



# Creating a brighter future

2022 CORPORATE SOCIAL RESPONSIBILITY REPORT

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# Welcome

## A MESSAGE FROM THE BOARD

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**Penelope  
Herscher**  
Board Member  
and Chair



**Julie Johnson**  
Board Member  
and CSR Liaison

We are pleased to publish our second annual corporate social responsibility (CSR) report. Our CSR efforts make us a leader in our industry, and we are unwavering in our stated objectives. We recognize our considerable progress and efforts as a company, but we know there is still much work to be done as we strive toward our vision of a brighter future for all.

Our environmental goals are a cornerstone of the future we envision. Last year, we announced a net-zero Scope 1 and 2 emissions target by 2030. **We are proud to announce that we have transitioned all our North American and European sites to renewable energy.**

In the coming years, we will transition the rest of Lumentum's sites to renewable energy to further reduce our greenhouse gas emissions footprint. We will also continue to engage our value chain partners to identify opportunities to measure and reduce our Scope 3 emissions. By communicating and working closely with our partners, we are enthusiastic about our ability to achieve our net-zero goal and actively contribute to the transition to a low-carbon economy.

Our diversity, inclusion, and belonging (DIB) goals are another cornerstone of our CSR program. We set annual targets to increase the representation of several traditionally underrepresented populations in our organization and review our progress against metrics at Board meetings. Lumentum's culture of embracing diversity is embedded in every level of the organization. As leaders, we hold ourselves accountable

to core company values by our Board composition and by executive compensation that is tied to DIB and net-zero goals.

At Lumentum, we believe that broader and deeper diversity leads to exciting ideas and innovations around processes, products, and production. Our focus on DIB continues to expand our awareness of different cultures and viewpoints and to encourage new conversations in the workplace. In the coming years, we are poised to increase the diversity of our workforce even further.

As we look to the future, our commitment to CSR and innovation will provide the agility required to successfully navigate challenges amid ever-changing global landscapes. We celebrate the passion of our employees as we work to make the world a better place. We invite you to peruse this report to learn more about our successes and challenges in FY22, and where we are going in the years ahead.

Respectfully,

Penelope Herscher  
Board Member and Chair

Julie Johnson  
Board Member and CSR Liason

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### A MESSAGE FROM THE CEO

I am elated to share the tremendous progress we have made toward achieving our CSR goals. We aspire to be a model for our industry and lead by example to a low-carbon future. In last year's inaugural CSR report we presented our ambitious goal of net-zero Scope 1 and 2 emissions by 2030. This year we are excited to announce our commitment to the Science Based Targets initiative (SBTi). We intend to develop and validate emissions targets, including Scope 3, in alignment with the latest climate science.

Our environmental efforts in fiscal 2022 have focused on establishing plans and making significant investments toward achieving our bold net-zero commitment. Illustrating this, **we greatly expanded our use of renewable electricity from 3% to 31% and are poised to increase this ratio in fiscal 2023.**

Onsite solar power generation is an integral pillar of our renewable energy strategy. We are thrilled to announce that our site in Slovenia is our first facility with fully operational solar panels. We will deploy onsite solar generation and energy efficiency improvements at other Lumentum facilities in the coming fiscal year. We look forward to realizing substantial emissions reductions from these investments.

When we started our CSR journey, we did not imagine how quickly we would be able to set our trajectory toward net-zero, shift to renewable sources of energy, and become a more sustainable company. We were recognized for our efforts in the past year with our new facility in Slovenia and our headquarters in San Jose achieving LEED certification. In addition, we received a Gold rating from the sustainability agency EcoVadis and a Prime status from Institutional Shareholder Services (ISS). These awards acknowledge our progress toward our sustainability goals and are a company-wide achievement made possible by the concerted efforts of our employees, our board of directors, and members of our broader value chain.

As part of a diverse global community, we nurture a culture of collaboration where we learn from one another across our teams and global sites. Employees at every level of the company have welcomed diversity, inclusion and belonging (DIB) training and open discussion on this important topic that is vital to an inclusive and inspiring workplace. Our employees have also embraced employee resource groups (ERGs), which are essential to achieving our DIB goals. This past year, two additional ERGs were formed to further support employees as they develop in their careers and other ERGs collaborated to develop a company-wide mentorship program focused on employee retention and career development.

Because we believe so strongly in welcoming diverse voices to the workplace, this spring I signed the CEO Action for Diversity & Inclusion pledge. **I joined over 2,300 CEOs in pledging to take action to deepen our commitment to a more inclusive workplace.**

The health and safety of our employees is my and the company's top priority and we are proud we have a safe work environment for all our employees, despite the challenges brought by COVID-19. More broadly, our sites around the world have also deepened their commitment to a zero-incident record through broader engagement and increased awareness of health and safety performance.



We are committed to continuously improving every facet of our business. We believe that our dedication to constant growth, learning, employee development, and innovation will enable us to achieve our CSR goals and to make a difference in the world. We look forward to realizing the measurable benefits of this year's initiatives in fiscal year 2023 and beyond.

We are delighted to share this CSR report with you, and we appreciate your interest in Lumentum's journey to a brighter and more sustainable future.

Sincerely,

A handwritten signature in blue ink that reads "Alan S. Lowe".

Alan S. Lowe,  
President and Chief Executive Officer

# FY22 Highlights

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### PLANET

1. Committed to setting a science-based emissions reduction target, in line with the Science Based Targets initiative (SBTi)
2. Started procuring 31% of our electricity from renewable sources in May 2022
3. Started solar power generation at our production facility in Škofljica, Slovenia
4. Received LEED Silver certification for our corporate headquarters and LEED certification for our 2nd Škofljica, Slovenia facility



### PEOPLE

1. Signed the CEO Action for Diversity & Inclusion pledge
2. Increased the percentage of women in senior leadership positions to 23.1%
3. Awarded 16 scholarships to underrepresented minority student interns in the U.S.
4. Launched a mentorship program for employees at all Lumentum sites



### INNOVATION

1. Achieved \$31.3M in hard savings from Kaizen projects
2. Approximately 200 of our 600 pending patent applications were filed in FY22, with about 1800 issued patents worldwide
3. Won the Thailand Prime Minister's Industry Award 2021 in the Productivity category



### RECOGNITION

1. Received a Prime rating from ISS, an ESG rating agency
2. Received a Gold rating from EcoVadis, a sustainability rating agency
3. Lumentum Ottawa recognized as one of the National Capital Region's Top Employers for the 6th consecutive year by Canada's Top 100 Employers project
4. Placed 8th in Newsweek's America's Most Responsible Companies 2022 list in the Software and Telecommunications category, with an overall ranking of 122
5. Navanakorn, Thailand factory recognized by the RBA with Platinum status after completing the Validated Audit Process with a perfect score



Newsweek's America's Most Responsible Companies 2022

### CEO ACTION FOR DIVERSITY & INCLUSION

CEO Action for Diversity & Inclusion



Institutional Shareholder Services (ISS) Prime Rating



### SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION  
Science Based Targets initiative



National Capital Region's Top Employers



Gold Rating from EcoVadis

# About Lumentum



## About Lumentum

# OUR HISTORY

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2015

Lumentum spun off from JDS Uniphase to become an independent publicly-traded company

Completed the RBA Self-Assessment Questionnaires, rated low risk

2016

Submitted first response to EcoVadis

2017

Established our Navanakorn, Thailand factory  
Reported \$1 billion annual revenue for the first time

2018

Submitted first responses to CDP's Climate Change and Water Security Questionnaires

Acquired Oclaro, Inc.

2019

Achieved an EcoVadis Silver sustainability rating  
Formed our Diversity, Inclusion, and Belonging (DIB) Council

2020

Included on Barron's Top 100 Most Sustainable Companies List  
Opened our factory in Škofljica, Slovenia

2021

Published our inaugural CSR report  
Set a net-zero Scope 1 & 2 emissions target by 2030

2022

Achieved EcoVadis Gold sustainability rating  
Achieved Institutional Shareholder Services (ISS) Prime ESG rating

## FY22 BY THE NUMBERS

**\$1.7 Billion**  
REVENUE

**>6,800**  
EMPLOYEES

**~1,800**  
PATENTS

### Lumentum headquarters

- San Jose, USA

### Lumentum design sites

- San Jose, USA
- Ottawa, Canada
- Milan, Italy
- Škofljica, Slovenia
- Zurich, Switzerland
- (Caswell) Towcester, UK
- Paignton, UK
- Shenzhen, China
- Sagamihara, Japan
- Taipei, Taiwan
- (Navanakorn) Pathumthani, Thailand

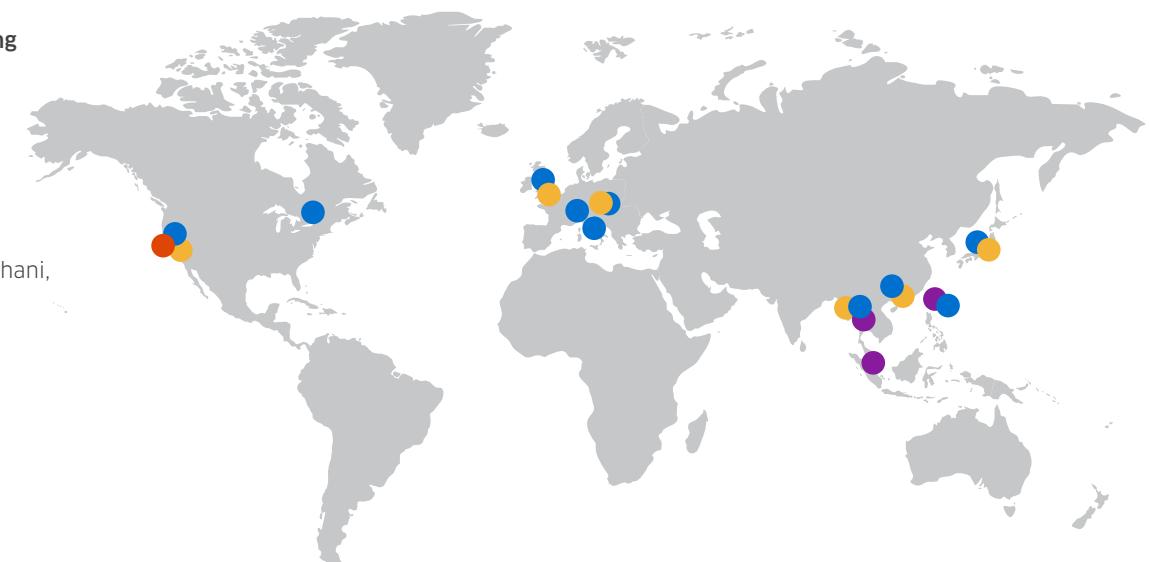
### Lumentum manufacturing

- San Jose, USA
- Škofljica, Slovenia
- (Caswell) Towcester, UK
- Shenzhen, China
- Sagamihara, Japan
- (Navanakorn) Pathumthani, Thailand

### Contract manufacturing

- Penang, Malaysia
- Taipei, Taiwan
- Pathumthani, Thailand

## GLOBAL OPERATIONS



## OUR VISION

# RELEASING THE POWER OF LIGHT TO CREATE A BRIGHTER FUTURE

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Light enables human connection and allows systems to thrive. It is one of the most influential and powerful forces in our world, yet it is weightless.

We aim to emulate the properties of light, as it lies at the core of all our innovations. Our solutions drive applications for cloud and networking, advanced manufacturing, and 3D sensing. All are shaping the way people connect, create, and interact.

By releasing the full potential of light, we envision a future that is brighter for the world.

**To create a brighter future, we:**

- Harness the power of light to connect people and keep them safe and secure while enabling businesses to operate faster and more efficiently
- Support and develop our people, partners, and communities to shine their brightest
- Create products and manufacturing processes that improve lives with the lightest impact on the environment

## OUR GUIDING PRINCIPLES

Our guiding principles reflect our core values, driving the decisions that determine our global performance and shape our culture. We truly dedicate ourselves to applying them through our work, actions, and the conversations we have with all our stakeholders.

### innovate

We foster a culture of innovation across the organization—where everyone is encouraged to find new and creative ways to solve problems.

### engage

We provide a great place to work by communicating with transparency, learning from each other, and making meaningful contributions to society.

### deliver

We feel a sense of ownership for achieving results and are accountable to deliver on our commitments.

### excel

We achieve organizational excellence by driving a zero-defect mindset with continuous pursuit of perfection.

### win

We have a passion for winning with a competitive team spirit that incorporates fairness and integrity in everything we do.

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## APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

Our goal is to illuminate the path to a more sustainable future. We recognize that our actions affect the people and communities where we live and work. Because we take our responsibility to the global community seriously, our corporate social responsibility (CSR) program is built upon three pillars:

### **Planet: Lighter Impact**

Lighten our environmental footprint by reducing our energy consumption, greenhouse gas (GHG) emissions, water consumption, and waste generation

Commit to the procurement or generation of renewable energy at all sites

### **People: Positive Impact**

Invest in career and professional development for all employees

Create a diverse and inclusive culture that values differences and inspires creativity

Operate at the highest social, ethical, and safety standards within our facilities and propagate that model across our value chain

Contribute to communities in which we live and operate

### **Innovation: Breakthrough Impact**

Push the boundaries to design products and processes that deliver value and delight our customers

Continuously improve our products and processes to create the safest and most efficient products with the highest standard

## CSR GOVERNANCE

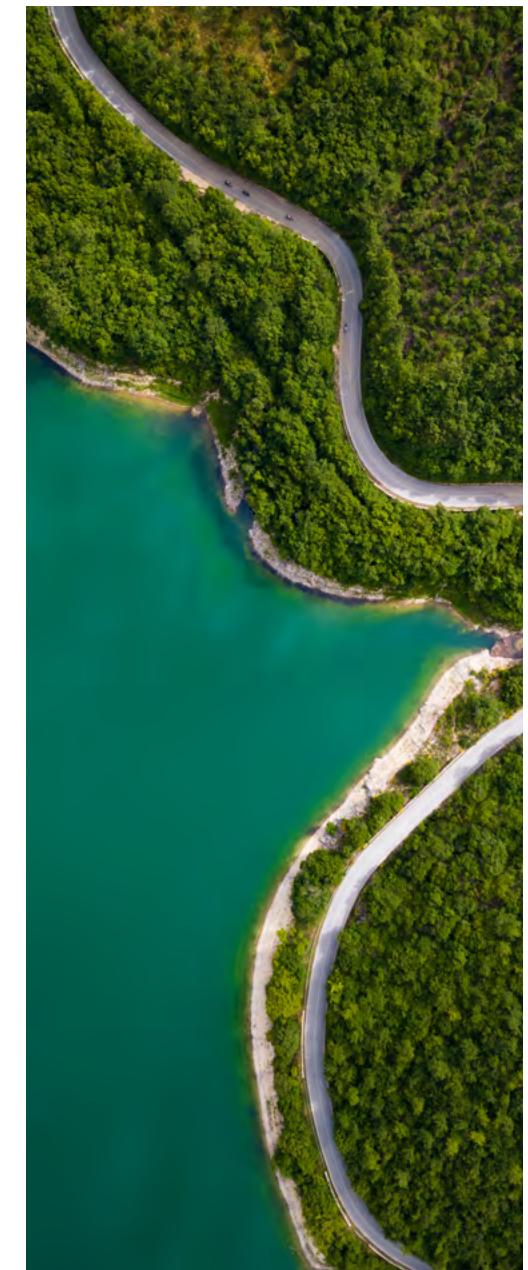
Lumentum's CSR Council develops our CSR strategy and drives performance. Led by the CSR Council Chair and the Executive Sponsor, the team is composed of representatives from all business departments, including Environment, Health, and Safety; Human Resources; Legal; Quality; and Supply Chain, as well as leaders from each business unit. Members serve as representatives of their respective

departments and are responsible for determining the relevance of emerging topics, developing associated action plans, and disseminating information related to CSR to their teams.

CSR Council activities are reported quarterly to the CEO and Board of Directors. The Governance Committee is responsible for oversight of policies and programs that support our CSR strategy. The CSR Liaison

from the Board works closely with the CSR Council to guide efforts and provide a continuous feedback loop between recommendations of the Board of Directors and implementation by the CSR Council.

**Executive compensation is tied to achieving our GHG emissions and DIB goals.**



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# STAKEHOLDER ENGAGEMENT AND MATERIALITY

In FY20, we conducted a stakeholder-informed materiality assessment to identify topics relevant to our business and operations. Lumentum's material topics are significant economic, environmental, and social impacts or topics that influence our stakeholders' assessments and decisions. **Topics were derived from the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the Responsible Business Alliance (RBA), and other investor and customer surveys.** The results of the materiality assessment and the significance of each topic's impact form the basis for our materiality matrix. We update our materiality assessment as the nature of our business or operating environment

changes and periodically evaluate our approach to stakeholder engagement to assess opportunities for improvement.

We conduct regular stakeholder engagement via direct means with customers, employees, investors, and supply chain partners. We also consider additional groups, such as industry associations, government and regulatory agencies, community members, and nongovernmental organizations as relevant stakeholders. We elicit feedback such as review of public information, client questionnaires, and reports by proxy.

IMPORTANCE TO STAKEHOLDERS	HIGH	MEDIUM	HIGH
SIGNIFICANCE OF ECONOMIC, ENVIRONMENTAL, AND SOCIAL IMPACTS	Data privacy and security Health and safety Human rights Product safety	Customer value Innovation Product environmental impact Supply chain management	Economic performance Impact on climate change Business conduct and ethics Diversity, inclusion, and belonging Talent management Materials and waste Water

# VALUE CHAIN AND BOUNDARIES

**Mapping our value chain enables us to better locate, understand, and manage the material topics that we control or influence.**

We maintain direct control of our manufacturing operations and the global support services that are essential for our business to thrive. Outside of our direct control, we maintain strong relationships with our suppliers, contract manufacturers and customers. We work closely with suppliers and contract manufacturers to procure materials and

products to specifications. Vendor relationships are critical to ensure product quality and promote ethical and responsible sourcing throughout our supply chain. Finally, our products are integrated into larger systems by our customers and delivered to end users, where we aim to influence responsible use and treatment.

## OPERATIONS WHERE LUMENTUM HAS DIRECT CONTROL





Planet:  
**Lighter Impact**

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Planet: Lighter impact

## ENERGY & GHG EMISSIONS

We have reduced our year-over-year energy consumption from our 2020 baseline through the consolidation of our global footprint. In FY22, our global energy consumption decreased 1.8%. However, our total GHG emissions increased compared to FY21 due to increased production in Asia where emissions factors are higher.

This year we focused our efforts on increasing the renewable electricity mix in our global footprint. **By the end of FY22, we successfully sourced 31% of our electricity from renewable sources, an immense achievement that exceeded our internal target of procuring 25% renewable energy by the end of FY22.**

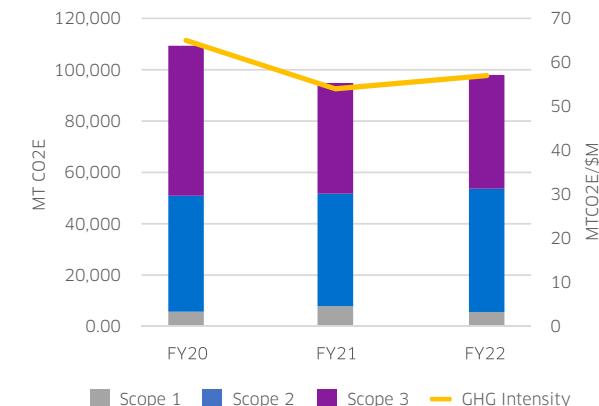
Though our activities did not result in a proportional decrease in GHG emissions this year, we have established a strong foundation for future progress and expect to see GHG emission reductions in FY23.

ENERGY	FY22	FY21*	FY20
Total energy consumption (MWh)	146,076	148,730	148,048
Energy intensity (MWh/\$MM)**	85	85	88

\*FY21 figures have been restated following external verification.

\*\* Energy intensity is energy consumed per million U.S. dollars in revenue.

### GHG EMISSIONS



## GOALS

### Net-zero GHG emissions from our global operations (Scope 1 and 2) by 2030

Progress: In FY22, our Scope 1 and 2 GHG emissions increased by 1,960 MT CO2E.

### Reduce our emissions from air travel by 20% annually

Progress: In FY22, our air travel emissions increased from FY21 but decreased by 77% compared to FY20\*.

\*Travel was suspended in FY21 due to the global pandemic.

### Reduce GHG intensity by 25% by FY24 from a FY21 baseline

Progress: In FY22, our Scope 1 – 3 GHG intensity increased by 5%.

\*Emissions intensity is MT CO2E per million of U.S. dollars of revenue.

## SCIENCE BASED TARGETS INITIATIVE



The SBTi is a collaboration between CDP (formerly known as Carbon Disclosure Project), the United Nations Global Compact, World Resources Institute, and the World Wide Fund for Nature, and is one of the We Mean Business Coalition commitments. SBTi also offers resources and guidance to reduce barriers to adoption and, in order to provide legitimacy to targets, independently assesses and approves companies' emissions reduction targets.

In FY21, Lumentum committed to achieving net-zero Scope 1 and 2 GHG emissions targets by 2030. In FY22, we decided to broaden our impact and committed to setting near- and long-term company-wide emission reduction targets in line with the science-based standard for net-zero emissions from SBTi. **The SBTi commitment will expand our net-zero goals to include Scope 3 emissions.** We are proud to make this commitment and look forward to submitting our net-zero targets to the SBTi for approval.

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## IMPACT ON CLIMATE

As global citizens, we are impacted by climate change and committed to addressing climate risks posed to our business. We aim to mitigate our climate-related impacts as quickly and efficiently as possible. Energy and GHG emissions reductions are prioritized at every level of Lumentum's operations and across our entire value chain.

**As part of our strategic objectives, we have created a central location for verified energy-saving measures where facility managers discover best practices related to energy efficiency solutions.** Our renewable energy engineer helps curate projects, collaborates on opportunities, and prepares a business case based on energy savings to acquire funding.

## SOLAR POWER GENERATION

On-site solar power generation is a pillar of our energy solution. Our Škofljica, Slovenia site installed solar panels in FY22, a major accomplishment on our renewable energy journey. **We estimate this energy generation will avoid 115 metric tons of CO2 emissions per year.** Additional solar panel projects are planned for our San Jose, California corporate headquarters and Navanakorn, Thailand facilities, with scheduled completion dates by FY24.

**100% RENEWABLE ELECTRICITY**  
Caswell | Milan | Ottawa | Paignton  
Škofljica | Zurich | San Jose  
Corporate HQ

## LEED CERTIFIED



As we construct new buildings and retrofit old ones, we are committed to reviewing each site for Leadership in Energy and Environmental Design (LEED) certification. This green building certification, developed by the U.S. Green Building Council, includes a rating system to help building operators be environmentally responsible and use resources more efficiently.

Lumentum achieved LEED certification at corporate headquarters for implementing measurable strategies to ensure that the building is operating at a high level of sustainability. We applied practical solutions to several areas in the building,

including implementing energy-efficient systems, reducing environmental impact through the adoption of green cleaning and pest management, installing efficient water management devices, and improving the indoor air quality by installing enhanced filtration systems.

**This year, our corporate headquarters received the prestigious LEED Silver certification and our new facility in Škofljica, Slovenia achieved LEED certification.**

## COVID-RELATED IMPACTS ON ENVIRONMENTAL PERFORMANCE

The COVID-19 pandemic has slowed progress on our environmental performance.

Our priority is the health and safety of our employees, and we have taken all measures necessary to ensure that our people are protected during the pandemic. We remain committed to our goals and recognize the challenges the ongoing pandemic creates.

- Single-use waste generation increased** due to disposal of personal protective equipment and individual food packaging in cafeterias.
- Installation of energy-efficient HVAC equipment was delayed** due to global supply chain issues.



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## ENVIRONMENTAL MANAGEMENT

The demand for our products and the demand on data and communications infrastructure highlight our need to offer innovative solutions and actively manage our environmental impacts. Our mission is to lighten our impact by reducing energy consumption, GHG emissions, water consumption, and waste generation. By integrating sound environmental management practices into our business, we can offer technologically innovative products and services while conserving and enhancing resources for future generations.

**Over 60% of our manufacturing sites have ISO 14001 certified environmental management systems, and we plan to expand this coverage.** In addition, all our manufacturing sites have environmental risk assessments in place to ensure compliance to environmental requirements applicable to the site. In FY22, we recorded zero significant environmental fines and nonmonetary sanctions for non-compliance with environmental laws and regulations, reinforcing the efficacy of our environmental management systems. Alignment to a best-in-class framework for environmental management allows us to go beyond compliance and proactively manage our environmental aspects while understanding our environmental risks and opportunities. Finally, we integrate our ISO 9001 and Kaizen culture with environmental management to further strengthen our program.

ENVIRONMENTAL MANAGEMENT	FY22	FY21
Percentage ISO 14001 certified sites	67%	67%
Total number of manufacturing sites	6	6

## PRODUCT ENERGY EFFICIENCY

Our teams continue to create power efficiency improvements for our products to meet the need for reduced energy consumption in the markets where we operate.

Across our business lines, we aim to increase wall-plug efficiency, allowing our customers to process more data or maintain operational runtimes while using less power. Other product enhancements include improved temperature controls to allow products to operate at higher temperature ranges, decreasing the need for air-conditioning and reducing power consumption. Finally, we aim to increase optical output power, offering our customers more efficient equipment that uses less space and reduces emissions from transportation due to lighter weights.

**In FY22, we began to conduct our first product life cycle assessment (LCA).** The product, CFP2-ACO, a pluggable transceiver, was analyzed according to ISO 14040 and ISO 14044 to quantify its environmental impacts. The initial cradle-to-gate assessment established that the main impact drivers are from integrated circuit components. The assessment is still underway, but initial findings have presented opportunities to sustainably improve future iterations of our products. Our aim is to take the lessons learned and develop sustainable material selection guidelines for our research and development (R&D) teams. We are excited about this effort and expect to conduct LCAs for our other products in the future.

**60% OF OUR GLOBAL FACILITIES  
ARE COVERED BY RENEWABLE  
ELECTRICITY SOURCES**



Planet: Lighter impact

## WATER AND EFFLUENTS

Lumentum withdraws water as an important resource for cooling, cleaning, and hygienic use at production facilities; however, overall water consumption is minimal. Several manufacturing facilities are in areas that experience water stress, and over half of our facilities perform activities that face potential disruption due to lack of water supply. We evaluate our water impacts through annual responses to CDP's water security questionnaire.

**Integrated within our environmental management system are formal water quality management programs covering wastewater treatment, stormwater runoff, and drainage.**

We make sure that the appropriate wastewater management steps are taken before discharge, and wastewater quality is actively monitored and managed globally to ensure compliance with all local regulations.



**IN FY21, WE COMMITTED TO REDUCING OUR ANNUAL WATER WITHDRAWAL BY 5% BY 2023.**

**PROGRESS: IN FY22, OUR WATER WITHDRAWAL DECREASED BY 1%.**

## WASTE

Our facilities produce hazardous and nonhazardous waste through production processes and general operations. **We ensure strict compliance with all local laws as they relate to the generation, treatment, and transportation of hazardous waste.**

Workforce training and education are critical to waste mitigation and compliance. We conduct regular training on proper handling and disposal of general, industrial, and hazardous waste and continue to reduce industrial waste.

WASTE (MT)	FY22	FY21	FY20
Total weight of waste generated	1,449	1,212	1,400
Non-hazardous	1,022	874	1,020
Hazardous	424	339	380
Diversion rate	63%	57%	54%



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# Feature: Škofljica, Slovenia



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Feature: Škofljica, Slovenia

## OVERVIEW

In 2017, Lumentum purchased a Ljubljana-based Slovenian company that developed and manufactured machines to produce special optical fibers that are essential components of many Lumentum products. The following year, Lumentum moved the business to a new facility in Škofljica, Slovenia, designed to house an upgraded high-tech fiber production line, which supports our kilowatt fiber laser business.

### Facilities

Upon the business's move to Škofljica, the site was upgraded to suit the needs of a high-tech production process that includes the critical four-story draw tower used to produce the optical fiber.

Soon after completing the upgraded Škofljica site, ground was broken on a second, larger facility encompassing almost 26,000 square feet. The second facility, completed this year, is fully operational and includes a Center of Excellence for various R&D departments to design and hone specifications for additional laser components. A plot across the street of almost 137,000 square feet was purchased and is being planned for development. This will allow for an expanded site and the addition of more than 100 employees.

### Supply Chain

The strategic location of Škofljica enables Lumentum to better qualify and engage with European-based suppliers. Local supply allows for administrative benefits such as easier communication and the holding of less safety stock. By diversifying and localizing the supply chain, the Škofljica facility realizes positive environmental effects, including reduced transportation costs and avoided emissions.

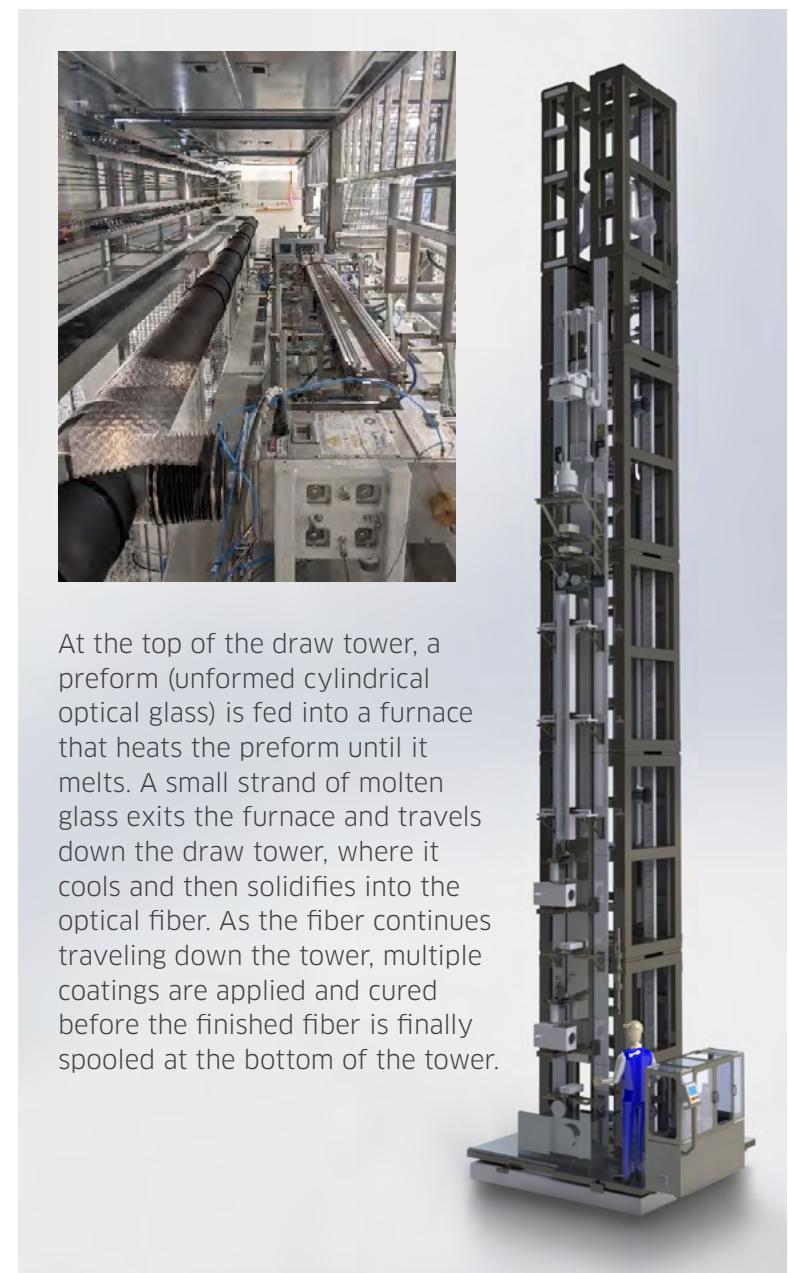
### Environment

This year, the Slovenia facilities became the first Lumentum sites to have fully operational solar panels. **On-site energy generation is estimated to avoid 115 metric tons of CO2 emissions per year.** We look forward to FY23 and realizing the cost savings that will accompany this investment. Additionally, the second production facility in Škofljica that was completed this year is LEED certified, and all future buildings will be constructed to LEED certification parameters as well.

### Partnerships

The Škofljica facility sits adjacent to a wood processing facility that utilizes wood remnants to heat massive wood drying chambers, resulting in excess energy (hot water) from its furnaces.

In 2018, Lumentum and the wood processing neighbor identified potential water reuse between the two facilities. Lumentum investigated how to transition from natural gas to hot-water-based heat and found a significant fiscal and emissions savings from using recycled hot water. Thus, **a 680-meter underground water loop was installed to transfer the excess hot water from the wood processing facility to Lumentum's heat exchanger;** this water is then transferred into an internal loop to be distributed inside the building.



Feature: Škofljica, Slovenia

## BUILDING A TALENT PIPELINE

The Škofljica production is extremely complex, with some positions requiring 12 months of training to achieve proficiency.

We recruit and hire exceptional employees regardless of nationality and are committed to investing in people who will stay with us for the long term. Part of that commitment means building a culture of trust. As a newer facility with 50% of current employees hired in FY22, we recognize that investing in our employees is just as important as the products we manufacture.

We are building relationships with student organizations at universities as a primary source of identifying and hiring early-career talent. In FY22, seven students worked while continuing their studies, and two of the students were hired permanently upon graduation. We are in discussions with a local university on creating a scholarship program to provide additional support for students pursuing STEM degrees.

## Community Engagement

Škofljica employees are engaged in the community through volunteerism and charitable giving. Many employees volunteer with the local fire brigade and help with Lumentum's annual fire training. Other employees volunteer at local food banks, hospitals or assist with COVID-19 clinics. We have provided in-kind donations of equipment to support ongoing research at local partnering universities.

WELCOME

FY22 HIGHLIGHTS

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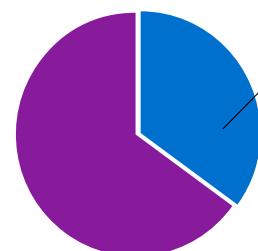
GRI / SASB / SDG INDICES

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### BY THE NUMBERS



83 employees



35% of managers  
are female



Optical staff engineer and EHS manager



Process engineer manufacturing optical glass fiber

A woman with long dark hair, wearing a blue t-shirt with the Lumentum logo, is smiling and pointing her finger towards the camera. She is surrounded by a group of people, all wearing blue shirts, in a park setting with trees in the background. A green diagonal bar is on the left side of the image.

People:  
**Positive Impact**

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## People: Positive impact

### DIVERSITY, INCLUSION, AND BELONGING

We recognize and appreciate the importance of creating an environment in which all employees feel included and empowered to do their best work and bring great ideas to the table.

**Each employee's unique experiences, perspectives, and viewpoints strengthen us as a company and increase our competitive advantage.**

Individual social, economic, and cultural identities shape and influence experiences and perspectives. Our employees' ability to work to their potential is enhanced by ensuring diversity in our workforce. Our diversity, inclusion, and belonging (DIB) objectives, and our progress toward achieving them, are assessed quarterly to ensure alignment with strategic business objectives.

### Global Diversity, Inclusion, and Belonging Council

Our DIB Council is integral to guiding and directing DIB initiatives and is made up of representatives from each of our business units and corporate functions. The Council is jointly chaired by our Chief Diversity Officer and our CEO. Council representatives hail from North America, the United Kingdom, China, and Thailand.

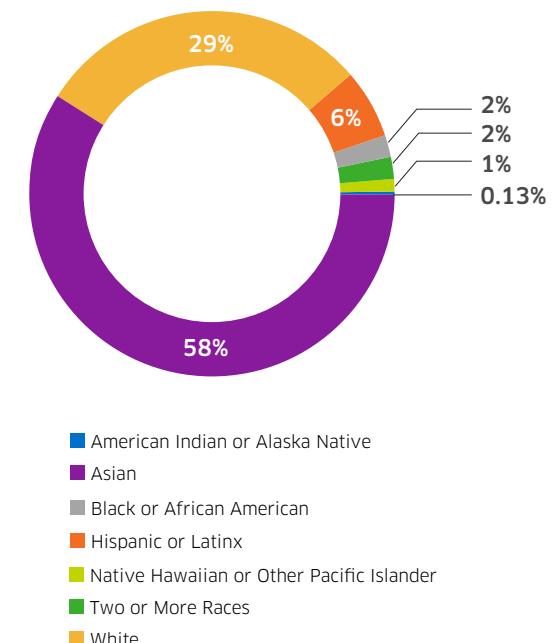
This year, **DIB Council representatives and Employee Resource Group (ERG) leaders added 24 observances to Lumentum's original calendar of 12 primarily U.S.-based cultural holidays to better reflect the diversity of our global team.** Examples of multicultural celebrations added this year

include Japan's Cherry Blossom Festival, Bangladesh's Pohela Boishakh (New Year), International Day of the World's Indigenous People, and Thailand's National Day. We also honor Global Diversity Awareness Month and LGBTQ+ Pride Month.

Celebrations connect people to their friends, families, and cultures. By expanding the calendar of multicultural holidays, employees from different cultures have shared their heritage with colleagues. In this way, our global teams are becoming a true global community, bound by an understanding and respect of each other's cultural backgrounds.

We are excited to announce that **Lumentum CEO Alan Lowe has signed the CEO Action for Diversity & Inclusion pledge.** Supported by more than 2,300 CEOs, the pledge is a continuous commitment to leverage the business community in support of diversity and inclusion.

### EMPLOYEE DIVERSITY IN THE U.S.



### SDG PARTNER IN SAGAMIHARA CITY

Lumentum's facility in Sagamihara, Japan, has partnered with the city of Sagamihara on Sustainable Development Goals (SDGs) and activities. The Sagamihara team determined that the greatest impact the facility could achieve would be by advancing SDG goals 5 and 9. The Sagamihara team looks forward to elevating these goals and continuing to integrate them into the culture of the workplace.



Goal 5: Achieve gender equality and empower all women and girls



Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Certificate of Recognition for Lumentum as a "Sagamihara SDGs Partner" with the city of Sagamihara, Japan, towards the implementation of SDGs.

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## People: Positive impact

### Employee Resource Groups (ERGs)

ERGs are voluntary, employee-led groups of people with shared characteristics or life experiences. ERGs are vital to achieving our DIB goals and are an important pipeline for increasing diversity in leadership positions. **Joining an ERG offers an additional opportunity for inclusion and a greater sense of belonging.**

This year, two ERGs were formed. The **Women's ERG in Japan** was established, with a focus on creating an environment of inclusion, increasing the confidence of women, and career development. **NextGen Luminaries EMEA** was formed in support of the growing early-career hire population.



**LBEN**  
Lumentum Black Employee Network  
EMPOWER INSPIRE BUILD



### Hiring

We have expanded our efforts to increase the diversity of candidates that are hired at every level. We have leveraged roles that allow flexible/hybrid work to attract candidates outside of California and have elevated our partnership with LinkedIn to proactively source underrepresented candidates by posting all open positions globally. Our leaders have prioritized our desire to interview and hire from diverse candidate slates.

This year, we augmented our pipeline of underrepresented interns and early-career hires. **Within the U.S., we partnered with the United Negro College Fund to engage Black students attending more than 100 historically Black colleges and universities.** We are also working with Students Rising Above, an organization dedicated to assisting youth to complete a college or university education. Over 50% of Students Rising Above participants are Hispanic.

### Scholarships

For many students, the main barrier to higher education is the rising cost of tuition, and this is especially true for underrepresented minority students.

Our newly established DIB scholarship program provides financial support for diverse students and increases diversity within the industry by identifying and developing underrepresented early-career talent in Canada and the U.S.

The scholarship initiative was rolled out in FY21. **This year, we awarded \$10,000 scholarships to 16 U.S. student interns.** Next year, we will increase the number of awards to 20 scholarships and expand the program to Canada.

In FY22, **Lumentum's Commercial Lasers Business Unit established a \$30,000 endowed scholarship for underrepresented students**, in partnership with the College

of Optics and Photonics (CREOL) at the University of Central Florida. This commitment will be divided into \$6,000 annual contributions over five years and prioritizes returning students or students with a gap in their education. Past Lumentum collaboration with CREOL has enabled PhD students to test R&D concepts and receive opportunities to use and improve industry-leading technology.

Through our DIB initiative, we continue to implement scholarships and an endowment at universities whose curriculum aligns with Lumentum's technological expertise in support of advancing diversity, inclusion, and belonging.

## People: Positive Impact

### DIB Performance

#### FY22 DIB GLOBAL GOALS

	FY22 TARGET	FY22 OUTCOME
Increase the percentage of women in senior leadership positions	22.5%	23.1%
Increase the percentage of early-career hires	33.0%	30.0%
Maintain gender pay parity	<2%	<2%

#### FY22 DIB GOALS IN THE U.S.\*

	FY22 TARGET	FY22 OUTCOME
Increase the percentage of underrepresented groups <sup>1</sup>	12.0%	11.8%
Increase the percentage of underrepresented groups at the director and senior director levels <sup>2</sup>	48.0%	53.0%
Increase the percentage of underrepresented groups at the vice president and above levels <sup>2</sup>	40.0%	41.2%
Maintain pay parity for underrepresented groups	<2%	<2%

\*We are legally required to track and report data regarding race and gender for our U.S. population, and while we want to increase diversity and inclusion at all sites, the data is only available in the U.S.

1. Black or African American; Hispanic or Latinx; Native Hawaiian or other Pacific Islander; American Indian or Alaska Native; two or more races

2. Asian; Black or African American; Hispanic or Latinx; Native Hawaiian or other Pacific Islander; American Indian or Alaska Native; two or more races

There were several contributing factors which impacted overall recruiting, and due to a sharp increase in demand for experienced technical and engineering roles in California, we missed our 33% goal of early career hires.

Looking ahead, our recruiting team will undergo diversity-specific recruiter training to enhance diverse sourcing and recruiting capabilities. We are confident we can achieve our goals and objectives.

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## LUNCH AND LEARN

Lumentum's Lunch and Learn sessions are a series of virtual talks from thought leaders within and outside the company.

- During Black History Month in February, a three-part series focused on Black talent, diversity in the workplace, and why representation matters.
- In April, two engineers from Navanakorn created a presentation for all Lumentum employees about Thailand's culture, history, and places of interest.



## People: Positive impact

### FEATURE: INTERNSHIP PROGRAM

Lumentum's internship program is an important part of our DIB initiative and talent pipeline. We provide professional experience to young adults by engaging approximately **120 college students at six sites worldwide.**

In 2020, due to the COVID-19 pandemic, we layered virtual internships onto existing internship programs at all sites to provide continued learning experiences regardless of COVID restrictions. Depending on the job function, interns worked either 100% in person, hybrid, or 100% remote. This year, we saw some regions relax COVID restrictions, allowing in-person lab and manufacturing work. As restrictions ebb and flow, we will continue to utilize virtual internships as part of the platform through which we engage with students.

#### **Mollie P.: Chip Research & Development intern, UK**

Lumentum had seven engineering interns in the UK between its sites in Paignton and Caswell. While UK interns primarily worked remotely, some opportunities for in-person projects were offered during the program. Mollie P., who worked under the Transmission Business Unit on Lumentum's modulator chips, was able to go on-site for required lab work. As part of her role, she collaborated with teammates on data analysis, chip testing, and strategizing and executing chip measurements.

"I've learnt so much during my time as an intern, from new Microsoft Excel skills to complicated quantum physics concepts to help me understand how the chips work!"  
- Mollie P.

#### **Mandy L.: 3DS Product Line Management intern, Taiwan**

In Taiwan, every intern was involved in the 3D Sensing (3DS) space, though the specifics of each intern's role varied. Mandy L.'s role focused on conducting market research and analysis for 3DS applications in a wide range of fields, such as smart devices, smart buildings, retail, and healthcare. Overall, she described it as "rewarding" to learn how to leverage market trends to promote Lumentum's products to prospective customers.

"As an intern for 3DS PLM, I am always excited to get exposed to 3DS market trends and evaluate the market size, growth, and opportunity. It has been amazing to be on such a supportive team where everyone is willing to share with me their thoughts and feedback!"  
- Mandy L.



Lumentum Interns in San Jose, Summer 2022

#### **Foster T.: DIB program intern, U.S.**

DIB program intern Foster T. worked remotely during his internship and was excited to tackle projects that involved harnessing the power of data to develop insights to Lumentum's DIB initiatives. Although Lumentum's DIB journey started recently, Foster was impressed by the company's progress in a short amount of time. He noted that within a week, it was clear that the reason for this rapid progress was "unwavering commitment to DIB from company leaders".

"Armed with this commitment and the data-driven approach we take to creating elegant solutions to complex systemic problems, I have no doubts that Lumentum can light the way and be a shining example for other tech companies."  
- Foster T.

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People: Positive impact

## TALENT MANAGEMENT

### Gender Equality and Pay Equity

Our commitment to women at Lumentum is reflected in the representation of women on our Board of Directors and our executive leadership team. We remain focused on ensuring gender pay equity, increasing the number of women in leadership, and supporting women globally.

Lumentum continues to strive for gender pay equity. **Through rigorous review at hiring, promotions, and other times of pay adjustment, each Lumentum location has achieved a gender pay equity gap of less than 2%.**

### Team Building

Building bridges between teams serves to strengthen employees' feelings of inclusion. **This year, our global wafer fabrication operation teams created opportunities for employees who do not work in cleanroom environments to further their knowledge of wafer manufacturing processes.**

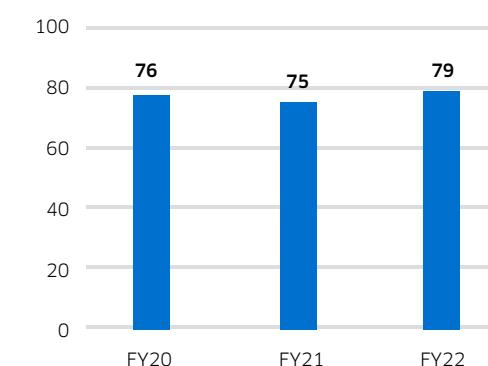
At our manufacturing site in San Jose, California, the sales team had an opportunity to explore how the site develops its broad technology portfolio. After an introductory presentation, sales team members donned protective "bunny suits", toured the expansive cleanroom, and watched teams developing and manufacturing cutting-edge technology.

In Sagamihara, Japan, employees outside of the R&D and manufacturing teams deepened their knowledge of the company's rich history of innovation and the production line process. Participants toured the rooms and equipment used for each part of the manufacturing process. Finally, employees peered into an electron microscope to view the completed datacom chips and marveled at how small these impactful products are.

### Employee Engagement

At Lumentum, we believe that continual engagement between employees, managers, and teams is one of the most impactful ways of measuring employee sentiment. Employee engagement fosters a deeper sense of community, purpose, and belonging. **Every year in May, we issue extended employee engagement surveys** composed of approximately 30 questions to gauge employees' level of satisfaction in all key areas. We also distribute pulse surveys to gather feedback on organizational initiatives or areas requiring additional focus. Based on survey results, each team implements action plans and monitors improvement by issuing pulse surveys in key areas the following November. With this continuous improvement approach, Lumentum ensures that employee concerns and feedback are addressed in a meaningful way.

### OVERALL ENGAGEMENT SCORE



### EMPLOYEE ENGAGEMENT SURVEY PARTICIPATION RATE



## People: Positive impact

# PROFESSIONAL DEVELOPMENT

## Mentorship

In FY22, members of two ERGs – Next-Gen Luminaries, an ERG focused on early-career hires, and Women at Lumentum – developed a company-wide mentorship program tied to employee retention and promotion development. **The new mentorship program provides a platform to advance employees' overall growth while simultaneously boosting employee success, retention, and productivity.** 93% of participants would recommend the mentorship program to their peers.



**Mentorship at Lumentum**  
Promoting a culture of learning and growth

Mentorship partners choose to engage in either two to three short sessions for specific professional guidance, or a standard six-month cycle. Expanded plans for the program include group mentoring, training-based mentoring, and executive mentoring.

## Coaching

This year, Lumentum implemented a coaching guide as a resource for all levels of management to identify one-on-one professional development opportunities. **A curated pool of diverse coaches is available upon request by a direct manager in partnership with HR to coach junior- or senior-level staff.** After a coaching relationship concludes, HR conducts an interview with both coach and mentee to receive feedback, which is then integrated to ensure continuous improvement in the coaching relationship.

## Talent and Learning

Percipio is an e-learning platform available to most Lumentum employees for business and leadership courses, compliance, and technical training. The COVID-19 pandemic increased employees' utilization of the platform's 24/7 e-learning opportunities. As an important and foundational part of Lumentum's professional development portfolio, **we will continue to utilize e-learning for supplemental career and professional development after in-person learning opportunities resume.**



In lieu of annual performance reviews, **every employee and their manager engage in quarterly BrightPath conversations** focused on work priorities, employee development goals and company strategy.

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People: Positive impact

## BENEFITS

Now and in the future, the health and well-being of Lumentum employees is our top priority; we will continue to do our best to ensure that every action reflects that commitment.

### Flexible Working at Lumentum

The pandemic has changed how and where people choose to work. We have created a strategy to incorporate on-site, remote, and hybrid employment called Flexible Working at Lumentum. **By offering hybrid employment opportunities, we are expanding the talent pipeline** of highly qualified individuals who can perform some or all duties remotely and do not wish to relocate. Our Flexible Working program was rolled out to all sites in January 2022.

### Global Family Care Leave Policy

Piloted in FY22 in North America as an updated version of Lumentum's North American Family Leave Act, **Global Family Care Leave will be rolled out to all sites in FY23**.

In the North American pilot program, all eligible employees may apply for family care



leave for reasons that now include nontraditional types of parental leave, such as childcare for school-age children whose school or daycare center may be closed due to an emergency or other local disaster situation. This expansion provides more flexibility for eligible employees to care for their family members during critical times.

### Supporting Access to Reproductive Healthcare

On June 24, the U.S. Supreme Court overturned the ruling on Roe v. Wade, allowing states to restrict women's access to critical reproductive health services. This ruling affects our U.S. employees.

**We remain committed to ensuring that employees and their dependents receive access to health care that aligns with their personal choices, regardless of the state in which they reside.** Therefore, we expanded health plan coverage to include additional travel enhancements and reimbursement for employees in affected states.

### Looking Ahead

As we look to the future, we will expand benefits that support a work-life balance through every stage of life.

Starting in FY23, we will broaden the benefits around all aspects of family formation. This initiative is in alignment with our guiding principles and recognizes the right of all families to choose the method and timing of the formation of their family.

Additionally, we recognize that mental health is an often-overlooked aspect of overall health. Our North American employees currently access mental health benefits through the employee assistance program. Our goal is to expand the program to every employee within Lumentum.

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## LUMENTUM GIVES

**Lumentum Gives is a company-wide program designed to promote meaningful community engagement. There are three pillars to the program: flexible volunteer hours, disaster relief, and donation matching.**

Due to the COVID-19 pandemic, most in-person volunteer opportunities were not available in FY22; employees utilized company matching donations to continue meaningful community involvement.

**Between employee and company matching donations, \$210,000 was donated to selected charities.**

We are working to identify a program champion in each major location to facilitate deeper engagement between employees and

communities. While some sites have robust charitable engagement programs, we recognize the distance other sites need to cover.

This year we implemented Benevity, an application able to support Lumentum Gives on a global scale. The application tracks and manages Lumentum's donation matching along with campaigns for local charities and disaster relief.



## Ottawa - Feeding a Community

When the COVID-19 shutdown forced Lumentum Ottawa to reduce its on-site workforce from 450 to 45, the cafeteria remained open to serve the remaining on-site employees. **In FY22, we continued utilizing the cafeteria to prepare healthy meals to donate to essential workers, nonprofits, and shelters.** In FY23, we plan to continue the program at an adjusted level as we balance the return of employees to the site while maximizing food services capacity.

Delivering the fresh food required transportation logistics and precise coordination with destination sites. Lumentum partnered with Shelter Movers Ottawa to assist with moving large quantities of food, and when there was need, Lumentum employees pitched in, driving personal vehicles laden with meals to various shelters and organizations.



**115 WEEKS  
RUNNING THE PROGRAM**

**907  
EMPLOYEES PARTICIPATED**  
**50,470  
MEALS DONATED**

## Paignton - The Queen's Platinum Jubilee

The Paignton, UK team celebrated Queen Elizabeth's ascension to the throne 70 years ago by holding a Queen's Platinum Jubilee celebration. In a street style party held on the Paignton grounds, site personnel and our Westfield Business Park neighbors enjoyed a social event with a buffet, soft drinks, music, and organized games. **Money was raised via bingo and raffles, then donated through Lumentum Gives to Children's Hospice South West.**



Paignton Celebrates the Queen's Platinum Jubilee

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# Feature: Navanakorn, Thailand

## OVERVIEW

Lumentum's Navanakorn facility, located in the industrial section of Bangkok, Thailand, is a state-of-the-art manufacturing site producing optical communications and industrial laser solutions.

In FY22, **Navanakorn was recognized with two prestigious awards: the Prime Minister's Industry Award for Outstanding Achievement in Productivity and Platinum recognition by the RBA**. The Prime Minister's Industry Award recognizes Lumentum for successfully integrating efficiency and

effectiveness into manufacturing processes, with an emphasis on continuous improvement. The RBA's Platinum recognition was received after completing the initial RBA Validated Audit Process with a perfect score.

"These recognitions demonstrate our ingrained culture of continuous improvement and our zero-defect mindset. We leverage Kaizen and innovation to drive efficiency through the product life cycle, from product concept to the manufacturing processes, and to deliver the highest-quality and best-performing products that meet or exceed the needs of our customers."

- *Chris Parsons, Senior Vice President of Asia Operations and Services*

## FY22 HIGHLIGHTS:



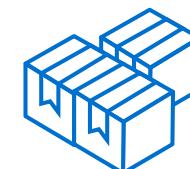
**EARNED THE PRIME MINISTER'S INDUSTRY AWARD IN THE PRODUCTIVITY CATEGORY**



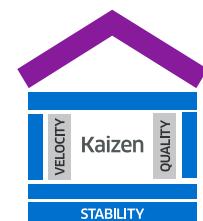
**WOMEN IN LEADERSHIP INCREASED FROM 30% IN FY21 TO 36%**



**FINALIZED PLANS FOR INSTALLATION OF A SOLAR ARRAY TO PRODUCE ELECTRICITY ON-SITE**



**30 NEW PRODUCTS MANUFACTURED**



**COMPLETED 10<sup>TH</sup> MEGA KAIZEN**



**NUMBER OF EMPLOYEES INCREASED BY 50% COMPARED TO FY21**

**NEW PROFESSIONALS IN THE FIRST 5 YEARS OF THEIR CAREER ACCOUNTED FOR 35% OF NEW HIRES**

WELCOME

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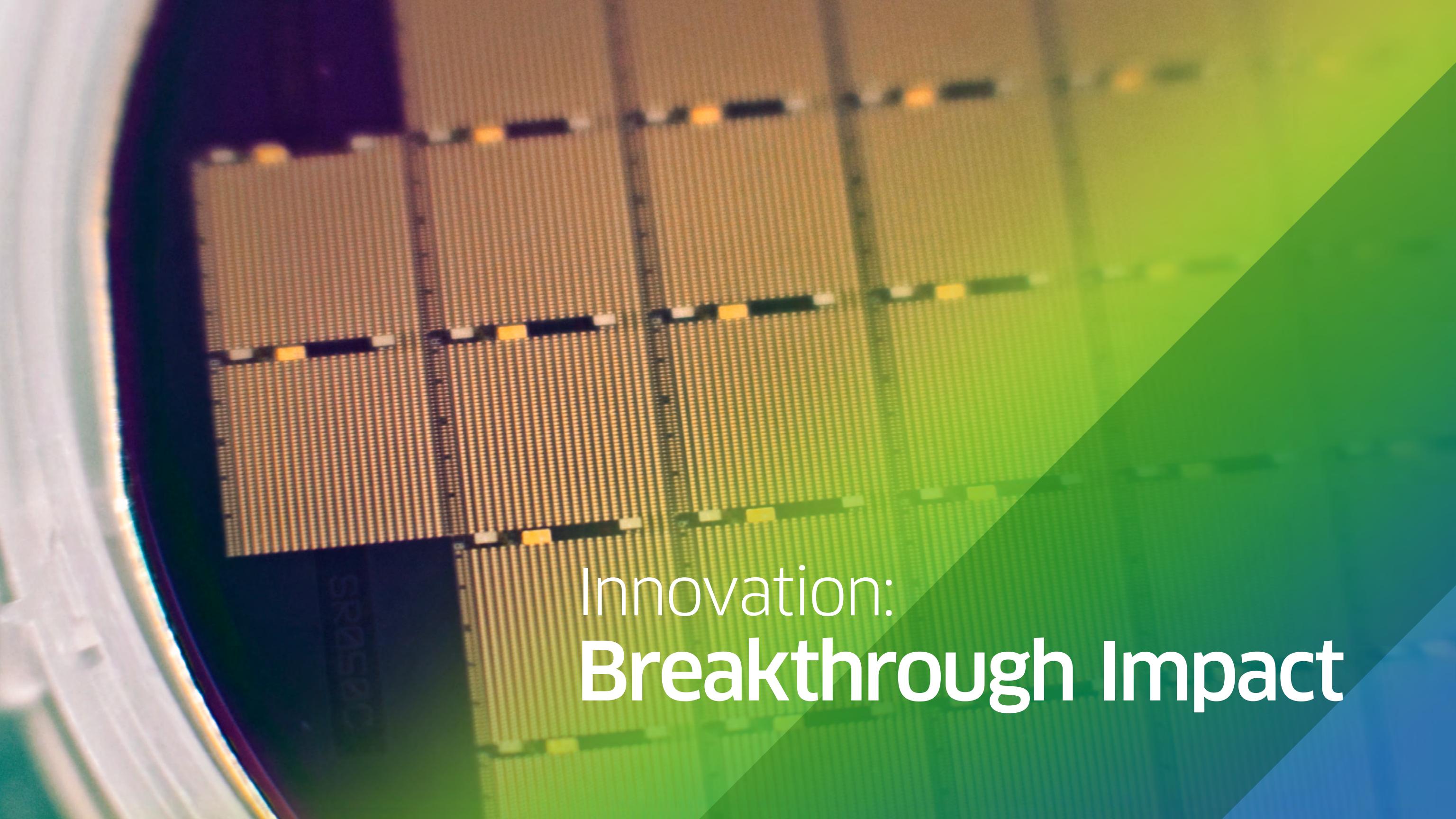
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Innovation:  
**Breakthrough Impact**

## Innovation: Breakthrough Impact

### KAIZEN: INNOVATION AT THE SPEED OF LIGHT

Innovation is key to Lumentum's value to customers, suppliers, partners, employees, and shareholders. It is core to our sustainability. As a global leader in photonic technology, we are poised to expand our leadership and broaden our contribution of optical capabilities into new and fascinating applications in markets we serve today, as well as new markets and applications where photonic technologies can be utilized.

#### Kaizen Promotion Office

The goals of our Kaizen Promotion Office are to encourage, engage and embed the continuous improvement mindset into the organization, build capabilities, and unlock the potential of innovation in our products and processes.

#### Product Life Cycle

Kaizen is a Japanese term that loosely translates to "continuous improvement." Many organizations use Kaizen methodology only in production, but **Lumentum applies Kaizen at every stage of the life cycle of a product as well as in our business processes.**

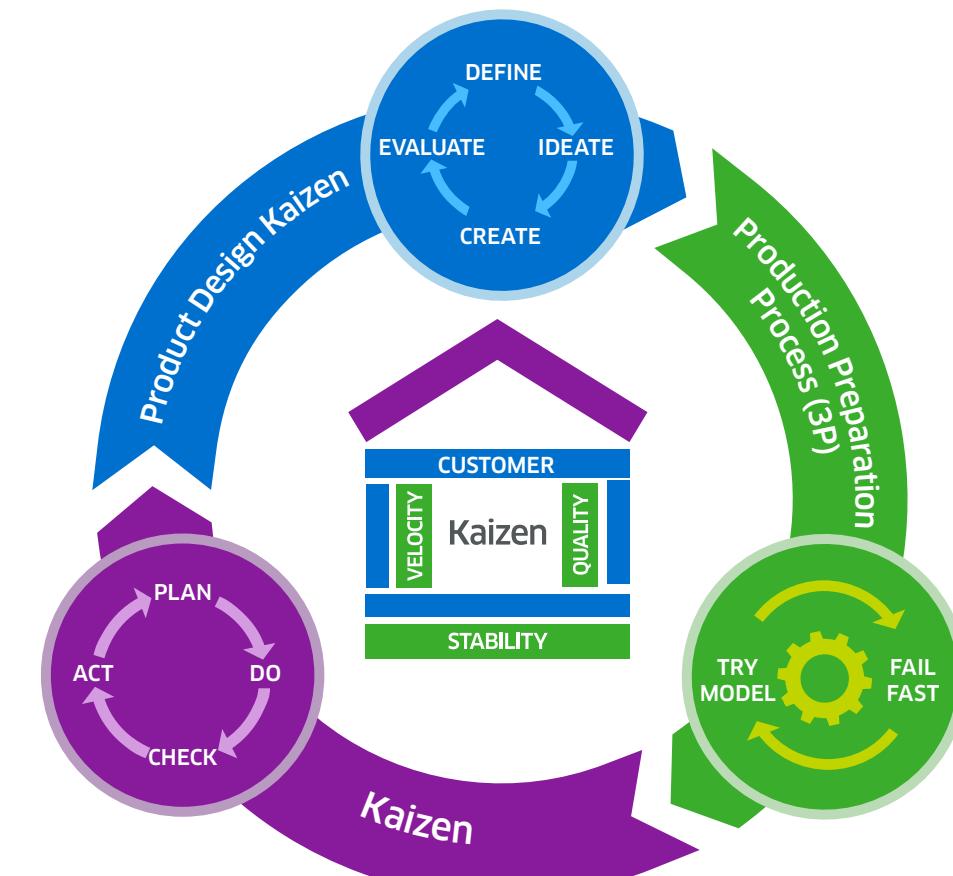
During the product design phase, we use Kaizen in our production development process to bring the right people together and conduct rapid cycles of continuous

improvement. In this way, we utilize the incredible talent and knowledge of a team to make strong designs even stronger. This is accomplished by combining production knowledge with design knowledge and encouraging teams to collaborate to "fail fast, fail cheap, and fail forward."

Once a product design exists, we prepare a product for mass production by utilizing the Production Preparation Process (3P). This is an event-driven process for developing a new product concurrently with the operation or processes that will produce it, by the people who will interact with it.

After a product is released, we remain focused on continuous improvement. Kaizen events are used to improve existing processes across the entirety of the business. In all Kaizen projects, we strive to double the good and halve the bad, with a quality goal of zero defects and a safety goal of zero incidents.

### LUMENTUM PRODUCTION SYSTEM



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## Innovation: Breakthrough Impact

### Kaizen Events

The pandemic forced us to innovate our in-person Kaizen approach. We experimented with online collaboration tools to continue global participation in virtual Kaizen events. In FY21, we selected Miro as our tool of choice and began establishing our new virtual Kaizen event processes. By the beginning of FY22, we had gained virtual Kaizen proficiency, and Miro boards were fully implemented and used for every event.

**Mega Kaizens are events where Kaizen teams across multiple disciplines come together to complete at least one Plan Do Check Act (PDCA) cycle.** In FY22, Mega Kaizens resumed with local teams at Navanakorn, Thailand and Futian, China.

### KAIZEN CONTINUES



### Event Highlights:

#### Navanakorn, Thailand

9th Mega Kaizen: Nov-Dec 2021

- 4 Kaizen teams
- \$1.6M hard savings
- \$155k soft savings
- Eliminated 20.21 kWh energy usage per die bond machine with process efficiency improvements

#### Navanakorn, Thailand

10th Mega Kaizen: April 2022

- 7 Kaizen teams participated, the first event with in-person international participation since 2019
- \$25.7M hard savings
- Energy avoidance of ~2.9M kWh/ year by increasing machine utilization

#### Futian, China

2nd Mega Kaizen: Oct 2021

- 6 Kaizen teams – hosted internally with remote participation and guidance
- \$2.46M hard savings
- \$1.77M soft savings
- Energy savings approx. 390,000 kWh/ year and \$52k cost avoidance

### KAIZEN INITIATIVES

	<b>FY22</b>	<b>FY21</b>	<b>FY20</b>
Total number of Kaizen projects	97	64	92
Yearly benefits from Kaizen projects - hard savings	\$31.3M	\$13.2M	\$10.9M
Yearly benefits from Kaizen projects - soft savings	\$2.7M	\$600k	\$560k

### KAIZEN EVENTS AND PARTICIPATION

	<b>FY22</b>	<b>FY21</b>	<b>FY20</b>
Kaizen event participants	731	646	789
Monthly topic attendees	3,321	3,249	2,951
Number of Kaizen events	97	64	83
Number of monthly topic events	43	36	36

### HIGHLIGHT: KAIZEN CHAMPION

In 2018, Ferran S. was a Commercial Laser R&D Engineer in Zurich. There, he was intrigued by the simple concepts of Kaizen. Several months later, he attended a Mega Kaizen event at Lumentum headquarters in San Jose and, with engineers from Lumentum's many sites, assessed process, product, and development through the lens of Kaizen. He realized how quickly many things could be accomplished when applying

the Kaizen approach, and upon returning to Zurich, became a champion of the Kaizen methodology. Today, the Ultrafast lasers team has created two lasers by using the methodology from start to finish.

Ferran recently accepted a position in the Kaizen Promotion Office to help Lumentum teams around the world implement Kaizen into every aspect of the business.

"I wholeheartedly believe in the Kaizen process. The 'fail fast, fail cheap' concept is brilliant in its simplicity. When you see that new ideas make your life easier, you grasp so many concepts early in the process. Kaizen has become a culture in Zurich because people see that it's working."

– Ferran S., Kaizen Promotion Office Leader

## Innovation: Breakthrough Impact

### INTELLECTUAL PROPERTY

Our legacy of innovation is evident in our product leadership positions and extensive intellectual property portfolio. In FY22, we filed approximately 200 patent applications. Our patent portfolio is constantly evolving, with strengths in optical switching, coherent transmission, source lasers, 3D sensing, photonic integrated circuits, and ultrafast lasers. This is what sets us apart as trailblazers and leaders in the industries we serve. We value our innovators, acknowledge their contributions, and celebrate their patents in our company-wide meetings.

**LUMENTUM OWNS NEARLY 1,000 U.S. PATENTS AND 800 FOREIGN PATENTS WITH EXPIRATION DATES THROUGH 2042, AND WE HAVE ABOUT 600 PATENT APPLICATIONS PENDING THROUGHOUT THE WORLD.**

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### LUMENTUM VENTURES

In FY21, Lumentum kicked off the New Opportunity Development (NOD) program to begin identifying new product applications where we could add value, compete, and win. Through the NOD program, two new products were added to business unit roadmaps, and several other opportunities continue to be investigated. Building on this concept, this year we rolled the NOD program into a new program called Lumentum Ventures. **Lumentum Ventures is designed to explore markets where our company's expertise can be utilized as a disrupter to help prospective customers compete and win in new ways.**

Lumentum Ventures' cross-functional team of experts is tasked with harnessing the collective power of our employees to develop ideas around solving the world's challenges using optics. The focus of the endeavor is not just to come up with innovative products but to create potential photonic businesses.

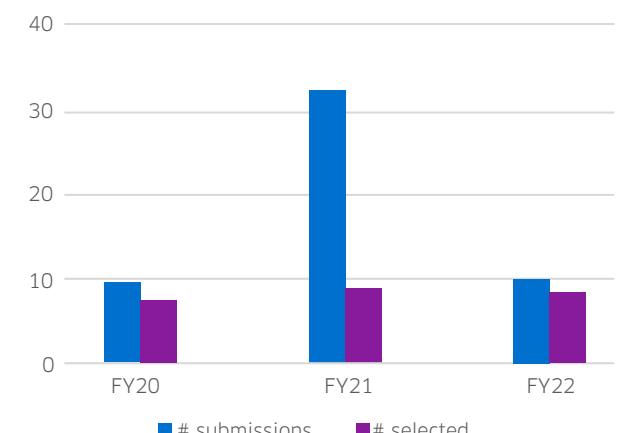
Finally, Lumentum Ventures held its inaugural Add-Ventures Day this Spring. Employees from around the world in all functions and business units took a day to work with cross-specialty teams to identify and explore markets where they believe Lumentum can disrupt and add value to current solutions. The event was a huge success and yielded many fruitful opportunities for further exploration.

### LUMINARY PROGRAM

Twice a year, the Luminary Program solicits, evaluates, selects, and corporately funds employee-conceived innovative concept investigation projects that address challenging topics in technology, products, and applications. The program offers employees the opportunity to develop, through company-sponsored exploratory projects, their innovative ideas that may not neatly fit into traditional product roadmaps, address our conventional markets, or meet our traditional corporate investment profile.

Projects selected for development often remain in the research and development phase for several years while we assess their merits and feasibility. Our appetite for risk is greatest at this stage, with "fail fast, fail cheap, fail forward" as a guiding principle.

#### LUMINARY PROGRAM PROJECTS



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# Feature: Futian, China

Feature: Futian, China

## OVERVIEW

Lumentum's Futian facility is in Shenzhen, China, in the Free Trade Zone, along the coast of the South China Sea and north of Hong Kong. The Futian facility manufactures telecom transport and transmission products.

Two years ago, when COVID-19-mandated travel restrictions isolated Futian engineers from their counterparts around the globe, site teams learned how to innovate from within. As part of the transformation, a Kaizen Promotion Office was developed onsite, and a zero-defect mindset was enforced throughout the facility. Site teams increased the quality of our products while simultaneously reducing the time and energy required to test the products by 25%. **In its first year, the Futian KPO team engaged over 75% of the staff in projects and realized \$5 million in savings.**

This year, Futian held two major Kaizen events and completed six cross-functional projects that included virtual attendees from the design center in Paignton, UK.

The Environment, Health and Safety department initiated EHS leadership training for all line leaders, managers, and

department heads to enhance safety leadership and EHS practices. This year, the Futian leadership team began conducting quarterly EHS audits on the factory floor to assess EHS compliance. Updated safety features include improved gas cylinder storage and handling, as well as chemical safety.

Additionally, Futian successfully passed the TL 9000 surveillance and recertification audit with a total of 14 strengths. An FY23 goal is to complete ISO 45001 certification.

"The documented procedure and methods for submitting TL 9000 measurements is best in class. The procedure clearly shows the location and flow of raw data required to be accessed by the system to provide input to Quest forum."

- TL 9000 auditor

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## FY22 HIGHLIGHTS:



EARNED THE **LABOR STABILIZATION AWARD** FROM THE SHENZHEN CITY SOCIAL SECURITY BUREAU FOR **THE 7<sup>TH</sup> YEAR IN A ROW**



**2 MEGA KAIZEN EVENTS**  
- HARD SAVINGS = \$3.4M  
- SOFT SAVINGS = \$2.6M

STARTED AND COMPLETED **3 ENERGY-SAVING PROJECTS** WITH TOTAL ELECTRICITY SAVINGS OF **500 MWH ANNUALLY**



LAUNCHED THE **FUTIAN DIB COUNCIL** TO ENABLE QUARTERLY DIB ACTIVITIES



**DONATED \$25,400 TO CHARITIES**  
**CONTRIBUTED 280 VOLUNTEER HOURS TO CHARITIES**

FUTIAN EMPLOYEES COME FROM **25 PROVINCES** AND ENCOMPASS **15 ETHNIC MINORITIES**

# Our Business



## Our Business

### INTRODUCTION

Our products are built to support the ever-increasing flow of information to people around the world. Our laser technology unlocks more precise and powerful technologies that simultaneously drive down the scale while increasing the power of data and communication networks. Our products, paired with our pursuit of operational efficiency, further Lumentum's role in contributing to a more efficient world that operates with a lighter footprint.

### BUSINESS CONDUCT AND ETHICS

At Lumentum, integrity is at the heart of our reputation for providing the highest-quality products and services and ensuring a fair and equitable workplace. Lumentum's Code of Business Conduct outlines the broad principles of legal and ethical business conduct embraced by the company as part of our commitment to integrity. Directors, employees, agents, and contractors are expected to conduct themselves in a manner that complies both with the letter and the spirit of the Code.

The global footprint of Lumentum and the breadth of our supply chain creates exposure to certain regulatory and compliance risks. Conducting business with uncompromising integrity means acting ethically and complying with applicable laws and regulations where we do business, and we expect all parties affiliated with Lumentum to do so as well. **100% of direct and indirect suppliers receive communication on anti-corruption policies and procedures.** Local laws and customs differ by country; thus, a global code

of conduct is critically important. The Code provides a summary of beliefs and behaviors fundamental to our success, principal among which is to act in a manner that reflects honesty, fairness, and integrity.

To ensure understanding of and compliance with applicable legal requirements and our standard of conduct, we engage in consistent communication with and training of our stakeholders. During new-hire orientation, our Code of Business Conduct is reviewed, and a signed acknowledgment is required. Thereafter, employees and governance body members receive additional annual training on the Code.

We provide multiple mechanisms for reporting concerns, including anonymous reporting. All stakeholders are encouraged to report suspected or actual violations of the Code, or of laws or government rules and regulations. To provide a description of a suspected violation, complaint, or concern, email [LumentumLegal@Lumentum.com](mailto:LumentumLegal@Lumentum.com), visit our EthicsPoint site, or access our Anonymous Reporting hotline.

*100% OF EMPLOYEES, GOVERNANCE BODY MEMBERS, AND SUPPLIERS RECEIVE ANTI-CORRUPTION POLICIES.*



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# ENVIRONMENT, HEALTH, AND SAFETY

We are constantly looking for ways to improve our Environment, Health, and Safety (EHS) program by increasing focus on prevention, early intervention, and risk mitigation. This year, our global sites developed programs that address mental health, emergency response, and risk identification. One of the primary initiatives in FY22 centered on building a system for capturing key data from each site and developing a set of global metrics for reporting information to the executive leadership and business unit teams.

We aim to strengthen our safety and environmental management systems and **we plan to expand the coverage of ISO 45001 and ISO 14001 certifications to all manufacturing sites by the end of FY24**. To kick off this process, in FY22 we conducted gap analysis, resulting in a roadmap for closing gaps

at targeted manufacturing locations to ensure 100% compliance. We are committed to creating and upholding a global standard to apply learnings across our global operations.

Throughout the COVID-19 pandemic, our sites have remained vigilant and committed to health and safety measures that safeguard our employees, customers, and associates. In North America and Europe, our workers are returning to Lumentum facilities as pandemic restrictions are being lifted in alignment with government guidelines. China still has in place a zero tolerance COVID-19 policy, which we monitor closely to manage our operations. Lumentum continues to provide proper personal protective equipment (PPE), testing, and contact tracing and encourages remote working where appropriate.

## HEALTH AND SAFETY MANAGEMENT SYSTEM

	FY22	FY21	FY20
Number of employees who are covered	6,221	4,869	4,906
- Percentage covered	100%	100%	100%
Number of all employees who are covered by a system that has been internally audited	6,221	4,869	4,906
- Percentage covered	100%	100%	100%
Number of employees who are covered by a system that has been audited or certified by an external party	3,312	1,991	1,759
- Percentage covered	53%	41%	36%
SAFETY	FY22	FY21	FY20
Near Miss Frequency Rate (NMFR)	0.58	1.69	2.08
Total Recordable Incident Rate (TRIR)	0.17	0.16	0.17
Hours worked	12,720,138	11,491,279	11,764,571

Note: Rates have been calculated based on 200,000 hours worked.



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### Risk Identification

There are many ways that risks are identified and mitigated at each site. These are a few of the outstanding efforts our teams have implemented.

#### *Navanakorn, Thailand*

**“Risk hunting” is performed during weekly inspections of specific areas: risks and near miss events are recorded and analyzed, and a corrective action plan is established.** The following month, the same team verifies that the corrective actions have been implemented and that the risks have been eliminated. This risk mitigation does not stop at the factory floor but instead extends to the entire facility.

Last year, during a risk hunting walk conducted outside the facility, the team identified areas of pedestrian and vehicle congestion that posed a risk to pedestrians. It required restructuring the outside area as well as integrating several improvements with an eye towards pedestrian safety. This year, those improvements were successfully implemented and included meaningful separation of pedestrian and vehicle traffic flows, installation of radar speed detectors, and additional lighting to the area to reduce potential risks.

#### *Caswell, UK*

**Health and Safety Forum members participate in safety observation tours and highlight areas for improvement in a monthly meeting.** Safety observations focus on housekeeping, visible hazards, risk assessments, first aid provisions, PPE checks, and COVID-19 protocol checks.

#### *San Jose, California, U.S.*

The EHS team works in conjunction with the engineering and operations teams to complete risk assessments prior to any process changes being implemented. **To ensure that this work is done proactively, the team participates in regular Change Control Board meetings.** The team reviews and conducts hazard assessments for any new or changed work instruction or procedure. All new equipment is inspected prior to installation, and all new chemicals are reviewed and approved prior to use.

### Mental Health and Well-being

Caswell and Paignton have introduced Mental Health First Aid Assistants. **The two-day UK-certified Mental Health First course enables individuals who complete the course to legally act as a first point of contact onsite to address and identify any staff mental health issues that may arise.** The mental health interventions are recorded in the health and safety database and are a leading indicator for proactive health and well-being improvements. The Mental Health First Aid Assistants meet monthly to debrief and discuss further health promotion initiatives and improvement actions.

### Emergency Response

Caswell’s emergency response training and procedures have been updated with improvements to the response plan concerning fire alarms and evacuations as well as hazardous gas alarms. Also included in the updates are new assembly points for staff and new master assembly points for the emergency response team.

Emergency response at our San Jose, California wafer fab layered hazardous materials emergency response onto existing medical and first aid response procedures. A cross-functional team completed 24 hours of Hazardous Waste Operations and Emergency Response (HAZWOPER) training. Enhancements to written emergency response plans and business continuity plans are underway in preparation for full implementation of the new emergency response team.



## Our Business

### CUSTOMER VALUE

Providing exceptional customer value is a key tenet at Lumentum. **We aim to deliver value and to delight our customers by pushing the boundaries when designing products and processes.**

Innovating our business processes through our robust Kaizen teams, Mega Kaizen events, and KPO office is one way in which we accomplish our mission. Other ways of delivering customer value include ensuring that our robust Quality Management System covers all our sites and fulfills the requirements of ISO 9001:2016, conducting frequent customer surveys, and fostering clear and frequent communication between sites.

### Quality Management System

We adhere to the TL 9000:2015 quality management standard for telecommunications products. One of the TL 9000 requirements is to have sustainability assessments in place. **Lumentum's sustainability program has been recognized during TL 9000 audits as one of the company's strengths**, with other strengths such as our zero-defect culture, metrics

reporting, and robust product development process also being noted by auditors.

This year our San Jose, California manufacturing site received TL 9000 certification, bringing the total number of sites that accommodate the design, development, and manufacturing of optical communication products to six.

QUALITY MANAGEMENT SYSTEM	FY22	FY21	FY20
Percentage ISO 9001 certified sites	100%	100%	100%
Percentage TL 9000 certified in-scope sites	100%	100%	100%

\*In scope are sites that provide design, manufacturing or management activities for telecom customers that require TL 9000 certification

### Customer Surveys

Lumentum conducts an annual global Customer Experience Survey with several strategic customers, as well as an online survey with a larger customer base. Survey topics include ease of doing business with us, our responsiveness, working as partners, our innovative technologies, and meeting customer delivery needs. In addition, we capture customer assessment of product quality and service.

**Account managers review survey results with their customers and implement action plans.** Our sales team provides updates to customers in semi-annual account reviews, and members of our Quality business department regularly meet with customers to better understand their experience. Our above-average survey response rate indicates that our customers recognize that we take feedback seriously and implement actions accordingly.

### Team Collaboration

Sites share best practices and information to continuously learn from each other. **When one site perfects a tool setup process, the resulting best practices are implemented at other sites that utilize identical tooling.**

It is not unusual for our fabrication sites to help each other and collaborate to solve problems, thereby ensuring continual cross-pollination of learning. When one of our three wafer factories began to use a new tool platform on one of its manufacturing lines this year and encountered implementation issues, it contacted the other wafer factories that were already using the tool platform. Engineers at the other two fabrication sites supplied troubleshooting support, then shipped necessary components to quickly bring the tool back into production. Due to the collaboration between sites, manufacturing disruption during the changeover in tooling platform was minimal and no contracts were negatively affected.

### FY22 CUSTOMER AWARDS

**BEST COMPREHENSIVE PERFORMANCE AWARD**  
- ZTE

**SUPPLY CHAIN EXCELLENCE AWARD**  
- FUJITSU

**EXCELLENT QUALITY AWARD**  
- O-NET COMMUNICATIONS

## Our Business

### PRODUCT SAFETY

Lumentum is committed to ensuring the health and safety of our customers and the people who use our products. A critical design requirement for all our products is product safety, and goals and objectives are specified at the business unit and functional engineering levels. The strategies employed to meet these goals and objectives are reviewed quarterly and reported to management.

Formal product development processes and product safety requirements address design, testing, and certification. Safety risks arising from the use of our products or components are evaluated within product development processes for all aspects of product safety, including any potential negative electromagnetic compatibility effects. We review 100% of product returns and in-field incidents to better capture and address any potential safety and health issues during product use.

**When required, an independent third-party certification body evaluates and certifies the safety of our products according to national and international product safety standards.** This certification is maintained and updated throughout the product lifecycle, including product modifications and changes in standards to retain compliance with the current requirements. Each certification body conducts periodic, unannounced factory inspections of our certified products and quality systems to ensure continued safety compliance as a condition of product certification.

Additionally, we self-declare CE compliance to applicable EU directives based upon the formal evaluation performed by the third-party certification body.



Lumentum employee tests ultrafast laser using safety goggles

PRODUCT SAFETY	FY22	FY21	FY20
Number of third-party audits or inspections	19	19	22
Number of audit or inspection failures	0	0	0

100% OF SIGNIFICANT PRODUCTS ARE ASSESSED FOR IMPROVEMENT OF HEALTH AND SAFETY IMPACTS

**ZERO PRODUCT RECALLS AND ZERO INCIDENTS OF NON-COMPLIANCE CONCERNING HEALTH, SAFETY, MARKETING, OR LABELING OF OUR PRODUCTS**

## Our Business

## DATA PRIVACY

At Lumentum, we respect and value data privacy. We believe it is our responsibility to protect the information and digital assets collected, created, processed and/or maintained by Lumentum and our stakeholders, including the personal information and data of our customers, consumers, and employees. We comply with all applicable global data privacy requirements.

The Data Privacy Committee is a functional team co-chaired by members of the Legal department, with participants appointed by various managers from functional areas and business units. The team reports to the General Counsel monthly and provides updates to the executive staff and the Board on a quarterly basis or as scheduled.

Data Privacy is part of our Code of Business Conduct training. **Additional training around data privacy regulations and handling sensitive data was implemented this year to educate employees as to what constitutes personal data and what each person can do to protect it.** Employees were required to complete the training through the Workday platform.



Our data privacy policies were audited by an external firm. A thorough gap analysis of documentation policies, compliance, laws, and regulations revealed that most gaps are based on implementation of the program that has been developed. We incorporated findings from the audit into updates to the Privacy Program document to include additional employee training, data breach notifications, and action plans. Updates to the document are reviewed and implemented on an ongoing basis.

We are in the process of developing internal documentation and manuals that acknowledge that privacy within each organization requires unique mechanisms for protection. The development of this “privacy by design” system is tailored to each business unit and supporting functional group, and will strengthen our ability to secure internal data from security breaches. The updated documentation and manuals will be completed in FY23.

## Our Business

### CYBERSECURITY

Our information system security is critical to Lumentum's business success. Information security impacts reputational and competitive aspects of our work and captures internal innovations through the protection of intellectual property. It also allows for daily collaboration across teams. A lapse in protection or an event that threatens our network could have a significant impact on our ability to conduct business.

Governed by the Audit Committee of the Board of Directors, cybersecurity is managed by the Chief Information Officer and the Vice President of Internal Audit. To keep our employees vigilant, we provide mandatory annual training and regularly send out test phishing campaigns. In October 2021, we hosted a Cyber Security Awareness month, supplementing regular education with weekly newsletters. If a stakeholder identifies information security concerns of any nature, our InfoSec Hotline is available for anonymous reporting.

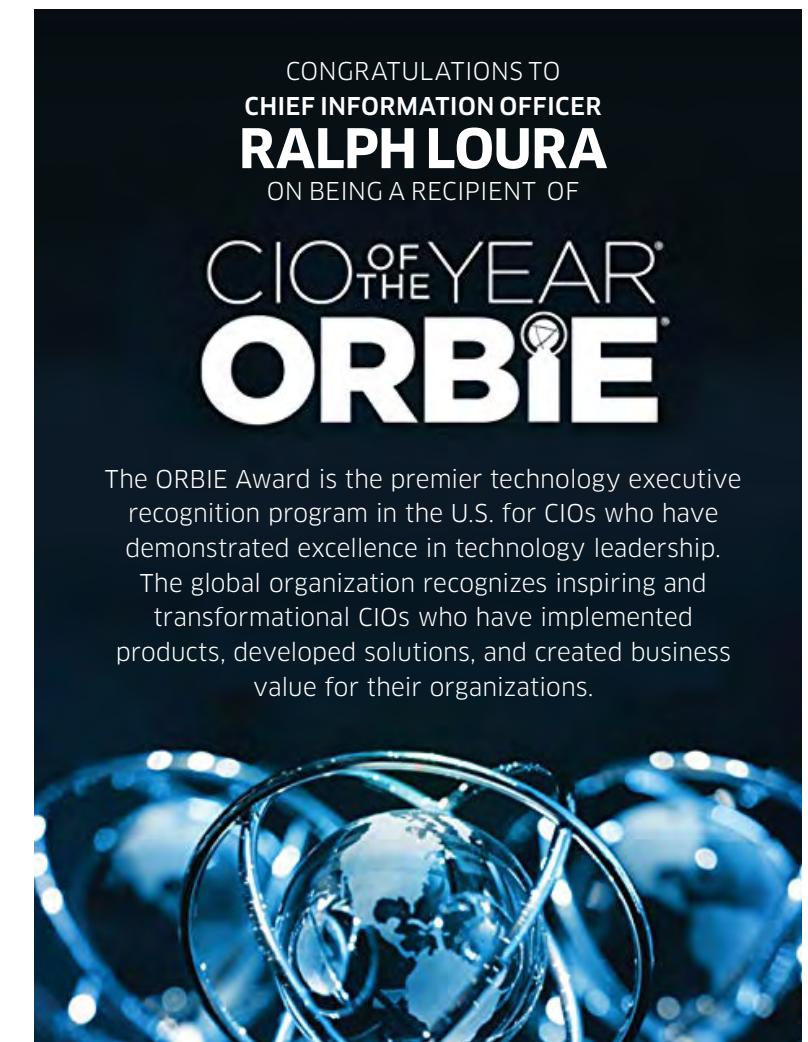
Our cybersecurity system aligns with ISO, NIST, and MITRE standards and frameworks, and we use those operational measures to monitor and respond to potential data breaches and cyberattacks. Our cybersecurity measures also include a general acceptable use policy, an information technology security policy, a breach and response plan, and a security incident response plan.

We regularly complete internal security audits, and we conduct monthly vulnerability assessments and penetration testing of Lumentum's systems, products, and practices. External assessments occur twice a year via penetration testing by a third party. Furthermore, this year, we implemented a data loss prevention tool. The tool is being finalized; we anticipate completion in early FY23.

Many cybersecurity metrics are tracked internally, such as phishing test campaigns, actual reported phishing attempts, number of vulnerabilities, and data breaches. **Lumentum recorded no complaints, leaks, losses of customer data, or data breaches this year.**

External vendors are expected to uphold our standard of practice and are required to complete a comprehensive security assessment when onboarding. Lumentum works with a third party to evaluate responses and ensure that external vendors meet the expected criteria.

**100% of employees complete annual cybersecurity training**



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# Supply Chain Responsibility



## Supply Chain Responsibility

# SUPPLY CHAIN

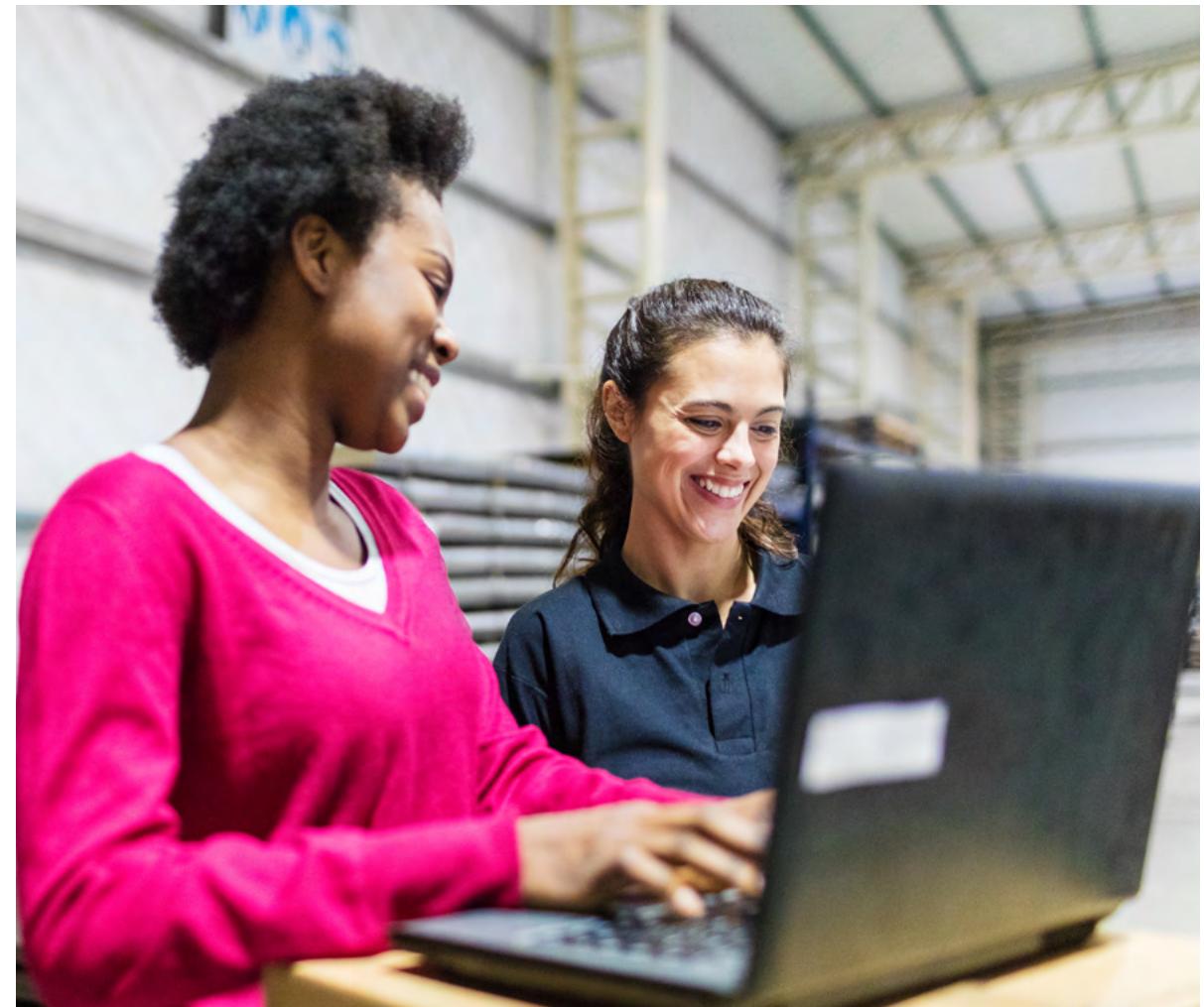
Lumentum is committed to conducting business with uncompromising integrity, protecting the environment, and preserving the welfare of our personnel, our business partners, and the public. **Our commitment requires ethical behavior and compliance with applicable laws and regulations of the countries in which we do business or where business is conducted on behalf of Lumentum and our subsidiaries.** Suppliers are required to sign the Supplier Code of Conduct upon onboarding; thereafter, suppliers are mandated to comply with both the letter and spirit of the Code.

We partner with our suppliers to identify and address potential areas of risk. Risks may include physical impacts of climate change, geopolitical impacts, or risks that threaten our suppliers' ability to conduct business. Additionally, third-party providers assist in assessing the risk within our supply base.

RapidRatings' Financial Health Rating evaluates supply chain resiliency through predictive analytics. Dataminr, a service powered by AI, monitors real time physical risks and supply chain disruptions, including natural disasters, geopolitical events, COVID updates and logistics information. We moved our business continuity planning assessment in-house in late FY22 to incorporate key concepts for best practices and better address risks specific to our business. Each of our critical

suppliers will need to complete an annual business continuity assessment, which will allow us to understand and mitigate risks within our supply chain. By leveraging information from a variety of sources, we improve Lumentum's and our suppliers' business continuity plans.

We have strengthened our internal supply chain training on CSR and product environmental compliance requirements. This year, the CSR team provided detailed training covering environmental compliance, RBA compliance, and specific CSR risks that are relevant to supply chain team members, such as forced labor, working hours and restricted chemicals. The training was provided to Global Commodity Managers, Buyers, Purchasing and Supplier Quality Engineers and was attended by more than 100 participants.



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## Supply Chain Responsibility

# RESPONSIBLE BUSINESS ALLIANCE

Lumentum is a proud member of the Responsible Business Alliance (RBA). **Lumentum fully supports the vision and mission of the RBA and the collaborative approach to improve working and environmental conditions across the supply chain.**

All active manufacturing sites have completed internal or external social responsibility audits. Starting in FY22, all sites are required to conduct an ethics audit by an internal audit team. All employees, including on-site contingent workers, are trained on the RBA Code of Conduct. **This year, we implemented an annual refresher training session for all employees and contingent workers, with a focus on recognizing forced labor and managing GHG emissions.** 100% of employees and contingent workers completed the training. The supply chain team completed an additional training on environmental compliance requirements for products.

We complete annual risk assessments of our supply chain using RBA's tools and approach. We evaluate our direct and indirect suppliers according to the RBA Code of Conduct, which covers five categories: labor; environment; health and safety; ethics; and the management systems that support these topic areas.

The first-level assessment includes an evaluation of our top 200 suppliers by spend and considers geographical locations, spend level, industry, and international indices from organizations such as UNICEF, the World Resources Institute, and the International Labor Organization.

The second-level assessment is based on a detailed Self-Assessment Questionnaire that evaluates suppliers' compliance with the RBA Code at their corporate and manufacturing sites. This assessment covers all major suppliers and any supplier that was rated high risk in the first-level assessment. We work with our suppliers on corrective actions for the areas identified as high risk. Next-tier suppliers are required to acknowledge, implement, and comply with all applicable labor, environmental, and health and safety laws and regulations, including the RBA Code of Conduct requirements.

Finally, we require key management staff of our contract manufacturers to complete RBA Code of Conduct training to ensure the RBA Code requirements are understood and implemented within their facilities. All contract manufacturers undergo third-party audits covering the full RBA Code of Conduct every two years to evaluate conformance. We work with contract manufacturers on corrective actions until closure and require third-party verification audits to confirm resolutions of any adverse findings.



**Responsible Business Alliance**  
Advancing Sustainability Globally

**100% OF OUR MANUFACTURING SITES COMPLETE AN ANNUAL RBA SELF-ASSESSMENT QUESTIONNAIRE, AND ALL HAVE BEEN RATED AS LOW RISK**

**100% OF OUR CONTRACT MANUFACTURERS COMPLETED AUDITS TO VERIFY COMPLIANCE WITH THE RBA CODE OF CONDUCT**

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## Supply Chain Responsibility RESTRICTED CHEMICALS

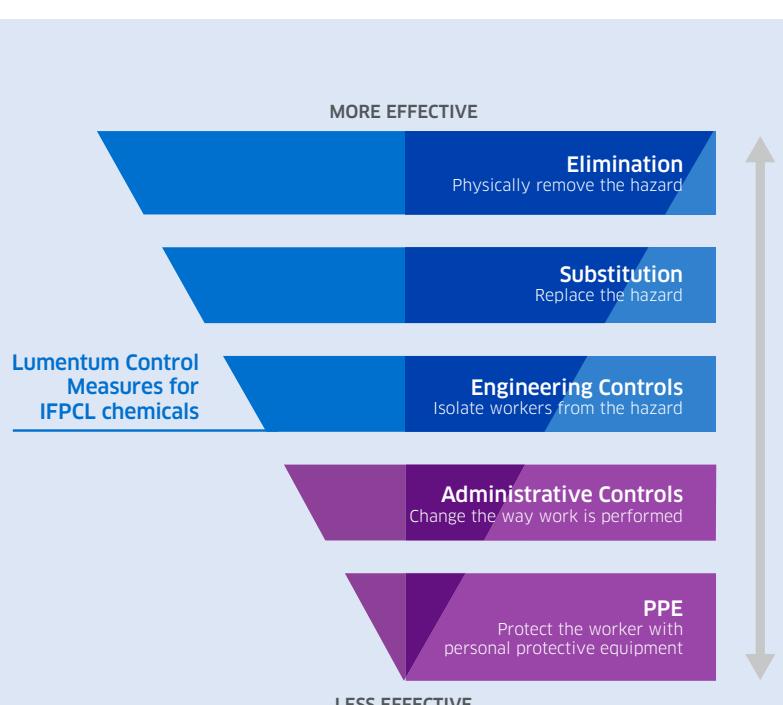
In April 2021, the RBA announced a new policy and approach to protect workers from exposure to hazardous process chemicals during manufacturing, using an Industry Focus Process Chemical List (IFPCL). In response, **Lumentum created a new policy to comply with the updated RBA guidance**. Five of the nine chemicals on the IFPCL were identified as in use

across our global sites. At all our manufacturing facilities we either substituted these substances or implemented engineering controls to isolate workers from the hazards according to the hierarchy of controls.

In accordance with RBA guidance, we implemented a hierarchy of controls: \*

1. Elimination, substitution, and/or reduction of the hazardous chemical.
2. If elimination or substitution of the chemical is not feasible, then the chemical hazards are to be controlled through proper design and engineering that isolates the worker from the hazards.
3. When chemical hazards cannot be adequately controlled by such means, workers are to be provided with administrative controls and appropriate, well-maintained, personal protective equipment free of charge.

*\*Lower levels of the hierarchy of controls are discouraged and should only be applied in temporary situations until such time as higher levels of the hierarchy of controls can be applied.*



## ENVIRONMENTAL ASSESSMENT

Suppliers must have EHS policies and processes in place to ensure safe and environmentally responsible operations, services, and management. This includes procedures and systems to identify, prevent, manage, and maintain emergency response plans and to track environmental and health and safety hazards.

Suppliers must also have EHS audit programs to periodically assess their prevention plans and measures, facilities, and operations for compliance and effectiveness. Lumentum expects suppliers to maintain compliant EHS systems and to provide a record of compliance with all applicable laws and regulations when conducting business.

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## Supply Chain Responsibility

# HUMAN RIGHTS

We are committed to upholding the human rights of workers and treating everyone with dignity and respect. **We enforce several policies to protect the rights of workers, and we recognize the primary human rights risks that may exist in our supply chain.** Lumentum works closely with suppliers on protecting workers' rights and expressly prohibits any form of child labor, forced labor, or human trafficking. We have reviewed our suppliers and found that in accordance with the U.S. Uyghur Forced Labor Prevention Act (UFLPA) that went into effect on June 21, 2022, no direct supplier operates in the Xinjiang Uyghur Autonomous Region (XUAR) in China. Additionally, we do not do business with any company listed by the U.S. Department of Homeland Security in the UFLPA Strategy to Prevent the Importation of Goods Mined, Produced, or Manufactured with Forced Labor in the People's Republic of China as an entity that uses forced labor. We have communicated with internal teams about new regulations related to forced labor and have drafted a survey to our direct suppliers to verify that their upstream suppliers are also in compliance with UFLPA.

Several documents outline and iterate our commitment to human rights, including our Corporate Social Responsibility Policy, Code of Business Conduct, and Supplier Code of Conduct. We are also committed to the Responsible Labor Initiative. In addition, we ensure transparency in our approach to removing modern slavery throughout our supply chain, consistent with obligations under the UK Modern Slavery Act (MSA 2015) and the California Transparency in Supply Chains Act (SB 657).

Lumentum has implemented practices to ensure that forced labor does not exist in our operations or our supply chain.



We pay all fees associated with recruitment and ongoing employment, and we prohibit suppliers, including subcontractors and labor or recruitment agencies, from charging workers, including migrant, temporary, or subcontracted workers, any fees, or deposits for employment.

All Lumentum sites require official government identity documents to verify age and right to work. Identity documents are used for verification purposes only and retained by the employee. Employment is at will, and each employee is provided an employment agreement with clearly defined terms and conditions. Suppliers are expected to follow these same requirements.

**Lumentum is an equal opportunity employer and does not tolerate harassment, intimidation, or discrimination of any kind.** If such cases should arise, employees are encouraged to communicate with their manager or Human Resources, or to

file a grievance through EthicsPoint, our anonymous hotline. All reports of suspected violations, concerns, or complaints are directed to the General Counsel. The information is promptly evaluated, and the appropriate actions are taken, including investigation, in accordance with applicable laws, rules, and regulations.

Finally, Lumentum maintains a rigorous audit program. Third-party organizations and our internal CSR team conduct regular audits of our global facilities. Audits include the requirement of freely chosen employment and zero child labor. The scope of these audits includes subcontracted labor and contingent workers. Company-wide training on the RBA Code includes human rights such as forced labor, child labor, and freedom of association. We deliver specialized trainings to our supply chain staff and global talent acquisition teams addressing human rights risks.

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## Supply Chain Responsibility CONFLICT MINERALS

Lumentum is committed to sourcing components and materials from companies that respect human rights, act with integrity, and promote environmental responsibility.

Lumentum complies with the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as the applicable requirements of Section 1502 of the Dodd-Frank Act.

**As a member of the Responsible Minerals Initiative, we require all our suppliers to source tin, tantalum, tungsten, and gold from smelters conformant with the Responsible Minerals Assurance Process (RMAP) assessment protocols.**

Lumentum has a dedicated team to manage and review our conflict minerals program work. We engage a third party to collect data from suppliers and review smelter information. More than 90% of surveyed suppliers respond to our annual

reasonable country of origin inquiry with a completed Conflict Minerals Reporting Template.

We have one supplier, a single source used for a legacy product, reporting multiple high-risk smelters (smelters that source from the covered countries and are not currently RMAP conformant) for the fourth consecutive year. The supplier has been added to our restricted supplier list and we no longer source new components from this supplier. Our supply chain team is investigating appropriate ways of discontinuing sourcing from this supplier.

Although the percentage of RMAP conformant or active smelters or refiners (SORs) dropped in calendar year 2021 (CY21), the number of RMAP conformant or active SORs in Lumentum's supply chain for CY21 slightly increased from the previous reporting year. Because of the pandemic and global supply chain disruptions, there were 257 SORs in CY21

versus 253 SORs in CY20. Finally, 2.5% of conflict mineral smelters in CY21 were high-risk smelters.

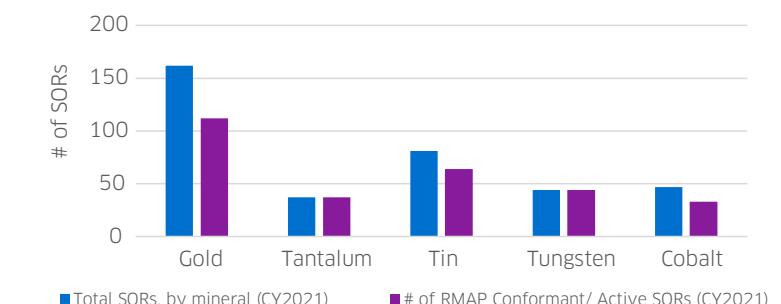
Since CY20, Lumentum has been tracking cobalt sourcing in its supply chain, following the same process of supplier inquiry as is used for conflict minerals, due to concerns over the social and environmental impacts of cobalt extraction, which include child labor and unsafe working conditions in artisanal cobalt mining. In CY21, 71% of in-scope suppliers provided completed Cobalt Reporting Templates; 70% of cobalt SORs reported by our suppliers were RMAP conformant or active.

In CY21, we reviewed selected products for sourcing of mica and expanded our mica inquiry and reporting to all products in scope in CY22. We will follow the same process of supplier inquiry as we use for conflict minerals and cobalt sourcing.

METALS	TOTAL SORS (CY21)	# OF RMAP CONFORMANT/ ACTIVE SORS (CY21)	TOTAL SORS (CY20)	# OF RMAP CONFORMANT/ ACTIVE SORS (CY20)	TOTAL SORS (CY19)	# OF RMAP CONFORMANT/ ACTIVE SORS (CY19)
Gold	162	112	154	110	157	107
Tantalum	37	37	37	37	39	39
Tin	81	64	73	60	58	48
Tungsten	44	44	44	43	47	45
<b>Total</b>	<b>324</b>	<b>257</b>	<b>308</b>	<b>250</b>	<b>301</b>	<b>239</b>

SORs: Smelters or refiners

### SMELTERS OR REFINERS (SORs) IN OUR SUPPLY CHAIN BY MINERAL (CY21)



■ Total SORs, by mineral (CY2021)

■ # of RMAP Conformant/ Active SORS (CY2021)

## Supply Chain Responsibility

# MATERIALS

Lumentum is committed to complying with every obligation under applicable product environmental laws and regulations, inclusive of EU Directive 2011/65/EC (RoHS), Directive 2012/19/EC (WEEE), and Regulation 1907/2006/EC (REACH).

**Our suppliers are required to complete our Compliance Data Form for material composition and to disclose any regulated substances present in parts and materials purchased by Lumentum.** Compliance with substance restrictions is required for component qualification and release to manufacturing and is reviewed against new substance requirements until product discontinuance.

In FY22, we continued to engage with suppliers to verify potential use of phenol, isopropylated phosphate (3:1) (PIP 3:1) and pentachlorothiophenol (PCTP), which are restricted in articles under the U.S. Toxic Substance Control Act (TSCA). We identified five components containing PIP 3:1 and worked with our suppliers to complete a transition to PIP-free material. **All new products comply with the new TSCA restriction more than two years before the substance ban takes effect in October 2024.**

We monitor technical progress and work closely with our suppliers to proactively reduce the use of hazardous substances in our products. In FY22, we initiated projects to phase out the use of flame retardants and a plasticizer that are not yet regulated: Dechlorane Plus (DP), tetrabromobisphenol A (TBBP-A), and medium-chain chlorinated paraffins (MCCP). We regularly evaluate our products against declarable substances included in the International Electrotechnical Commission (IEC) 62474 standard.

In FY22, 54% of revenue came from products that contain IEC 62474 declarable substances, down from 55% of revenue received in FY21. A vast majority of these products contain lead, which is covered by RoHS exemptions.



In FY22, PIP 3:1 was eliminated from all new Lumentum products.



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## Planet

ENERGY (MWH)	FY22	FY21*	FY20
<b>Total energy consumption</b>	<b>146,076</b>	<b>148,730</b>	<b>148,048</b>
Total fuel consumption	25,290	35,443	26,065
Natural gas	25,278	35,431	26,053
Diesel	11	11	12
Total electricity consumption	120,787	113,288	121,983
Self-generated electricity	50	0	0
- Electricity purchased from the grid (%)	99%	100%	100%
<b>Energy consumption from renewable sources</b>	<b>9%</b>	<b>1%</b>	<b>0</b>
<b>Energy intensity (MWh/\$MM)</b>	<b>85</b>	<b>85</b>	<b>88</b>
Revenue (\$MM)	1,712.6	1,742.8	1,678.6

\*FY21 figures have been restated following external verification.

Note: Totals may not sum due to rounding.

EMISSIONS (MT CO2E)	FY22	FY21*	FY20
<b>Total GHG emissions</b>	<b>97,950</b>	<b>94,786</b>	<b>109,333</b>
Scope 1 GHG emissions	5,615	7,857	5,698
Scope 2 location-based GHG emissions	48,629	44,047	46,651
Scope 2 market-based GHG emissions	48,013	43,810	45,168
Scope 3 GHG emissions	44,323	43,118	58,467
Purchased goods & services	26,298	31,249	45,034
Fuel- & energy-related activities	17,746	11,868	12,183
Business travel	279	0	1,250
<b>GHG emissions intensity (MT CO2e/\$MM)</b>	<b>57.2</b>	<b>54.4</b>	<b>65.1</b>

\*FY21 figures have been restated following external verification.

Note: Totals may not sum due to rounding.

WATER WITHDRAWAL (ML)	FY22		FY21*		FY20 *	
	All Areas	Water Stressed	All Areas	Water Stressed	All Areas	Water Stressed
	439	284	444	249	520	260

\* Water data from FY20 and FY21 has been restated. We expanded reporting of water withdrawal from the previous boundary of sites larger than 50,000 sf to now include all sites. We will continue to report water withdrawal from all sites going forward. Water consumption and water discharge has been omitted as we work to improve data quality.

WASTE (MT)*	FY22	FY21	FY20
<b>Total weight of waste generated</b>	<b>1,449</b>	<b>1,212</b>	<b>1,400</b>
<b>Diversion rate</b>	<b>63%</b>	<b>57%</b>	<b>54%</b>
Hazardous	424*	339	380
Diverted	151*	19	29
Disposed	273	319	351
Non-hazardous	1,022	874	1,020
Diverted	768	676	721
Disposed	254	198	299

\* Change in reporting methodology. Treated hazardous waste was previously captured as disposed and was reclassified as diverted in FY22. Prior year data has not been updated.

Note: Waste data is reported for all global manufacturing facilities and facilities over 50,000 square feet and/or with over 100 headcount. Totals may not sum due to rounding.

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## People

INFORMATION ON EMPLOYEES AND OTHER WORKERS	FY22	FY21	FY20
<b>Total number of employees</b>	<b>7,378</b>	<b>6,056</b>	<b>5,859</b>
<b>Total number of permanent employees</b>	<b>6,718</b>	<b>5,426</b>	<b>5,306</b>
Female	3,721	2,695	2,593
Male	2,997	2,731	2,713
APAC	5,035	3,721	3,552
EMEA	625	601	491
AMER	1,058	1,104	1,263
<b>Total number of temporary employees</b>	<b>660</b>	<b>630</b>	<b>553</b>
% of temporary employees	8.9%	10.4%	9.4%
Female	88	94	93
Male	144	181	203
Not Disclosed	428	355	257
APAC	369	327	235
EMEA	63	66	51
AMER	228	237	267
<b>Total number of full-time employees</b>	<b>6,693</b>	<b>5,402</b>	<b>5,281</b>
Female	3,705	2,681	2,580
Male	2,988	2,721	2,701
<b>Total number of part-time employees</b>	<b>25</b>	<b>24</b>	<b>25</b>
Female	16	14	13
Male	9	10	12
<b>Percentage that are foreign nationals</b>	<b>1.8%</b>	<b>2.4%</b>	<b>3.3%</b>
<b>Percentage that are located offshore</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

EMPLOYMENT	FY22	FY21	FY20
<b>Total number of new employee hires</b>	<b>2,686</b>	<b>1,280</b>	<b>1,829</b>
<30 years old	1,325	556	808
30-50 years old	1,300	663	956
>50 years old	60	61	65
Age Not Disclosed	1	-	-
Female	1,760	670	925
Male	925	610	893
Not Disclosed	1	-	-
APAC	2,409	973	1,542
EMEA	128	175	129
AMER	149	132	158
<b>Total employee turnover</b>	<b>1,397</b>	<b>1,174</b>	<b>1,479</b>
Voluntary turnover	1,296	923	1,231
Involuntary turnover	101	251	248
<30 years old	550	407	652
30-50 years old	733	566	691
>50 years old	113	201	136
Age Not Disclosed	1	-	-
Female	737	574	675
Male	659	600	793
Not Disclosed	1	-	11
APAC	1,096	809	1,147
EMEA	107	67	170
AMER	194	298	162

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# ESG KPI DATA SUMMARY

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DIVERSITY & EQUAL OPPORTUNITY	FY22	FY21	FY20
<b>Number of employees in management roles</b>	<b>731</b>	<b>690</b>	<b>631</b>
Female	213	186	163
Male	518	504	468
<30 years old	6	7	6
30-50 years old	464	421	395
>50 years old	261	262	230
Diverse employees (U.S. only)	23	19	18
<b>Number of employees in technical roles</b>	<b>1,065*</b>	<b>1,879</b>	<b>1,886</b>
Female	242	481	506
Male	823	1,398	1,380
<30 years old	122	234	181
30-50 years old	660	1,154	1,140
>50 years old	283	491	565
Diverse employees (U.S. only)	11	41	53
<b>Number of all other employees</b>	<b>5,653</b>	<b>3,547</b>	<b>3,420</b>
Female	3,479	2,214	2,087
Male	2,174	1,333	1,333
<30 years old	1,648	1,082	1,161
30-50 years old	3,464	2,113	1,942
>50 years old	541	352	317
Diverse employees (U.S. only)	74	51	42

Note: Lumentum identifies diverse employees as those who are underrepresented minorities - Black/African American; Hispanic or Latinx; Native Hawaiian or other Pacific Islander; American Indian or Alaskan Native; two or more races.

\*In FY22 Lumentum changed the methodology used to track number of employees in technical roles.

TRAINING & EDUCATION	FY22	FY21	FY20
<b>Total hours of training undertaken</b>	<b>102,186</b>	<b>68,132</b>	<b>43,565</b>
Average hours of training per employee	13.8	11.3	7.4
<b>Employee reviews</b>			
Percentage of employees receiving regular performance reviews	100%	100%	100%
Percentage of employees receiving regular career development reviews	100%	100%	100%

Note: Training is conducted across business functions and tracked locally. We believe the reported value is well below actual hours and we are working on increasing our data tracking mechanisms for reporting.

HEALTH AND SAFETY-RELATED INJURIES	FY22	FY21	FY20
Near miss frequency rate	0.58	1.69	2.08
Number of recordable work-related injuries	11	9	10
Rate	0.17	0.16	0.17
Number of high-consequence work-related injuries	0	0	0
Rate	0	0	0
Number of fatalities as a result of work-related injuries	0	0	0
Rate	0	0	0
Number of hours worked	12,720,138	11,491,279	11,764,571

Note: Data covers employee cases only. Rates have been calculated based on 200,000 hours worked.

ANTI-CORRUPTION AND ANTI-COMPETITIVE BEHAVIOR	FY22	FY21	FY21
<b>Percentage receiving communication on anti-corruption policies and procedures</b>			
Governance body members	100%	100%	100%
Employees	100%	100%	100%
<b>Percentage trained on anti-corruption policies and procedures</b>			
Governance body members	100%**	100%	*
Employees	100%**	100%	77%
<b>Percentage of suppliers receiving communication on anti-corruption policies and procedures</b>			
Direct suppliers	100%	35%	N/R
Indirect suppliers	100%	94%	N/R
<b>Total number of confirmed incidents of corruption</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Legal actions for anti-competitive behavior</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*Training previously occurred biennially. N/R - Not previously tracked.

\*\*Training initiated in FY22 but completion for some governance body members and employees occurred in early FY23.

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	<b>DISCLOSURE NO.</b>	<b>DISCLOSURE DESCRIPTION</b>	<b>DIRECT RESPONSE OR REPORT LOCATION</b>		<b>DISCLOSURE NO.</b>	<b>DISCLOSURE DESCRIPTION</b>	<b>DIRECT RESPONSE OR REPORT LOCATION</b>
WELCOME	102-1	Name of the organization	Lumentum Holdings, Inc.		102-13	Membership of associations	The Responsible Business Alliance (RBA) - The Responsible Labor Initiative (RLI) - The Responsible Minerals Initiative (RMI) The Automotive Industry Action Group (AIAG) The Silicon Valley Leadership Group (SVLG)
FY22 HIGHLIGHTS	102-2	Activities, brands, products, and services	About Lumentum, page 6.		102-14	Statement from senior decision-maker	A Message from the Board, page 3. A Message from the CEO, page 4.
ABOUT LUMENTUM	102-3	Location of headquarters	San Jose, California, USA.		102-16	Values, principles, standards, and norms of behavior	Vision, page 8. Guiding Principles, page 8.
PLANET: LIGHTER IMPACT	102-4	Location of operations	About Lumentum, page 6.		102-18	Governance structure	CSR Governance, page 9
PEOPLE: POSITIVE IMPACT	102-5	Ownership and legal form	Lumentum is publicly listed and traded on the NASDAQ Stock Market.		102-40	List of stakeholder groups	Stakeholder Engagement & Materiality, page 10.
INNOVATION: BREAKTHROUGH IMPACT	102-6	Markets served	About Lumentum, page 6. FY22 Form 10-K, pages 2-4.		102-41	Collective bargaining agreements	Lumentum supports employees' rights to collective bargaining. All employees in Italy and Slovenia, representing 1.9% of all Lumentum employees, are covered by national collective bargaining agreements..
OUR BUSINESS	102-7	Scale of the organization	About Lumentum, page 6. ESG KPI Data Summary, page 51.		102-42	Identifying and selecting stakeholders	Stakeholder Engagement & Materiality, page 10.
SUPPLY CHAIN RESPONSIBILITY	102-8	Information on employees and other workers	People, page 20. ESG KPI Data Summary, page 51.		102-43	Approach to stakeholder engagement	Stakeholder Engagement & Materiality, page 10.
ESG DATA SUMMARY	102-9	Supply chain	Supply Chain Responsibility, page 45.		102-44	Key topics and concerns raised	Stakeholder Engagement & Materiality, page 10.
<b>GRI/SASB/SDG INDICES</b>	102-10	Significant changes to the organization and its supply chain	No significant changes occurred in our supply chain during the reporting year.		102-45	Entities included in the consolidated financial statements	FY22 Form 10-K, pages 133-134.
VERIFICATION STATEMENT	102-11	Precautionary Principle or approach	Planet, page 11.		102-46	Defining report content and topic Boundaries	Stakeholder Engagement & Materiality, page 10.
	102-12	External initiatives	The United Nations Sustainable Development Goals The Global Reporting Initiative (GRI) Sustainability Reporting Standards CDP Climate Change and Water Security Questionnaires The Sustainability Accounting Standards Board (SASB) Standards The United National Universal Declaration of Human Rights The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work The International Organization for Standardization (ISO) CEO Action for Diversity & Inclusion Science Based Targets initiative		102-47	List of material topics	Stakeholder Engagement & Materiality, page 10.
					102-48	Restatements of information	This is our second report. Some restatements have been made to environmental data, with notation, as we work to improve data collection methods.
					102-49	Changes in reporting	There have been no significant changes in reporting.
					102-50	Reporting period	July 4, 2021 - July 2, 2022

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102-51	Date of most recent report	This is the second report prepared by Lumentum.
102-52	Reporting cycle	Annual.
102-53	Contact point for questions regarding the report	<a href="mailto:CorporateSocialResponsibility@Lumentum.com">CorporateSocialResponsibility@Lumentum.com</a>
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI Content Index	GRI Content Index, page 54.
102-56	External assurance	Verification Statement, page 61. We have not sought external assurance of this report, however, certain environmental metrics have been verified by an independent third-party.
<b>201 Economic Performance</b>		
103	Management approach	Supply Chain Responsibility, page 45. Impact on Climate, page 13. Lumentum supports economic development through the economic value that is generated and distributed to employees, contractors, suppliers, and taxes paid to governments.
201-1	Direct economic value generated and distributed	Supply Chain Responsibility, page 45. FY22 Form 10-K, pages 52.
201-2	Financial implications and other risks and opportunities due to climate change	Impact on Climate, page 13.
<b>205 Anti-corruption</b>		
103	Management approach	Business Conduct and Ethics, page 37.
205-1	Operations assessed for risks related to corruption	Business Conduct and Ethics, page 37.
205-2	Communication and training about anti-corruption policies and procedures	Business Conduct and Ethics, page 37.

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205-3	Confirmed incidents of corruption and actions taken	Business Conduct and Ethics, page 37.
<b>206 Anti-competitive Behaviors</b>		
103	Management approach	Business Conduct and Ethics, page 37.
Business Conduct and Ethics, page 10.206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Conduct and Ethics, page 37.
<b>301 Materials</b>		
103	Management approach	Materials, page 50.
<b>302 Energy</b>		
103	Management approach	Impact on Climate, page 13.
302-1	Energy consumption within the organization	Impact on Climate, page 13.
302-3	Energy intensity	Impact on Climate, page 13.
<b>303 Water</b>		
103	Management approach	Water and Effluents, page 15. Water data is reported for all global manufacturing facilities and facilities over 50,000 square feet and/or with over 100 headcount.
303-1	Interactions with water as a shared resource	Water and Effluents, page 15.
303-2	Management of water discharge-related impacts	Water and Effluents, page 15.
303-3	Water withdrawal by source	Water and Effluents, page 15.
303-4	Water discharged	Water and Effluents, page 15.
303-5	Water consumption	Water and Effluents, page 15.

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### 305 Emissions

103	Management approach	Impact on Climate, page 13.
305-1	Direct (Scope 1) GHG emissions	ESG KPI Data Summary, page 51.
305-2	Energy indirect (Scope 2) GHG emissions	ESG KPI Data Summary, page 51.
305-3	Other indirect (Scope 3) GHG emissions	ESG KPI Data Summary, page 51.
305-4	GHG emissions intensity	ESG KPI Data Summary, page 51.

### 306 Waste

103	Management approach	Waste, page 15. Waste data is reported for all global manufacturing facilities and facilities over 50,000 square feet and/or with over 100 headcount.
306-1	Waste generation and significant waste-related impacts	Water and Effluents, page 15.
306-2	Management of waste-related impacts	Water and Effluents, page 15.
306-3	Waste generated	ESG KPI Data Summary, page 51.
306-4	Waste diverted from disposal	ESG KPI Data Summary, page 51.
306-5	Waste directed to disposal	ESG KPI Data Summary, page 51.

### 307 Environmental Compliance

307-1	Non-compliance with environmental laws and regulations	Lumentum received zero significant fines, non-monetary sanctions, and cases regarding environmental compliance.
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### 401 Employment

103	Management approach	Talent Management, page 24.
401-1	New employee hires and employee turnover	Talent Management, page 24. ESG KPI Data Summary, page 51.

## DISCLOSURE NO.

## DISCLOSURE DESCRIPTION

## DIRECT RESPONSE OR REPORT LOCATION

### 403 Occupational Health and Safety

103	Management approach	Environment, Health and Safety, page 38. Occupational Health and Safety data is reported for all global manufacturing facilities and facilities over 50,000 square feet and/or with over 100 headcount.
403-1	Occupational health and safety management system	Environment, Health and Safety, page 38.
403-2	Hazard identification, risk assessment, and incident investigation	Environment, Health and Safety, page 38.
403-3	Occupational health services	Environment, Health and Safety, page 38.
403-4	Worker participation, consultation, and communication on occupational health and safety	Environment, Health and Safety, page 38.
403-5	Worker training on occupational health and safety	Environment, Health and Safety, page 38.
403-6	Promotion of worker health	Environment, Health and Safety, page 38.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Environment, Health and Safety, page 38.
403-8	Workers covered by an occupational health and safety management system	Environment, Health and Safety, page 38.
403-9	Work-related injuries	Environment, Health and Safety, page 38. ESG KPI Data Summary, page 51.

### 404 Training and Education

103	Management approach	Talent Management, page 24.
404-1	Average hours of training per year per employee	Talent Management, page 24. ESG KPI Data Summary, page 51.
404-3	Percentage of employees receiving regular performance and career development reviews	Talent Management, page 24.

## GRI CONTENT INDEX

WELCOME

FY22 HIGHLIGHTS

ABOUT LUMENTUM

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LIGHTER IMPACT

PEOPLE:  
POSITIVE IMPACT

INNOVATION:  
BREAKTHROUGH IMPACT

OUR BUSINESS

SUPPLY CHAIN RESPONSIBILITY

ESG DATA SUMMARY

**GRI/SASB/SDG INDICES**

VERIFICATION STATEMENT

DISCLOSURE NO.	DISCLOSURE DESCRIPTION	DIRECT RESPONSE OR REPORT LOCATION			DISCLOSURE NO.	DISCLOSURE DESCRIPTION	DIRECT RESPONSE OR REPORT LOCATION			
<b>405 Diversity and Equal Opportunity</b>										
103	Management approach	Diversity, Inclusion, and Belonging, page 20.								
405-1	Diversity of governance bodies and employees	Diversity, Inclusion, and Belonging, page 20. ESG KPI Data Summary, page 51.								
<b>406 Non-discrimination</b>										
406-1	Incidents of discrimination and corrective actions taken	<b>Non-discrimination</b>	<b>FY22</b>	<b>FY21</b>	<b>FY20</b>	Operations in which human rights may be at risk	<b>Child labor (by country)</b>			
		Total number of incidents	2	0	1		Company operations	0	0	
		<b>Incident status</b>					Supplier operations	0 countries	1 country	
		Reviewed	9	1	2		Company operations	0	0	
		Remediation developed	2	1	1		Supplier operations	4 countries	7 countries	
		Remediation implemented	2	0	1					
		Closed	9	1	2					
		<b>407 Freedom of Association</b>								
		<b>408 Child Labor</b>								
		<b>409 Forced Labor</b>								
407-1 408-1 409-1	Operations in which human rights may be at risk	<b>Human rights</b>	<b>FY22</b>	<b>FY21</b>	<b>FY19</b>		<b>Forced or compulsory labor (by country)</b>			
		<b>Freedom of association and collective bargaining (by country)</b>								
		Company operations	0	0	0		Company operations	0	0	
		Supplier operations	13 countries	11 countries	11 countries		Supplier operations	4 countries	7 countries	

We follow RBA's risk assessment model to evaluate risk in our supply chain. We first evaluate our Top 200 suppliers by spend from a country-level perspective, and secondly, at the facility level. All our major suppliers, and any high-risk suppliers from the country-level assessment, must complete the RBA self-assessment questionnaire for each facility supplying to Lumentum.

### 415 Public Policy

415-1	Political contributions	Lumentum does not provide financial or in-kind political contributions.
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### 416 Customer Health and Safety

416-1	Incidents of non-compliance concerning the health and safety impacts of products and services	Lumentum received zero substantiated complaints or losses of customer data.
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## GRI CONTENT INDEX

	DISCLOSURE NO.	DISCLOSURE DESCRIPTION	COMMENT/RESPONSE
<b>417 Marketing and Labeling</b>			
WELCOME	417-2	Incidents of non-compliance concerning product and service information and labeling	Lumentum recorded zero incidents of non-compliance.
FY22 HIGHLIGHTS	417-3	Incidents of non-compliance concerning marketing communications	Lumentum recorded zero incidents of non-compliance.
ABOUT LUMENTUM			
PLANET: LIGHTER IMPACT	<b>418 Customer Privacy</b>		
PEOPLE: POSITIVE IMPACT	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Lumentum received zero substantiated complaints or losses of customer data.
INNOVATION: BREAKTHROUGH IMPACT	<b>419 Socioeconomic Compliance</b>		
OUR BUSINESS	419-1	Non-compliance with laws and regulations in the social and economic area	Lumentum received zero fines, non-monetary sanctions, and cases regarding socioeconomic compliance.
SUPPLY CHAIN RESPONSIBILITY	<b>N/A Product Quality &amp; Innovation</b>		
ESG DATA SUMMARY	103	Management approach	Innovation, page 30. Spotlight on Quality: Building a Kaizen Culture, page 31.
<b>GRI / SASB / SDG INDICES</b>	N/A	Number of 3rd party audits or inspections	Innovation, page 30.
VERIFICATION STATEMENT	N/A	Number of ISO 14001 certified sites	Planet: Lighter Impact, page 11.
	N/A	Kaizen projects and benefits	Spotlight on Quality: Building a Kaizen Culture, page 31.
	N/A	Kaizen events and participation	Spotlight on Quality: Building a Kaizen Culture, page 31.

# SASB INDEX

WELCOME

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ABOUT LUMENTUM

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**GRI/SASB/SDG INDICES**

VERIFICATION STATEMENT

DISCLOSURE NO.	DISCLOSURE DESCRIPTION	DIRECT RESPONSE OR LOCATION IN REPORT			DISCLOSURE NO.	DISCLOSURE DESCRIPTION	DIRECT RESPONSE OR LOCATION IN REPORT														
Quantitative Metric	Area of manufacturing facilities	FY21 Form 10-K, page 41.			SC/EE - 150a.1	Amount of hazardous waste generated, percentage recycled	ESG KPI Data Summary, page 51.														
Quantitative Metric	Number of employees	ESG KPI Data Summary, page 51.			EE - 150a.2	Number and aggregate quantity of reportable spills, quantity recovered	0 recordable spills.														
EE - 510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Business Conduct and Ethics, page 38.			HW - 430a.1	Supplier social & environmental assessment Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities Percentage audited Percentage of high-risk facilities audited All of our Contract Manufacturers (CM) are required to complete an RBA audit every two years. Our CMs represent close to 80% of direct spend.	FY22 3 60% NA	FY21 1 20% NA	FY20 5 83% NA												
EE - 510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	\$0 monetary losses.																			
SC/EE - 510a.3	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	\$0 monetary losses.																			
HW/SC/EE - 410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	<table border="1"> <thead> <tr> <th>Materials</th> <th>FY22</th> <th>FY21</th> <th>FY20</th> </tr> </thead> <tbody> <tr> <td>Total revenue of products that contain IEC 62474 declarable substances</td> <td>54%</td> <td>55%</td> <td>61%</td> </tr> <tr> <td>Revenue from products with declarable substances other than covered by RoHS exemptions</td> <td>4.5%</td> <td>4.9%</td> <td>5.2%</td> </tr> </tbody> </table>	Materials	FY22						FY21	FY20	Total revenue of products that contain IEC 62474 declarable substances	54%	55%	61%	Revenue from products with declarable substances other than covered by RoHS exemptions	4.5%	4.9%	5.2%		
Materials	FY22	FY21	FY20																		
Total revenue of products that contain IEC 62474 declarable substances	54%	55%	61%																		
Revenue from products with declarable substances other than covered by RoHS exemptions	4.5%	4.9%	5.2%																		
HW/SC/EE - 440a.1	Description of the management of risks associated with the use of critical materials	Materials, page 51.																			
HW - 410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Omitted.			HW - 430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Omitted.														
SC/EE - 130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Impact on Climate, page 13. ESG KPI Data Summary, page 51.			SC - 330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	ESG KPI Data Summary, page 51.														
SC - 140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	ESG KPI Data Summary, page 51.			SC - 320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Occupational Health and Safety, page 39.														
SC - 110a.1	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	Impact on Climate, page 13. ESG KPI Data Summary, page 51.			SC - 320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	\$0 monetary losses.														
SC - 110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Impact on Climate, page 13.			HW - 330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Diversity, Inclusion, and Belonging, page 20. ESG KPI Data Summary, page 51.														
					EE - 250a.1	Number of recalls issued, total units recalled	0 recalls.														
					EE - 250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	\$0 monetary losses.														

# UN SUSTAINABLE DEVELOPMENT GOAL INDEX

	GOAL (TARGETS)	INDICATOR	LUMENTUM'S CONTRIBUTION	LUMENTUM TOPIC
WELCOME	 5 Gender Equality (5.1, 5.5)	5.1.1 Non-discrimination 5.5.2 Proportion of women in managerial positions	<ul style="list-style-type: none"> <li>Assessing gender pay gaps as standard practice in its compensation program and making pay adjustments.</li> <li>Setting specific goals to promote women to senior leadership position and for early career hires.</li> <li>Promoting advancement opportunities through mentorship and employee resource groups.</li> </ul>	Talent Management Diversity, Inclusion, and Belonging
FY22 HIGHLIGHTS	 7 Affordable and Clean Energy (7.2, 7.3)	7.2.1 Renewable energy share 7.3.1 Energy intensity	<ul style="list-style-type: none"> <li>All North American and European sites use 100% renewable electricity.</li> <li>Developing products and technologies to increase power efficiencies and expand broadband coverage throughout the world along with solutions to reduce energy consumption in data centers.</li> <li>Installed solar panels at one site for on-site energy generation and developed plans for installation of solar panels at two other sites.</li> </ul>	Impact on Climate
ABOUT LUMENTUM	 8 Decent Work and Economic Growth (8.1, 8.4, 8.5, 8.8)	8.1.1 Annual growth rate of real GDP per capita 8.4.1 Material footprint 8.5.1 Average hourly earnings of employees 8.8.1 Occupational injuries 8.8.2 Compliance with labor rights	<ul style="list-style-type: none"> <li>Ensuring compliance of products with regulations restricting use of certain substances including conflict minerals, and decreasing the use of hazardous substances.</li> <li>Adhering to our own health and safety policy involving safety training and compliance procedures.</li> <li>Monitoring compliance with all workplace health and safety and labor rights laws and regulations within our operations and supply chain.</li> </ul>	Economic Performance Materials and Waste Health and Safety Human Rights
PLANET: LIGHTER IMPACT				
PEOPLE: POSITIVE IMPACT				
INNOVATION: BREAKTHROUGH IMPACT	 9 Industry, Innovation, and Infrastructure (9.2, 9.5)	9.2.1 Manufacturing value added 9.2.2 Manufacturing employment 9.5.1 Research and development expenditure	<ul style="list-style-type: none"> <li>Operating manufacturing facilities and engaging with contract manufacturing in various parts of the world.</li> <li>Conducting research and development at various design sites in a variety of locations around the globe.</li> </ul>	Economic Performance Talent Management
OUR BUSINESS	 10 Reduced Inequalities (10.4, 10.7)	10.4.1 Labor share of GDP 10.7.1 Recruitment cost borne by employee	<ul style="list-style-type: none"> <li>Paying competitive wages and salaries that contribute to the GDP in countries where we operate.</li> <li>Offering skilled manufacturing jobs and policies to pay all fees associated with recruitment, while also prohibiting partners from charging fees.</li> </ul>	Economic Performance Talent Management
SUPPLY CHAIN RESPONSIBILITY				
ESG DATA SUMMARY				
<b>GRI / SASB / SDG INDICES</b>				
VERIFICATION STATEMENT	 13 Climate Action (13.2)	13.2.2 Total greenhouse gas emissions per year	<ul style="list-style-type: none"> <li>Committing to achieving net zero scope 1 and 2 GHG emissions target by 2030 and incorporating climate change mitigation into business objectives and strategy.</li> <li>Having ISO 14001-certified environmental management systems in over 50% of manufacturing sites with plans to expand coverage.</li> <li>Committed to setting near- and long-term company-wide emission reduction targets in line with the science-based standard for net-zero emissions from SBTi.</li> </ul>	Impact on Climate

# VERIFICATION STATEMENT

## Independent GHG Assurance Statement to Lumentum Holdings Inc.

ERM Certification and Verification Services Inc. (ERM CVS) was engaged by Lumentum Holdings Inc. ('Lumentum') to provide assurance of specified greenhouse gas (GHG) emissions reported in Sections C6.1, C6.3 and C6.5 of its 2022 CDP Climate Change Questionnaire.

### ENGAGEMENT SUMMARY

<b>SCOPE OF OUR ASSURANCE ENGAGEMENT</b>	Whether the following consolidated corporate GHG emissions data (on an operational control basis) for Lumentum's global operations for the financial year 2021 are, in all material respects, fairly presented in accordance with the reporting criteria: <ul style="list-style-type: none"><li>Scope 1 Direct GHG emissions from on-site combustion of natural gas and diesel, fugitive emissions, and emissions from the use of refrigerant gases (metric tonnes CO<sub>2</sub>e).</li><li>Scope 2 Indirect GHG emissions (location-based and market-based) associated with purchased electricity (metric tonnes CO<sub>2</sub>e).</li><li>Scope 3 Other indirect emissions from the following categories (metric tonnes CO<sub>2</sub>e):<ul style="list-style-type: none"><li>Category 1: Purchased Goods and Services (emissions from contract manufacturers);</li><li>Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2); and</li><li>Category 6: Business travel (by air only).</li></ul></li></ul>
<b>REPORTING PERIOD</b>	1st July 2020 - 30th June 2021
<b>REPORTING CRITERIA</b>	The World Resources Institute and the World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition).
<b>ASSURANCE STANDARD</b>	ISO14064-3:2019 Specification with guidance for the verification and validation of greenhouse gas statements
<b>ASSURANCE LEVEL</b>	Limited assurance
<b>RESPECTIVE RESPONSIBILITIES</b>	Lumentum is responsible for preparing the GHG emissions data and for the information included in its 2022 CDP Climate Change Questionnaire.  ERM CVS' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

### Our conclusions

Based on our activities, nothing has come to our attention to indicate that the following financial year 2021 GHG emissions data are not fairly presented in Sections C6.1, C6.3 and C6.5 of its 2022 CDP Climate Change Questionnaire, in all material respects, with the reporting criteria:

Total Scope 1 GHG emissions: 7,857 metric tonnes CO<sub>2</sub>e

Total Scope 2 GHG emissions:  
Location-based 44,047 metric tonnes CO<sub>2</sub>e  
Market-based 43,810 metric tonnes CO<sub>2</sub>e

Total Scope 3 GHG emissions: 43,118 metric tonnes CO<sub>2</sub>e

### Our assurance activities

Our objective was to assess whether the selected information is reported in accordance with the reporting criteria based on the principles of completeness, accuracy and consistency. We planned and performed our work to obtain all the information and explanations that we believed were necessary to provide a basis for our assurance conclusions. A team of GHG and assurance specialists performed the following activities:

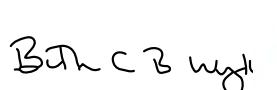
- Interviews with relevant staff to understand and evaluate the data management systems and processes (including systems and internal review processes) used for collecting and reporting the selected data;
- An analytical review of the data from all Lumentum facilities, a review of the completeness of the data and a check of the accuracy of the corporate data consolidation;
- A review of samples of documentary evidence, including internal and external documents, supporting the underlying activity data on which the GHG emissions are based; and
- A review of the unit conversion factors and emissions factors used to calculate the GHG emissions from the underlying activity data, and the reasonableness of estimations and extrapolations used in those calculations.

### The limitations of our assurance engagement

The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information.

Our assurance work for the 2021 reporting period was desk-based and used virtual interviews with Lumentum. We did not undertake any in-person visits to Lumentum operations.

For the Scope 3 category 6 Business Travel, our work was limited to reviewing the accuracy of the calculation of the GHG emissions from the underlying activity data provided by Lumentum's third-party travel booking agency. We have not separately assured those underlying activity data.

 **ERM CVS**  
Informed Assured

Beth Wyke  
Partner, Head of Corporate Assurance, Malvern, PA  
July 22, 2022  
ERM Certification and Verification Services Inc.

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. The ERM CVS and ERM staff that have undertaken this engagement work have provided no consultancy related services to Lumentum in any respect.



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