencies identified with respect to compliance with Zimmer Biomet's Supplier Code of Conduct.

In the Supplier Code of Conduct, Slavery, Human Trafficking and Child Labor are specifically called out as activities for which Zimmer Biomet has a zero tolerance policy. If a supplier is found to be in violation of the Supplier Code of Conduct, Zimmer Biomet will take prompt, remedial measures to address the violation. Zimmer Biomet reserves the right to terminate its relationship with any supplier for failure to comply with this Supplier Code of Conduct.

2. **Audits** – While Zimmer Biomet performs routine audits of its suppliers, it does not currently have a specific policy or process requiring specific or routine audits to evaluate compliance with company standards for trafficking and slavery in supply chains. To the extent Zimmer Biomet suspects or receives notice that a supplier is involved in these activities, Zimmer Biomet will conduct an inquiry, or third party audit if warranted, and take appropriate action as required by law.

3. **Certifications** – Zimmer Biomet currently requires its suppliers to certify by acceptance of the "Zimmer Biomet Purchase Order Terms and Conditions" that the materials incorporated into the supplier's products comply with the laws of the country or countries in which they are doing business.

4. **Accountability** – Zimmer Biomet has established an Employee Code of Business Conduct, which applies to all Zimmer Biomet personnel, including employees and board members (collectively, "Employees"). Zimmer Biomet expects its business partners and contractors to share the general principles stated in the Code of Business Conduct. These general principles require Zimmer Biomet Employees to comply with all applicable laws and regulations, including but not limited to those relating to human trafficking and slavery. The Zimmer Biomet Employee Code of Business Conduct specifically calls out Child Labor, Slavery, and Human Trafficking. The Code of Business Conduct explains that if an Employee needs guidance on a legal or ethical question or has witnessed or has knowledge of an illegal or unethical activity, he or she should consult with or report the matter to their manager, supervisor or the Compliance Office or via the Compliance Hotline, depending on the specific circumstances. All reports of alleged violations will be investigated by Zimmer Biomet. Disregard or deliberate ignorance of the law is not tolerated and may lead to disciplinary action.

5. **Training** – All employees are trained to the Employee Code of Business Conduct. The Employee Code of Business Conduct requires Zimmer Biomet Employees to comply with all applicable laws and regulations, including but not limited to those relating to human trafficking and slavery. Employees that have direct responsibility for supplier management are also trained to the Zimmer Biomet Supplier Code of Conduct. The Supplier Code of Conduct, informs suppliers that Zimmer Biomet will take prompt, remedial measures to address the violation.

For more information on Zimmer Biomet's California Transparency in Supply Chain Program, contact: purchasing.controls@zimmer.com.

Last updated on June 24, 2015