

Zimmer Biomet UK Tax Strategy

Compliance with the UK Finance Act 2016

This tax strategy applies to the UK affiliates of the Zimmer Biomet group of companies, who regard this strategy as complying with the requirements of paragraphs 19(2) and 22(2) of Schedule 19 of the Finance Act 2016 for the year ended 31 December 2019, which requires the publication of a tax strategy.

Zimmer and Biomet have come together to raise the bar for musculoskeletal healthcare. Zimmer Biomet innovations help treat disorders of, or injuries to, the bones, joints, and supporting soft tissues. Together with healthcare professionals, we help millions of people to live better lives. It's not just what we make. It's what we make possible.

Commitment to Tax Compliance and Responsible Corporate Citizenship

We are committed to compliance with the relevant tax law in the UK. We ensure disclosure of all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives as allowed under the law and in keeping with our overall global commitment to adhere to the highest standards of patient safety and quality in our products and services and to world-class integrity and ethical business practices.

Risk Management and governance arrangements in relation to UK taxation

We continuously monitor changes to tax legislation ensuring our tax strategy aligns and complies with all UK tax legislation. The global scale of our business and significant volume of our tax compliance requirements means that we are required to interpret complex tax legislation. Therefore we actively seek to identify, evaluate, monitor, and manage such potential risks to ensure they remain in line with our tax strategy objectives. We seek professional advice where the application of tax law to transaction or a given situation is subjectively uncertain, and in all cases where the knowledge of local specialists is required.

The day to day implementation of our tax strategy in the UK is delegated to Zimmer Biomet's EMEA Tax Director and local responsible Finance leads, both of whom are supported by the global tax team and our global finance and controlling teams as necessary.

Attitude towards Tax Planning

As part of our commitment to support the commercial and investment needs of our worldwide business operations, we consider many factors including all tax laws in all countries we currently or plan to operate in the future including the UK. When appropriate to our business, we will seek to apply for tax incentives and exemptions as set forth in local tax laws in the manner in which they are intended to be provided. Where legally permissible under local law, or as set forth in bi-lateral or multilateral tax Treaties, Directives, or OECD Guidelines, we will take all positive steps available to us to eliminate the risk of 'double taxation' on our businesses. For any form of tax incentives or planning, we assess each transaction carefully, paying particular attention to the opinion of our third-party tax advisers, the potential impact on our relationship with HMRC, and the impact on our reputation as a corporate citizen of the UK. Our overall tolerance of tax risk is low.

Relationship and Engagement with HMRC

We engage with HMRC with honesty, integrity, and in a cooperative and legally compliant manner. We discuss our tax affairs proactively to minimize tax risks or disputes seeking to resolve tax matters through active and transparent discussion.

As set out above the business is committed to timely tax compliance ensuring prompt tax administration that includes timely tax return filings and tax payments.