

***ZIMMER BIOMET LOCAL
INTERNAL REPORTING
SYSTEM***

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1 INTRODUCTION

As provided for in the Code of Conduct, the Group (see definition in section 2) has implemented a Speak Up Hotline, globally managed and available to all companies of the Group including the Entity (see definition in section 2), through which any potential evidence or suspicion of violation of applicable regulations, protocols, internal procedures and controls, the commission of acts that do not adhere to the ethical principles and good business practices that the relevant company has adopted, as well as the commission of acts that could be criminal, can be reported.

In addition to such Speak Up Hotline, the Entity has implemented a Local Internal Reporting System (including a Local Reporting Channel) in line with the current specific Spanish legal requirements of the Law (see definition in section 2).

Therefore, Recipients, Business Partners and Third Parties (see definition in section 2) are free to submit the Local Reports either through the Speak Up Hotline, in which case, such Local Reports will be globally managed and investigated (see <https://www.zimmerbiomet.eu/en/compliance.html#compliance-hotline>) or through the Local Reporting Channel, in which case, such Local Reports will be locally managed and investigated following this Protocol.

As requested by Spanish Criminal Code, this Protocol shall apply to the Entity as a part of the Entity's Crime Prevention Model.

2 DEFINITIONS

- Business Partner: Distributors, sales agents, and other third-party agents and representatives acting on Zimmer Biomet's behalf.
- Code of Conduct: Code of Business Conduct and Ethics of the Group which is available to all Recipients at [SPEAK UP - Code of Business Conduct and Ethics](#)

zimmerbiomet.com).

- Entity: Zimmer Biomet Spain, S.L.U. and Biomet Spain Orthopaedics SL.
- Group: Zimmer Biomet Holdings, Inc as well as its subsidiaries as applicable within the context used in this Protocol.
- Investigation Team: Individuals chosen by the System Manager on a case-by-case basis who will proceed to carry out whatever investigative activities necessary to clarify the facts or to obtain evidence and assess the veracity of any Local Report. Usually, the System Manager will choose the Global Compliance Investigations Team to perform the investigation.
- Law: Law 2/2023 on February 20, on the protection of individuals reporting infringements and fight against corruption.
- Local Internal Reporting System: Internal reporting system locally implemented by the Entity including the Local Reporting Channel and the System Manager.
- Local Reporting Channel: Internal reporting channel made available by the Entity to Recipients and Business Partners. The Local Internal Reporting Channel is managed locally by the Entity through the System Manager.
- Local Report: Complaint, disclosure, notice and/or any information furnished by a Reporter related to a Reportable Matter regarding the Entity.
- Privacy and Data Protection Regulations: The provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (GDPR), and the local regulations applicable to the Entity in force from time to time.
- Recipient: Any person who has an employment relationship with the Entity, either through an indefinite term employment agreement or any other type of agreement that implies a subordination relationship as well as all shareholders, and members of the administrative, management or supervisory bodies of the Entity, including non-executive members, as well as volunteers and paid or unpaid trainees.
- Reported Person: individual to which the Local Report refers to.
- Reporter: Recipient, Third Party or Business Partner who submits a Local Report through the Local Reporting Channel.

- Reportable Matters: as specified in section 4 below.
- Retaliation: any acts or omissions that are prohibited by law, or that, directly or indirectly, involve unfavourable treatment that places the people who suffer them at a particular disadvantage with respect to others in the labour or professional context, solely because of their condition of Reporter, or for having made a public disclosure (such as, for example, the suspension of the employment contract, the dismissal or termination of the employment or statutory relationship, damages, including those of a reputational nature, inclusion in blacklists, etc.).
- Speak Up Hotline: reporting channel made available by the Parent Company on a Group level. The Speak Up Hotline is managed by Zimmer Biomet Holdings, Inc. and administered by an independent third party provider and can be accessed through zimmerbiomet.com/speakup and via phone as set up on the website.
- System Manager: Individual designated by the Entity to manage the Local Reporting Channel. The System Manager will be a manager employed by the Entity.
- Third Parties: Self-employed individuals engaged by the Entity, as well as any individual working for subcontractors, suppliers or intermediaries, ex-employees of the Entity and candidates during the recruiting processes or other pre-contractual negotiations, where the information was obtained in the course of that application.

3 OBJECT AND CONTENT OF THE PROTOCOL

Through this Protocol, the Entity formalises the operating guidelines which apply to the management of the Local Internal Reporting System and of the Local Reporting Channel in order to maintain the commitment of its Board of Directors and management to ethical and regulatory compliance.

In line with article 8 of the Law, the management of the Local Internal Reporting System and the Local Reporting Channel is entrusted to the Compliance Officer in line with article 31 bis of the Criminal Code (currently, Mrs. Cristiane Barbosa) who shall be considered as the System Manager. In order for such System Manager to carry out their functions of oversight of the Local Reporting Channel, all Local Reports will be accessed, processed, reviewed and investigated by the System Manager (assisted by the relevant Investigation Team) whether they have been received through the Local Reporting Channel or otherwise, except when such Local Reports are submitted through the Speak Up Hotline.

This Protocol ensures that the Local Reports received, other than those submitted through the Speak Up Hotline, are managed, processed, and investigated in accordance with all the requirements of the Law and any other applicable Spanish regulations including the Privacy and Data Protection Regulations. The Local Reports submitted through the Speak Up Hotline will be managed, processed and investigated according to the rules approved by the Group (<https://www.zimmerbiomet.eu/en/compliance.html#compliance-hotline>).

4 SCOPE OF APPLICATION

This Protocol is aimed to all Recipients.

Recipients have the obligation to inform the Entity, through the Local Reporting Channel, or to the Group, through the Speak Up Hotline when they have knowledge of Reportable Matters referred to the Entity, that is to say, evidence, facts, founded or alleged suspicions of the commission of ethical violations, breaches of rules and regulations, collusive practices and unlawful criminal acts inside or related to the Entity. In particular, such obligation refers, among others, to breaches of rules and regulations of the following areas:

- public procurement;
- financial services, products and markets, and prevention of money laundering and terrorist financing;
- product safety and compliance;
- transport safety;
- protection of the environment;
- radiation protection and nuclear safety;
- food and feed safety, animal health and welfare;
- public health;
- consumer protection;
- protection of privacy and personal data, and security of network and information systems;

- competition;
- taxes; and
- any other breach that may be considered a criminal offense or a serious or very serious administrative infringement.

Both the Speak Up Hotline and the Local Reporting Channel are also available for any Business Partner and Third Party.

5 REPORTER PROTECTION: CONFIDENTIALITY AND NON-RETALIATION

Confidentiality and non-retaliation guarantees for the Reporter are a key element of the Local Internal Reporting Systems.

The Entity therefore assumes the following guarantees regarding the management of the Local Internal Reporting System:

- **Autonomy and Independence of the System Manager:** The autonomy of the System Manager is guaranteed by formal designation, for which they commit to ensuring the confidentiality and protection of the Reporter without allowing any pressure or interference from members of the local Board of Directors or any other area that may be involved when a Local Report is received.
- **Confidentiality:** Confidential processing to prevent disclosure of personal data, as well as any details that would allow the Reporter to be identified by the Reported Person or departments to which the Local Report refers to, or by any employee, officer, manager or administrator of the Entity that is not the System Manager, the Investigation Team, or any other person who has not executed the relevant confidentiality commitment.
- **Non-Retaliation:** The filing of a Local Report made in good faith, regardless of the accuracy thereof, shall not generate any Retaliation against the Reporter. No pressure shall be applied, in terms of moral or psychological harassment, to influence the cessation of the accusations or as vengeance for the allegations. By approving this Protocol, this commitment is assumed by the Entity, and, in particular, by the System Manager and the local Board of Directors.

- **Reporter Protection:** The System Manager and the Investigation Team shall be responsible for protecting the Reporter, making sure not to disclose the identity and personal data thereof, and ensuring the absence of negative consequences for making the Local Report. Should the Reporter be required to provide additional data or testimony given the truth and severity of the Local Report, either the System Manager and the Investigation Team shall make sure the aforementioned levels of protection are maintained in both the requirement and the response. The Local Reporting Channel will accept anonymous Local Reports and, therefore, the Reporter will not be obliged to disclose his or her identity if he or she does not consider it appropriate to do so.
- **Reported Person Protection:** The Reported Person shall have the right to be informed of the acts or omissions attributed to him or her and to be heard at any time. Such communication shall take place at such time and in such manner as is deemed appropriate to ensure the proper conduct of the investigation. Furthermore, Local Reports shall be handled and investigated with respect for the presumption of innocence and the honor of the Reported Person. Confidentiality guarantee will also cover the Reported Person.
- **No Conflict of Interest in the Investigation Team:** Persons Reported and implicated in the content of the Local Report shall not form a part of the Investigation Team, nor others that may be identified as such throughout the course of the investigation.
- **No Conflict of Interest in decision making of the local Board of Directors:** Members of the local Board of Directors who may be affected by the decisions made shall be prohibited from participating in decisions for the resolution of the Local Report.
- **Data Privacy:** The Local Reporting Channel will be managed in accordance with the Privacy and Data Protection Regulation in force.
- **Referral of information:** The Entity will comply with its reporting obligations to the relevant authorities, where it is clear from the investigation that there is cause to do so.

6 OPERATION OF THE LOCAL REPORTING CHANNEL

Recipients or Business Partners may submit Local Reports or bring questions or concerns to the Entity's attention by email to linea.cumplimiento@zimmerbiomet.com. Such email is directly and solely managed by the System Manager.

Additionally, at the Reporter's request, the Local Report may also be submitted by means of a face-to-face meeting with the System Manager within a maximum of seven (7) calendar days.

Local Reports made through a face-to-face meeting will be documented in one of the following ways, in agreement with the Reporter:

- by a recording of the conversation in a secure, durable, and accessible format;
or
- by a complete and accurate transcript of the conversation by the personnel responsible for handling it.

If the Local Reports are made through a face-to-face meeting and the Reporter indicates a secure way of receiving communications or, in the case of Local Reports made through email, when the Reporter has identified themselves, the Reporter will receive an acknowledgement of receipt within a maximum seven (7) calendar day period, unless this would jeopardise the investigation's confidentiality. In any case, further communication with the Reporter or additional information from the Reporter may be requested.

7 PROCESS OF MANAGING LOCAL REPORTS

After the Internal Report is received by the System Manager, and after assessing any potential conflict of interest, the System Manager must appoint the Investigation Team if the Local Report is classified as admitted and appropriate. The System Manager may need the support of individuals or functions within the Group (*i.e.*, the Global Compliance team) to complete the investigation. Therefore, conditional upon no objection from the Reporter, members of the Investigation Team may belong to global teams of the Group. In any case, the investigation will be led by the System Manager.

In the assessment of the opening of the investigation of the Report, the following indicators shall be considered: the degree of plausibility of the reported facts and evidence; the legal consequences that could arise at the corporate and personal level from the content of the Local Report received; the damage that failure to conduct an investigation may cause the Entity (whether economic, legal or reputational). The main purpose of the investigations is to improve the prevention system because the validity of the Entity's ethical principles, policies and compliance controls are dependent on violations of law or policy being properly addressed.

All Local Reports, as well as responses, proposals and information generated from all reports received and processed by the Investigation Team are confidential and shall be recorded and kept diligently and individually. In order to guarantee confidentiality, the Local Report, including its existence and the reported facts, shall only be shared with individuals on a need-to-know basis. All persons involved in any way in the investigation, whether they are part of the Investigation Team, technical support that may be requested by the Investigation Team, and witnesses, will expressly assume an obligation of confidentiality.

The maximum time limit for replying to the Local Report shall not exceed three months from the receipt of the Local Report or, if no acknowledgement of receipt was sent to the Reporter, three months from the expiry of the seven-day period following the Local Report was made, except in cases of particular complexity requiring an extension of the time limit, in which case the time limit may be extended by up to a maximum of a further three months.

8 REGULATION ON CONFLICT OF INTEREST

When the Local Report implicates the System Manager, or it is alleged that the System Manager is aware of the reported practices, the Local Reports will be submitted through the Speak Up Hotline (<https://www.zimmerbiomet.eu/en/compliance.html#compliance-hotline>).

9 REPORTING TO THE GROUP

The System Manager will periodically report to the Group about the Local Reports received, the investigations carried out and the remediation actions adopted on an anonymous basis. No data or information that may allow the identification of the Reporter or the individuals concerned will be provided to the Group except to those individuals with a global role belonging to the Investigation Team, if any.

10 REPORTS TO THE RELEVANT AUTHORITY

Recipients as well as Business Partners may also submit the Local Reports to the Spanish and European authorities as detailed in **Annex 1** hereto.

11 COMMITMENTS OF THE LOCAL BOARD OF DIRECTORS AND OF THE SYSTEM MANAGER

As a token of their commitment to establishing an environment of regulatory compliance and crime prevention, the Entity's Board of Directors, which is included in the objective scope of application of the Entity's Model, has approved this Protocol for proper implementation of the Local Internal Reporting System of Zimmer Biomet Spain, S.L.U., as an essential element of crime prevention and efficiency of the Model as a whole. Therefore, it assumes the commitment that such Local Internal Reporting System complies with the legal requirements applicable from time to time.

The Entity's System Manager is likewise responsible for complying and enforcing compliance with this Protocol to guarantee the correct operation of the Local Reporting Channel, the adequacy of the processes of reception, analysis, investigation, and response of the Local Reports received under its functions of oversight and control, as well as the observance and verification of the requirements of effectiveness of the Model.

ANNEX 1- EXTERNAL AUTHORITIES FOR THE PURPOSE OF EXTERNAL REPORTING CHANNELS

EUROPEAN AUTHORITIES

- European Anti-Fraud Office (OLAF)
- European Public Prosecutor (EPPO)
- European Maritime Safety Agency (EMSA)
- European Aviation Safety Agency (EASA)
- European Security and Markets Authority (ESMA)
- European Medicines Agency (EMA)

LOCAL AUTHORITIES

- The Independent Authority of Protection of the Reporting Persons
- National Department of Anti-fraud Coordination
- Anti-fraud Office of Catalonia
- Anti-fraud Office of Andalucía
- Anti-fraud Office of the Autonomous Community of Valencia
- Prevention and Fight against Corruption on the Balear Islands
- Good Practice and Anticorruption Office of the Foral Community of Navarra