

# California Transparency in Supply Chains Act and United Kingdom Modern Slavery Act

## 2020 Modern Slavery and Human Trafficking Statement

Approved 21 April 2021 by the LivaNova Board of Directors

LivaNova is a worldwide leader in cardiovascular and neuromodulation solutions, dedicated to creating meaningful products and therapies that transform lives each and every day.

LivaNova PLC and its subsidiaries (individually or collectively, “LivaNova”), are committed to the highest ethical standards and compliance with laws and regulations applicable to our business, including laws related to slavery and human trafficking. LivaNova has approximately 4000 employees worldwide and operates in over 100 countries.

This statement sets out LivaNova’s commitment towards these efforts for the fiscal year starting 1 January 2020 and ending 31 December 2020.

LivaNova supports the goals of the California Transparency in Supply Chains Act of 2010 and the United Kingdom Modern Slavery Act of 2015 and is committed to eradicating slavery and human trafficking from our business activities and supply chains.

As part of our initiative to identify and mitigate risks, LivaNova has taken the following steps and is continuously working to further improve our policies and practices to ensure: 1) materials and services provided to LivaNova are procured only from suppliers who share our same level of commitment, and 2) modern slavery does not exist within our own business operations.

### **POLICIES and INTERNAL ACCOUNTABILITY**

#### **Our Mission**

At LivaNova, we unite to provide hope for patients and their families through innovative medical technologies, delivering life-changing improvements for both the Head and Heart. We can only uphold this mission with the trust and respect of not only physicians and patients but of our employees, the communities in which we work, shareholders, partners, customers and suppliers. That trust and respect comes with us meeting the highest standards of business ethics and compliance. It is not only what we do but how we do it, and this includes laws related to modern slavery and human trafficking.

## **Our Values**

To help employees make the best decisions, we have clearly communicated a set of values we expect all our employees to follow:

- **Patients First.** Our shared purpose is to improve the lives of patients
- **Meaningful Innovation.** We develop novel products and therapies to address multiple disease states
- **Act with Agility.** We challenge ourselves to continuously improve and act nimbly
- **Commitment to Quality and Integrity.** We dedicate ourselves to high quality and integrity in everything we do
- **Collaborative Culture.** We value diversity of thought and our collective strength as a team

## **Our Code of Ethics and Business Conduct**

We understand and respect the obligation we have to our patients and their families and caregivers as well as to our business partners and the environment at large. We operate within a framework of principles, guidelines and policies aligned with ethical, social and environmental responsibilities, and we abide by the highest standards of business ethics and compliance, per our Code of Ethics and Business Conduct (the “Code of Conduct”), a revised version of which was updated in early 2020. The [Code of Ethics and Business Conduct](#) is available, along with [communication channels](#) for reporting violations or concerns in good-faith in the hyperlinks provided.

## **Our Third Party Code of Ethics and Business Conduct**

LivaNova embraces the key principles of the International Labour Organization’s fundamental conventions. We believe that our business can only succeed where the rights of all workers involved in the value chain of our business are protected

and respected, and we aim to conduct business with third parties including consultants, suppliers and other business partners (“Third Parties”) who share our commitment to operating in a responsible and ethical manner.

Accordingly, in 2020 we introduced the [Third Party Code of Ethics and Business Conduct](#) (“Third Party Code of Conduct”) which we have published externally (in multiple languages) as well as within our distributor agreements and purchase order terms and conditions – this Third Party Code of Conduct defines the standards we require all LivaNova Third Parties to comply with when doing business with us.

Compliance with our Third Party Code of Conduct informs an important part of LivaNova’s Third Party selection and evaluation. We require Third Parties to meet our requirements and to pass on these requirements to their respective supply chains. If an audit conducted by or on behalf of LivaNova reveals non-alignment with our Third Party Code of Conduct, we have the right to take corrective measures that, in the event of significant non-compliance, may also include immediate termination of the business relationship.

## **VERIFICATION**

LivaNova proactively promotes ethical behavior and encourages employees to [Speak Up](#) and report violation of laws, regulations, our Code of Conduct, our Third Party Code of Conduct and our policies and procedures. While we encourage employees to raise issues with their managers, we also have an Ethics and Integrity Helpline where concerns can be reported confidentially and anonymously. All reports received are triaged to ensure timely and effective follow up. In 2020, we received no reports relating to human rights violations.

## **AUDIT/DUE DILIGENCE**

### **Risks**

We recognize that modern slavery risks typically exist within supply chains, thus emphasizing the importance we place in properly vetting selection and approval of suppliers before securing goods or services, as well as monitoring and enforcing compliance with our Third Party Code of Conduct.

### **Audit**

LivaNova reserves the right to verify supplier compliance with our defined requirements. We regularly audit suppliers who impact our quality system to confirm services or materials provided conform to defined requirements. Audits are performed by LivaNova or third parties contracted by LivaNova and may include site visits.

Due to the worldwide COVID-19 pandemic, onsite audits of vendors were either postponed or conducted virtually throughout 2020. We fully expect to visit and perform onsite audits once global conditions improve.

## **Due Diligence**

Throughout 2020, LivaNova continued to evolve its risk assessment and due diligence activities on distributors and sales agencies, upgrading the process and introducing enhanced screening and review activities specifically for sanction-sensitive transactions. It is important that, when we do business with others, we have confidence they share our values. The Third Party Code of Conduct, Ethics and Integrity policies, and risk-mitigation procedures all collectively help to assess and monitor our business partners to ensure that we do business with people that acknowledge and share our Company's high standards. This will both protect us and allow LivaNova to do its part in the fight against unethical and uncompliant business.

## **CERTIFICATION**

Per our contract terms with Third parties, LivaNova reserves the right to request immediate corrective action where noncompliance is identified, and has the right to terminate agreements with those Third Parties who do not comply with our terms and conditions.

While LivaNova requires compliance with all applicable laws in terms and conditions of purchase orders and agreements, we currently do not require our suppliers to certify material and services received comply with the laws specifically related to slavery and human trafficking.

## **TRAINING**

In 2020, approximately 99% of LivaNova employees with access to our internal systems acknowledged their commitment to the Code of Conduct, and this past year, our Ethics and Integrity team also completed more than 120 education and

awareness activities on a number of compliance topics and processes. We continue to dedicate significant efforts to our training and education activities as we continue into 2021.

The Code of Conduct also provides specific instructions on how employees can speak up and report potential violations or concerns. These speak up methods are also readily assessable via LivaNova's intranet and company website. Throughout 2020, we embarked on a "SPEAK UP" poster campaign placed in common areas at all sites promoting the Ethics and Integrity Helpline to stress the importance of internal reporting. Posters were changed each quarter and emphasized the individual responsibility of each employee to report potential issues.

In addition, a monthly newsletter covering an assortment of ethics and integrity topics, including how to speak-up, human slavery, and other topics is sent to all employees having email access. This past year, the Code of Conduct training included short video clips of business leaders talking about key components of the Code of Conduct as part of our corporate Ask E&I (ethics and integrity) video series. One of these videos, "*What is Modern Slavery and how does it relate to LivaNova?*", focused on the topic of human rights and modern slavery. The video highlighted and reinforced LivaNova's commitment towards eliminating modern slavery from our business operations and supply chains along with re-emphasizing the role and responsibilities employees have as well.

In 2020, we also introduced the Value Achievement Rating (VAR) as an input into each employee's overall performance management rating. The VAR is an assessment of each employee's commitment and demonstration of "Living our Values" and is reviewed and discussed with the employee as part of the annual performance review process.

## **LOOKING AHEAD**

It is a sad reality that slavery exists in these modern times, and LivaNova understands that we have a responsibility to contribute to changing that reality. As a good corporate citizen, we have implemented a Code of Conduct that emphasizes our zero tolerance to Modern Slavery both internally, as well as

policies and processes that keep human trafficking out of our supply chains externally.

Everything we do is intended to support our mission. LivaNova will continue to work to increase employee awareness of the risks around modern slavery, specifically those who are involved with sourcing and buying decisions. We continue to review changing and new regulation throughout the world, and we will work to improve our policies, programs, and procedures regarding how we identify and mitigate risks in our supply chains to ensure our suppliers and third party business partners are upholding the same level of commitment to compliance and business ethics as we do.

**Damien McDonald**

Chief Executive Officer and Director

LivaNova PLC

26 April 2021