LUMENTUM

CREATING A BRIGHTER FUTURE

2021 Corporate Social Responsibility Report

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ABOUT THIS REPORT

This is Lumentum's inaugural corporate social responsibility (CSR) report, covering activities for the fiscal year ending July 3rd, 2021. Although this report represents FY21, it includes some details from FY20 where noted. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. We have not sought external assurance of this entire report; however, our energy and emissions data have been verified by an independent third party.

We are excited to embark on our reporting journey and plan to regularly update our stakeholders on our CSR performance. We welcome your feedback. For any questions regarding the report, please contact CorporateSocialResponsibility@Lumentum.com.

See what a brighter future looks like …

Welcome

A Message from the Board

Thank you for this opportunity to share our progress and vision for corporate social responsibility at Lumentum. We believe in the value of good corporate citizenship. For years, we have incorporated strong governance practices into our business, and now we will leverage this foundation to illuminate our path toward a more sustainable future.

We envision a brighter world by accelerating our photonic innovations. Over the next decade, organizations' actions to mitigate and adapt to climate change will determine not only economic performance but long-term economic strength and viability. We recognize that we have a responsibility to all of our stakeholders, including employees, our shareholders, customers, suppliers, as well as to society as a whole, to act now. It is with this great sense of urgency that we have committed to a net zero emissions target by 2030.

Our work toward this goal has already begun with the transition to renewable energy at our headquarters and other sites. Actions such as renewable energy procurement, onsite energy generation, and energy efficiency improvements in our operations will continue to be identified and executed upon across our global footprint. These efforts not only are beneficial for the environment, but also drive innovation and enable us to continually improve our organization and our products.

Telecommunications, high-speed internet access, and connectivity are ever-increasing priorities for the world. As a leading supplier of optical components and subsystems, Lumentum plays an important role in the innovation, design and performance of virtually all communication networks. We are a key enabler in providing internet access to people around the world. We optimize our products for best-in class performance, improved power efficiency, and best-in-class materials and processes.

To carry out this effort, employee health and safety is a key priority within Lumentum. In addition to our regular safety program and activities, we are proud of our response to the COVID-19 pandemic. We were successful in ensuring a safe workplace for all our employees around the globe.

Social equity and racial justice are other challenges that we are taking very seriously here at Lumentum. Our commitment to diversity, equity and inclusion is making us a better company. We support and develop our employees, partners, and communities through this effort, which is driven across the company by our Diversity, Inclusion, and Belonging Council that we established in 2019. We work hard to engage underrepresented groups and offer an environment in which they can shine their brightest. Employing a diverse workforce is essential for Lumentum to build a long-term sustainable business and foster an inclusive culture that values differences and inspires creativity.

Our Board, our management, and our employees are actively engaged in driving change to create a brighter future. We are excited that the organization is energized behind this effort, from top to bottom. We are proud of what we have accomplished to date and where we are going. Thank you for joining us on this journey and we welcome your feedback along the way.

Respectfully,

Penelope Herscher
Board Member
and Chair

Julie Johnson
Board Member and
CSR Liaison

A MESSAGE FROM THE CEO

Dear Stakeholders,

It gives me great pleasure to introduce Lumentum's inaugural Corporate Social Responsibility (CSR) Report. We are proud to share our many accomplishments in CSR, along with programs designed to meet the economic, environmental, and social challenges ahead. This report portrays our past and present sustainability efforts and our vision for the future.

Our leadership in product innovation is both a strength and a challenge. Maintaining our leadership means attracting and keeping the best and brightest employees. We know that innovation flourishes in an environment where motivated and skilled people can thrive. **We recognize that being responsible corporate citizens is part of a foundation needed to keep innovation alive and well**. As we move forward, we continue striving for the highest quality in all that we do. This includes expanding our CSR efforts to enhance and secure innovation's place in our future.

As good corporate citizens, we have focused diligently on compliance for many years, and we have a consistent track record of recognition from our customers in this space. As a result of that commitment and focus, we go beyond necessary compliance in many areas, such as conflict minerals and restricted substances. Our efforts in other functional areas of CSR are in various stages of deployment. As we continue to build our CSR program, we are committed to making strides across the entire company to match our zero-defect culture and focus. To ensure the program's success, we have introduced a cross-functional CSR Council that is sponsored by our Chief Quality Officer and Head of Operations. The Council consists of representatives and leaders from across our company and our business units who collaborate to develop and implement the various aspects of the program. A member of our Board of Directors serves as a liaison between the CSR Council and the Board, enabling awareness, focus, and prioritization of our CSR effort at the Board level. As we seek to be a leader in CSR, we believe the CSR Council and our Board's involvement is integral to our journey.

Efforts to mitigate our environmental footprint and our contribution to climate change are core to the CSR program. **Our goal of achieving global net-zero emissions by 2030 exemplifies our commitment to environmental leadership.** Although we have participated in global initiatives such as CDP for several years, this goal formalizes our strong dedication to

climate action. Establishing onsite renewable energy generation, onsite energy efficiency projects, and entering into power purchase agreements highlight our actions in pursuit of our goal. We take pride in realizing 100% renewable energy procurement at our headquarters in FY21, two years ahead of schedule. This investment not only benefits Lumentum, but also helps the city of San Jose in reaching its emissions reduction goals to provide 100% renewable energy by 2050. This is a sign of good things to come.

We support equitable digital access and believe that our innovative products foster a global communications infrastructure that meets the digital demands of tomorrow. The Internet of Things touches education, work, and social interaction in ways we could not have imagined a few years ago. We will continue to drive our innovation to support new ways of doing business and living life.

Our work toward social equity is a core tenet of our CSR program. Our Diversity, Inclusion, and Belonging (DIB) Council, formed in 2019 with representation from all business units and functions, aligns our diversity goals and objectives with our company goals and objectives. As part of this effort, we provide unconscious bias training that focuses on three areas of the candidate and employee experience: attraction, development, and retention. One of the DIB initiatives is to offer scholarships to underrepresented college students, including at historically Black colleges and universities to create more opportunities for traditionally underrepresented groups. We have introduced employee resource groups to foster a culture of inclusion and belonging and to engage people of different backgrounds. **Our diversity makes us a better company.**

Throughout the COVID-19 pandemic, we have reinforced our commitment to employee health and safety. Each Lumentum facility is assessed for safe and clean working conditions, and hygiene practices are amplified. Personal protective

equipment is distributed and made readily available to employees working on site. To maintain safe distances and collaborative communications in our workplaces, we have implemented technology solutions such as action cameras and wearable proximity sensors. These and other employee-driven innovations enable us to excel in our work with reduced travel, and we expect several of these improvements to persist.

Finally, we support the UN Sustainable Development Goals (SDGs) because we believe that CSR is part of the global effort needed to achieve these goals. We have identified several SDGs aligned to our business. In our report, we discuss our contributions to these SDG's progress and the opportunities to continue our support.

We aim to be a model for doing what is right and just for all people and the planet. This ambition spurs us to measure and manage our social and environmental impacts with great care and dedication. The journey will not be without its challenges, but we are ready for what lies ahead. Thank you for the opportunity to share our progress and goals with you.

Sincerely,

Alan S. Lowe

Alan S. Lowe

President and Chief Executive Officer

Introduction

ABOUT LUMENTUM

Lumentum Holdings Inc. (NASDAQ: LITE) is an industry-leading provider of optical and photonic products. We provide critical components for integration into end-market applications such as communication networks and industrial machining. With our headquarters in San Jose, California, we operate and manufacture in various properties in the United States and eleven other countries around the world. We compete in three primary markets: optical communications, commercial lasers, and 3D sensing.

Our optical communications portfolio consists of chips, components, and subsystems that are the buildings blocks for communication networks and data centers that connect people around the globe. Our commercial laser solutions enable faster, higher-precision volume manufacturing techniques with lower power consumption, a reduced manufacturing footprint, and increased productivity. Our 3D sensing chip technology drives leading-edge mobile applications and will improve the implementation of future technologies, such as the safety of autonomous vehicles.

OUR HISTORY

2015
Lumentum spun off from JDS Uniphase (now VIAVI Solutions) to become an independent publicly-traded company

Completed the Responsible Business Alliance (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 Council

2020
Joined the Responsible Business Alliance

Included, for the first time, on Barron's Top 100 Most Sustainable Companies List

Formed our CSR Council

Introduced Lumentum's first Employee Resource Groups

Set our net zero emissions target

Opened our factory in Škofljica, Slovenia

2021
Published our inaugural CSR report

BY THE NUMBERS

$1.74 Billion
FY21 REVENUE

>5,400
EMPLOYEES

~1,850
PATENTS

GLOBAL OPERATIONS

● **Lumentum headquarters**
- San Jose, USA

● **Lumentum design site**
- San Jose, USA
- Ottawa, Canada
- Milan, Italy
- Škofljica, Slovenia
- Zurich, Switzerland
- Paignton, UK
- Shenzhen, China
- Sagamihara, Japan
- Taipei, Taiwan
- Bangkok, Thailand

● **Lumentum manufacturing**
- San Jose, USA
- Škofljica, Slovenia
- Caswell, UK
- Shenzhen, China
- Sagamihara, Japan
- Bangkok, Thailand

● **Contract manufacturing**
- Penang, Malyasia
- Taipei, Taiwan
- Bangkok, Thailand

Releasing the power of light to create a brighter future

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.

APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

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

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 standards.

PLANET:
LIGHTER IMPACT

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

PEOPLE:
POSITIVE IMPACT

Develop our employees to succeed while creating a diverse and inclusive culture that values differences and inspires creativity.

Operate to the highest social, ethical, and safety standards within our facilities and propagating that model across our value chain.

Contribute to the communities in which we live and operate.

TOP 100

BARRON'S

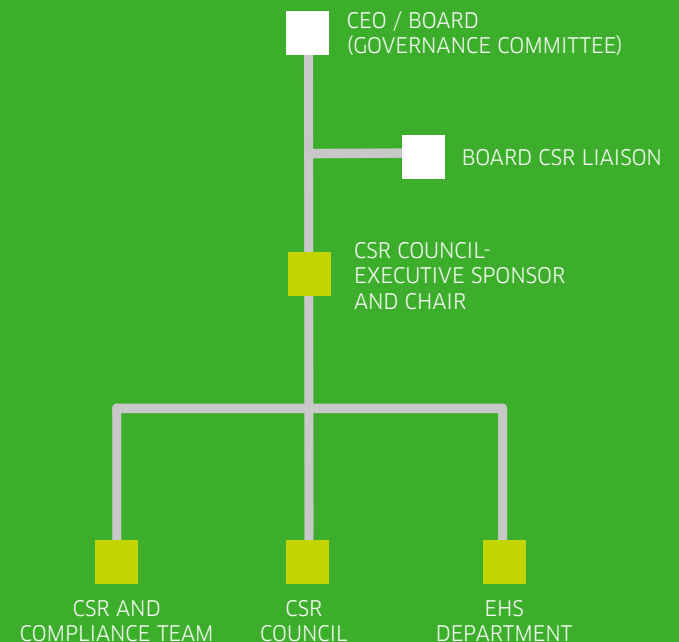Most Sustainable Companies 2021

LUMENTUM WAS INCLUDED IN BARRON'S TOP 100 MOST SUSTAINABLE COMPANIES LIST FOR THE SECOND YEAR IN A ROW.

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CSR GOVERNANCE

Our CSR Council develops corporate social responsibility strategy and drives performance within Lumentum. Led by the CSR Council Chair and the Executive Sponsor, this cross-functional team is composed of representatives from all our business departments, including Human Resources; Environment, Health, and Safety (EHS); Supply Chain; Legal; and Quality, as well as leaders from each business unit. Each member serves as a representative of their respective department and is responsible for determining the relevance of emerging topics, developing associated action plans, and disseminating information related to CSR at Lumentum to their team.

CSR Council activities are reported to the CEO and Board of Directors on a quarterly basis. The Governance Committee is responsible for oversight consistent of the policies and programs supporting our CSR strategy. The Board of Directors has also nominated a CSR Liaison from the Board who 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.

CEO / BOARD
(GOVERNANCE COMMITTEE)

BOARD CSR LIAISON

CSR COUNCIL-
EXECUTIVE SPONSOR
AND CHAIR

CSR AND
COMPLIANCE TEAM

CSR
COUNCIL

EHS
DEPARTMENT

Our Business

OPERATING WITH INTEGRITY

Lumentum is committed to the highest standards of social, ethical, and environmental conduct and responsibility. This applies to our facilities, processes, and employees, as well as to the companies with which we do business.

IN FY21, LUMENTUM HAD
ZERO FINES OR SANCTIONS
FOR NON-COMPLIANCE WITH ENVIRONMENTAL AND SOCIOECONOMIC LAWS AND REGULATIONS.

BUSINESS CONDUCT AND ETHICS

At Lumentum, we conduct our business affairs with uncompromising integrity. 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. We expect all Directors, employees, agents, and contractors to act 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 expose us to certain regulatory and compliance risks. Conducting our business with uncompromising integrity means acting ethically and complying with all applicable laws and regulations of the countries where we do business, and we expect all parties affiliated with Lumentum to do so. Local laws and customs may differ by country, thus having a global code of conduct is critically important. What are considered common local business practices may differ significantly from, or conflict with, our Code. The Code is intended to provide a summary of the beliefs and behaviors that are fundamental to our success, principal among which is to act in a manner that reflects honesty, fairness, and integrity.

Communication with and training of our stakeholders are our best opportunities to ensure understanding of and compliance with applicable legal requirements and our standard of conduct. During new hire orientation,

Lumentum policies, including the Code, are reviewed, and a signed acknowledgement is required from each worker. We conduct annual training for our employees and, starting in FY21, implemented annual training for our governance body members.

To strengthen our approach, in FY20 we expanded our training to include all contingent employees. This change in scope, along with limitations on conducting in-person training at certain manufacturing facilities due to COVID-19, impacted our FY20 training coverage. We have identified opportunities to improve our practices, and beginning in FY21, we increased the frequency of governance body member training from biennial to annual. In addition, we are assessing alternative ways in which we can conduct training with employees who have historically attended in-person classroom training.

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

Anti-corruption and anti-competitive behavior	FY21	FY20	FY19
Percentage receiving communication on anti-corruption policies and procedures			
• Governance body members	100%	100%	100%
• Employees	100%	100%	100%
Percentage trained on anti-corruption policies and procedures			
• Governance body members	100%	*	100%
• Employees	100%	77%	99.7%
Percentage of suppliers receiving communication on anti-corruption policies and procedures			
• Direct suppliers	35%	N/R	N/R
• Indirect suppliers	94%	N/R	N/R
Total number of confirmed incidents of corruption	0	0	0
Legal actions for anti-competitive behavior	0	0	0

* *raining previously occurred biennially. N/R – Not previously tracked

DATA PRIVACY AND SECURITY

The security of our information systems is critical to our business success. Information security can impact both reputational and competitive aspects of our work. It helps us to capture our innovations through the protection of intellectual property and it enables our everyday work across all our teams. A lapse in protection or an event that threatens our network can have a significant impact on our ability to conduct business.

We have developed a Privacy Program Committee whose primary purpose is to provide guidance and assistance in our oversight of:

• Protection of information and assets belonging to Lumentum or our customers, consumers, employees, and/or business partners

• Protection of our customers', consumers', and employees' privacy, and personal information/data

• Compliance with all applicable global data privacy requirements

The Privacy Program Committee is comprised of members from various functional groups, including Legal, Information Technology/Information Security, Human Resources, Sales, Finance, and Marketing. The committee is empowered to investigate any matter with the necessary access to all records and systems across the organization and leverages outside counsel, outside security experts, or other experts, as needed.

To prepare our systems and teams, we have developed comprehensive policies for IT security, incident response, third-party security, and an overarching privacy program. Our Information Security Department defines information security standards, procedures, policies, and other requirements applicable to the entire organization. This includes access control, monitoring of security controls, providing training and awareness programs to Lumentum associates, and carrying out investigations and audits. In addition, third-party penetration tests are performed annually, and internal tests are conducted periodically to ensure Lumentum assets are secure.

All employees are provided training and resources to protect their systems, information, and the Lumentum network, while operating their devices. Signed acknowledgement and agreement forms are required from all internal and external stakeholders that may be interacting on, or with, Lumentum networks or employees.

If our systems, networks, or data are threatened, we have a clearly defined incident response plan to provide an organized approach for handling any such potential threats. We created a Cyber Security Incident Response Team responsible for the investigation and management of any incidents and to execute our response plan. The plan describes the nature and scope of handling a cyber security incident and includes the functions that make up this service, how the functions interrelate, and the necessary tools, processes and roles required to implement the service.

LUMENTUM RECORDED
NO COMPLAINTS, LEAKS, OR LOSSES OF CUSTOMER DATA.

CSR at Lumentum

"WE ARE COMMITTED TO THE HIGHEST STANDARDS OF SOCIAL, ETHICAL, ENVIRONMENTAL, AND SAFE CONDUCT WITHIN OUR FACILITIES, PROCESSES, AND THROUGHOUT OUR SUPPLY CHAIN"

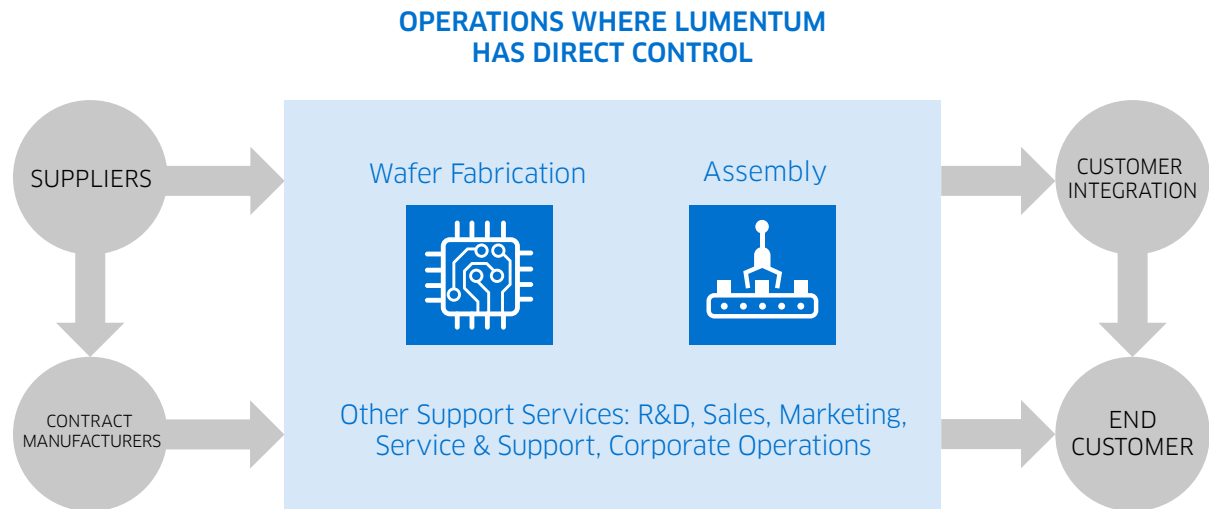– Alan Lowe, President and Chief Executive Officer

VALUE CHAIN AND BOUNDARIES

Adhering to GRI's definition of materiality, Lumentum's material topics are our significant economic, environmental, and social impacts or significant topics that influence our stakeholders' assessments and decisions. Mapping our value chain enables us to better locate, understand, and manage the material topics that we control or influence. In addition, it helps us to identify stakeholders with whom to engage.

We work with suppliers and contract manufacturers to procure the materials and products to our specifications. Our relationships with our vendors are critical to ensure product quality and to promote ethical and responsible sourcing throughout our supply chain. Our manufacturing operations, consisting of wafer fabrication and assembly, are areas within our direct control and where we seek continuous improvement in everything we do. Our global footprint of support services from research and development to service and support are essential to enable our business to thrive. Finally, our products are integrated by our customers into larger systems and delivered to the end users, where we aim to influence responsible use and treatment.

OPERATIONS WHERE LUMENTUM HAS DIRECT CONTROL

SUPPLIERS

CONTRACT MANUFACTURERS

Wafer Fabrication

Assembly

Other Support Services: R&D, Sales, Marketing, Service & Support, Corporate Operations

CUSTOMER INTEGRATION

END CUSTOMER

STAKEHOLDER ENGAGEMENT & MATERIALITY

In FY20, we conducted a stakeholder-informed materiality assessment to build our CSR program and identify topics relevant for us to consider and material for us to actively manage.

To determine the topics relevant to Lumentum, we used a variety of approaches. We referenced GRI's universe of sustainability topics, SASB industries relevant to our industry, assessed questionnaires and survey requests from our customers and investors, reviewed ESG reports from third parties such as ISS, Sustainalytics, and MSCI, referred to industry frameworks and conventions such as the RBA and Ecovadis, and benchmarked reporting practices of peers and customers.

With this list of relevant topics, we engaged investors through direct outreach and four additional key stakeholder groups – employees, customers, suppliers, and the Board of Directors - via survey. The seven-question survey touched on social, economic, and environmental topics and asked respondents to rank which CSR issues were the most important for Lumentum to address. We found strong alignment throughout the nearly 2,000 responses across stakeholder groups, and the results informed our assessment of each topics' importance to

stakeholders. The goal of our outreach was to collect critical feedback to help us prioritize CSR issues and establish improvement goals to be reported in this report.

The results of the engagement and our assessment of the significance of each topic's impact has been mapped on our materiality matrix. The matrix was then subject to internal validation involving a review by select stakeholders, including the CSR Council. Any adjustments, such as the grouping of related topics, the relative weighting of stakeholder groups, topic alignment with strategic priorities, and the setting of a materiality threshold were determined in this stage. The outcome defined two topics that were of high importance and significance, ten topics of either high importance or significance, and four topics of both medium importance and significance. Additional topics fell below our materiality threshold and several others were deemed not relevant for current reporting.
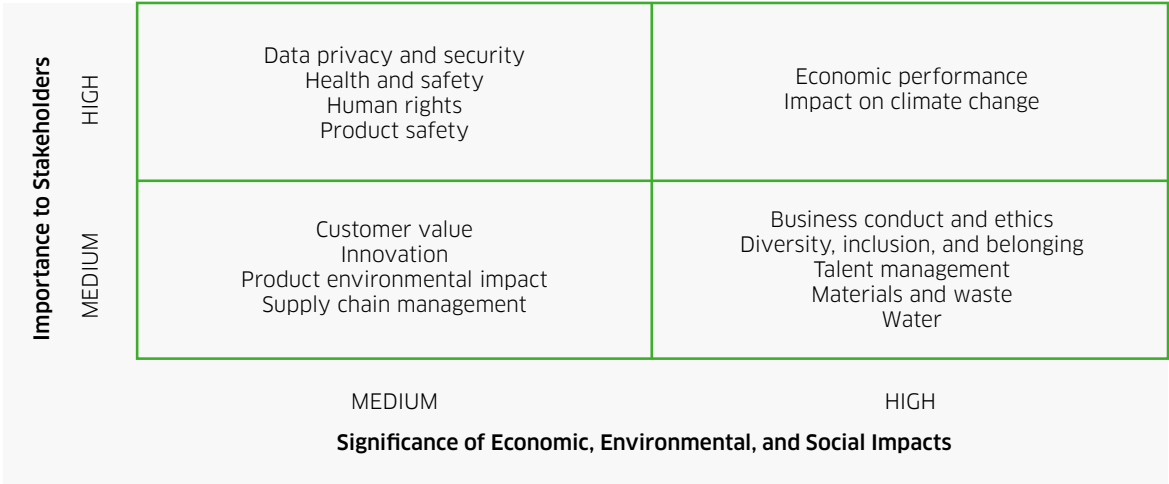
As we continue to evolve our CSR program, we will update our materiality assessment as the nature of our business or operating environment changes. In addition, we plan to evaluate our approach to stakeholder engagement periodically to assess opportunities for improvement. We consider additional groups, such as industry associations, government and regulatory agencies, community members, and non-governmental organizations as our stakeholders. We closely monitor the development of regulations and industry standards impacting our industry; however we did not engage these groups in our inaugural effort, but rather elicited feedback by proxy via indirect methods such as review of public information, client questionnaires, and reports.

Stakeholder Group	Engagement Methods	Top 3 Topics
Board of Directors	Annual interview and survey	1) Product safety 2) Health and safety 3) Human rights
Customers	Annual survey	1) Human rights 2) Data privacy and security 3) Product safety
Employees	Annual interview and survey	1) Product safety 2) Customer satisfaction 3) Health and safety
Investors	Annual interview and by proxy via SASB and ESG ratings reports	1) Economic performance 2) Impact on climate change 3) Health and safety
Suppliers/ Contract Manufacturers	Annual interview and survey	1) Business conduct and ethics 2) Human rights 3) Product safety

Importance to Stakeholders

	MEDIUM	HIGH
HIGH	Data privacy and security Health and safety Human rights Product safety	Economic performance Impact on climate change
MEDIUM	Customer value Innovation Product environmental impact Supply chain management	Business conduct and ethics Diversity, inclusion, and belonging Talent management Materials and waste Water

Significance of Economic, Environmental, and Social Impacts

Integrating the UN Sustainable Development Goals

Lumentum recognizes the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, and the 17 Sustainable Development Goals (SDGs) at its heart. These goals, and their underlying targets and indicators, will lead our world to the brighter future we envision.

We have aligned our reporting with seven of the 17 Goals which we can most deeply impact and that are relevant to our business. See our SDG Index for more information.

Goal (Targets)	Indicator	Lumentum Topics
5 Gender Equality (5.1, 5.5)	5.1.1 Non-discrimination 5.5.2 Proportion of women in managerial positions	Talent Management Diversity, Inclusion, and Belonging
7 Affordable and Clean Energy (7.2, 7.3)	7.2.1 Renewable energy share 7.3.1 Energy intensity	Impact on Climate Change
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	Economic Performance Materials and Waste Health and Safety Human Rights
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	Talent Management Diversity, Inclusion, and Belonging
10 Reduced Inequalities (10.4, 10.7)	10.4.1 Labor share of GDP 10.7.1 Recruitment cost borne by employee	Economic Performance Talent Management
12 Responsible Consumption & Production (12.2, 12.4, 12.7, 12.a)	12.2.1 Material footprint 12.4.2 Hazardous waste 12.7.1 Sustainable procurement policies 12.a.1 Installed renewable energy-generating capacity in developing countries	Materials and Waste Supply Chain Management Impact on Climate Change
13 Climate Action (13.2)	13.2.2 Total greenhouse gas emissions per year	Impact on Climate Change

Rising to the Challenge:
Our COVID-19 Response

Protecting the health and safety of our workforce and meeting the needs of our customers took on new urgency during the COVID-19 global pandemic. The health and safety of our employees and their families is our number one priority. As information was shared from our colleagues in China, who were first impacted by COVID-19, we enacted new global practices immediately.

Global travel restrictions were implemented in January 2020 along with limited access to Lumentum facilities for external visitors. COVID-19 response teams were established at every site and a Scenario Planning Playbook was developed that details instructions and risk mitigation plans for situations ranging from an infected employee on a Lumentum site to a potential manufacturing shutdown. We transitioned employees who were able to perform their job functions remotely to work from home, ahead of national requirements and government lockdowns. **As a result, our manufacturing operations were fully operational within two days of the first California lockdown in March 2020.**

We evaluated every site and made necessary adjustments including social distancing, signage, face coverings, touchless temperature sensors, disinfecting stations, HVAC upgrades for air purification, seating adjustments and physical barriers. We introduced contact tracing via wearable technology, which warns employees if a safe social distance is not kept. In Navanakorn, Thailand, we installed new equipment at entry points for temperature screening and proper mask wearing detection. In addition, we developed and required online training which informed our employees about COVID-19 and prevention measures.

We responded with site disinfecting, contact tracing, and quarantines and are not aware of anyone who has caught nor spread COVID-19 at any of our sites. We have taken a risk-based approach to COVID-19 testing of our workforce. Based on onsite cases, and the situation in the local communities, we have implemented a range of solutions from weekly mandatory testing to voluntary testing.

We are proud of our COVID-19 response, and we continue to work with other companies to share best practices. We are a member of CoreNet, The Global Association for Corporate Real Estate, and actively participate in benchmarking to share tools and information resources to help others with business continuity planning.

SUPPORTING EMPLOYEE WELLNESS AND THE COMMUNITY

Through these challenges, our employees have been resilient, and we have worked diligently to be responsive to their suggestions and needs. To keep employees informed, we enhanced our communication practices with a COVID-19 section on our intranet site, all-hands meetings, and weekly email updates. We notify all employees and contractors immediately if an employee was on site that has tested positive for COVID-19.

To ensure the wellbeing of our team members, we offer a variety of employee assistance programs. Online programs include "how to recognize present-day emotions with the uncertainty of COVID-19" to "addressing work from home and adjusting to lifestyle changes." With additional programs supporting mental, physical, and financial health, we aim to enable our employees to continue to be kind to themselves through these times.

At the beginning of the pandemic, we compensated employees whose job function required them to be onsite even if they were unable to perform their duties, for a variety of reasons. Those working from home were offered a stipend for internet expenses, and ergonomic assessments were conducted, when requested, to minimize the risk of injury while working remotely. During the most challenging times of the pandemic, we recognized our essential employees coming into the workplace in various ways, including special care packages, cash or stock awards. We continued to deliver merit and / or equity as part of our employee compensation and rewards programs. A portion of our bonus program was paid in advance to employees below the director level in December 2020, to support employees and their families during the holidays, with the remainder of the bonus achievement paid on schedule in February 2021.

The efforts and commitment of our employees allowed Lumentum to continue to excel and grow throughout the pandemic. Hiring continued, and our global team grew through the pandemic. Starting in FY21, in acknowledgment of the challenging times, both for those who are working remotely and those who work onsite, we have implemented several paid "thank you" days off – a day when the whole company, worldwide, can relax.

THE HEALTH AND SAFETY OF OUR TEAM IS

#1 PRIORITY

R&D team in Zurich, Switzerland (left) and production team in Nava, Thailand (right) collaborated to transfer production seamlessly using virtual tools.

CREATIVE SOLUTIONS FOR LASTING CHANGE

Adapting to the "new normal" has transformed the way we work at Lumentum, and we have found effective solutions to the challenges of COVID-19. We leveraged virtual collaboration tools to transfer the production of our products across our global network. These product launches would typically involve engineering teams traveling to the manufacturing sites. Due to the pandemic, these transfers occurred virtually, with research and development teams and global manufacturing sites collaborating online to complete these production transitions.

Our internship program in North America is critical to engage the future leaders of Lumentum, and when faced with lockdowns, we shifted the program to 100% remote. We are proud to have successfully adapted the program to provide valuable experience to over 50 interns, incorporated team building exercises, and went on to hire over 80% of the cohort. As we continue to grow, we are identifying ways to effectively train and onboard new employees. For example, in Caswell, UK, we are leveraging wireless cameras, headsets, and tablets when social distancing and production floor noise hinders our ability to conduct close proximity, on-the-job training.

We initiated a new leave program, the Global Emergency Leave, providing employees added flexibility to respond to self and family care needs such as homeschooling or caring for a sick family member. We are also formalizing a flexible workplace policy that enables employees, based on the requirements of their specific role, to have the flexibility to work remotely even after it is safe for all employees to return to the office.

Supply Chain Responsibility

Key to our success is our relationship with, and the performance of, our supply chain partners. We engage with over 700 direct suppliers and several core contract manufacturers. Strategically, we aim to design agility, resiliency, and scale into our global supply chain for all new and existing products.

Lumentum is committed to conducting our business affairs with uncompromising integrity, protecting the environment, and preserving the welfare of our personnel, our business partners, and the public. This commitment means acting ethically and complying with all applicable laws and regulations of the countries in which we do business or where business is being conducted on behalf of Lumentum and our subsidiaries. We have the same high expectations of our suppliers. In keeping with our commitment, we developed our Supplier Code of Conduct in 2018, and initially sent it to our top 100 suppliers by spend. All suppliers are required to sign our Supplier Code of Conduct upon onboarding, and we expect that all suppliers act and conduct business in a manner that complies both with the letter and spirit of this code.

Upon onboarding, we leverage RapidRatings' Financial Health Rating (FHR) which helps us to evaluate supply chain resiliency through predictive analytics. These insights into the financial stability of our supply chain help us determine the ability to withstand disruption, identify partnership opportunities to support critical suppliers, and create contingency plans to mitigate supply chain risks.

Beyond financial health, we partner with our suppliers to identify and address potential areas of risk. These may include physical impacts of climate change, such as extreme weather events, to geopolitical or business risks that may threaten our suppliers' ability to conduct business. In addition to working closely with our suppliers, we have engaged third-party providers to assist in assessing the risk within our supply base.

Supply Risk Solutions (SRS) is a third-party cloud-based software that helps us to monitor and assess physical risks and supply chain disruptions. Predictive technology enables us to identify the likelihood of future events through machine learning, global trends, and statistical associations. In addition, SRS requires each of our critical suppliers to complete an annual Business Continuity Assessment, which allows us to understand where risks lie within our supply chain, thus allowing us to partner with our suppliers to mitigate them. We can then leverage this information to improve Lumentum's, and our suppliers', business continuity plans.

RESPONSIBLE BUSINESS ALLIANCE

Lumentum is a proud member of the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to corporate social responsibility in supply chains. Lumentum fully supports the vision and mission of the RBA, and the collaborative approach to improving working and environmental conditions across the supply chain.

As part of our commitment, 100% of our manufacturing sites complete an annual RBA Self-Assessment Questionnaire (SAQ). The SAQ risk assessment evaluates the labor, health and safety, environment, ethics, and management systems of the site and provides a risk rating related to CSR risks and compliance with the RBA Code of Conduct. All of our sites have been rated as low risk. Since 2019, all of our active manufacturing sites completed internal or external social responsibility audits. In FY21, we rolled out company-wide training on the RBA Code of Conduct to all employees, including onsite contingent workers, and achieved 100% completion. This training is also required of all new employees.

We require our next-tier suppliers to acknowledge, implement, and comply with all applicable labor, environmental, and health and safety laws and regulations, including those requirements in the RBA Code of Conduct. To verify this practice, we conduct due diligence on our supply chain, assessing risk from a country level as well as facility level. We require our top direct suppliers to complete assessments that evaluate facility risks on labor, environment, health and safety, and ethics. In addition, all contract manufacturers undergo third-party audits covering the full RBA Code of Conduct every two years to evaluate their conformance. We work with our contract manufacturers on corrective actions until closure and require third-party verification audits to confirm resolutions of any adverse findings. In FY21, key personnel at all of our contract manufacturers completed online training on the RBA Code.

Responsible Business Alliance
Advancing Sustainability Globally

100% OF OUR MANUFACTURING SITES
COMPLETE AN ANNUAL RBA SELF-ASSESSMENT QUESTIONNAIRE (SAQ) AND ALL HAVE BEEN RATED AS LOW RISK.

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

HUMAN RIGHTS

Lumentum is committed to uphold the human rights of workers and to treat each of them with dignity and respect. Lumentum enforces several policies to protect the rights of its workers. However, we acknowledge our primary human rights risk exists in our supply chain, and we expect all suppliers to apply the same level of protection to workers' rights. We prohibit the use or support of any form of child labor, forced labor or human trafficking at Lumentum and at our suppliers. This requirement is embedded in our Corporate Social Responsibility Policy, Code of Business Conduct, Supplier Code of Conduct and through our commitment to the Responsible Labor Initiative (RLI). In addition, we ensure there is transparency in our own business and in our approach to tackling 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 understands the risks of forced labor and has implemented practices to ensure it does not exist in our operations as well as being prohibited in our supply chain. Lumentum pays all fees associated with recruitment and ongoing employment, and prohibits suppliers, including subcontractors and labor or recruitment agencies, from charging workers any fees or deposits for employment. This applies to all types of workers, including migrant, temporary or subcontracted. 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 does not tolerate harassment, intimidation, or discrimination of any kind, which is clearly stated in our Code of Business Conduct and Supplier Code of Conduct. As an equal opportunity employer, Lumentum is committed to providing a workplace free of harassment, discrimination, and retaliation, as well as disrespectful, abusive, or unprofessional conduct. If such cases should arise, employees are encouraged to communicate with

their manager, Human Resources, or file a grievance through our anonymous hotline, EthicsPoint. All reports through our hotline 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 application laws, rules, and regulations.

Lumentum maintains a rigorous audit program. Third-party organizations and our internal CSR team conduct regular audits of our global facilities. These audits are conducted according to the RBA standard, or equivalent, which includes the requirement of freely chosen employment and no child labor. The scope of these audits includes subcontracted labor and contingent workers. Company-wide training on RBA includes topics relevant to human rights, such as forced labor, child labor, and freedom of association. We have also delivered specialized trainings to our supply chain staff and our global talent acquisition teams addressing human rights risks that are relevant to their roles.

LUMENTUM IS
COMMITTED
TO UPHOLD
THE HUMAN RIGHTS
OF WORKERS AND TO TREAT EACH OF THEM WITH DIGNITY AND RESPECT.

ENVIRONMENTAL ASSESSMENT

In addition to our commitment to uphold the human rights of workers in our supply chain, suppliers must have EHS policies and processes in place to demonstrate a commitment to safe and environmentally responsible operations, services, and management. This includes procedures and systems to identify, prevent, manage, and track environmental and health and safety hazards, including maintenance of emergency response plans. Suppliers must 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.

ZERO SIGNIFICANT FINES AND NON-MONETARY SANCTIONS

FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS OR REGULATIONS

CONFLICT MINERALS

Lumentum is committed to sourcing components and materials from companies that share our values regarding respect for human rights, integrity, and environmental responsibility. Lumentum complies with the 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, which aims to prevent the use of minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (DRC) or in adjoining countries.

Affected suppliers are required to provide a completed Conflict Minerals Reporting Templates (CMRT) detailing the tin, tantalum, tungsten, and gold (3TG) smelters in their supply chain and source only from conflict-free smelters or refiners (SORs). In 2020, the program was extended to include cobalt, which follows the same reporting process. Lumentum pays additional attention to suppliers reporting high-risk smelters (i.e. a smelter that sources from the covered countries and is not currently RMAP conformant).

Lumentum has a dedicated employee 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 CMRT.

As a member of the Responsible Minerals Initiative (RMI) we require all our suppliers to source tin, tantalum, tungsten, and gold only from smelters conformant with the Responsible Minerals Assurance Process (RMAP) assessment protocols. After a review of suppliers' CMRTs, we address the identified risk by verifying with suppliers if the declared non-RMAP conformant smelters are used for parts Lumentum purchased. If confirmed to be part of Lumentum's supply chain, we require suppliers to actively engage either to remove the non-RMAP conformant smelters from our supply chain or to encourage such smelters to participate in the RMAP audit program. Rather than prohibiting high-risk countries from our supply chain we seek to work with and support responsible raw material sourcing from high-risk countries based on RMAP conformant smelters.

Overall, 80% of 3TG smelters and refiners identified in our supply chain in 2020 are verified to be RMAP conformant or are actively undergoing RMAP assessment process. Based on our due diligence process, an additional 15% of smelters can be reasonably considered as low risk, however, they did not undergo the RMAP assessment. 2% of smelters were identified as high risk. These high risk smelters were declared by a single source supplier for a legacy product.

Metals	Total SORs (2020)	# of RMAP Conformant/Active SORs (2020)	% of RMAP Conformant/Active SORs		
			CY2020	CY2019	CY2018
Gold	154	110	71%	75%	75%
Tantalum	37	37	100%	100%	100%
Tin	73	60	82%	84%	90%
Tungsten	44	43	98%	96%	95%
Total	308	250	81%	79%	82%

SOR: Smelters or refiners

Innovation:
Breakthrough Impact

Our Guiding Principles include Innovate and Engage. We look to foster a culture of innovation across the organization – where all are encouraged to find and support new and creative ways to solve problems. Our legacy of innovation is evident in our product leadership positions and extensive intellectual property portfolio. Today, we own nearly 1,000 US patents and 850 foreign patents, with expiration dates through 2040, and have about 600 patent applications pending throughout the world. 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, highlight and reward their achievements, and celebrate their patents in our company-wide meetings.

WE OWN NEARLY **1,000 US PATENTS AND 850 FOREIGN PATENTS**, WITH ABOUT 600 PATENT APPLICATIONS PENDING THROUGHOUT THE WORLD.

LUMINARY PROGRAM

An example of these Principles is displayed through our Luminary Program. Twice annually, 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 their innovative ideas through company-sponsored exploratory projects; ideas that may not neatly fit into traditional product roadmaps, address our conventional markets, or meet our traditional corporate investment profile.

Typically, several projects are funded with each program cycle and winning participants are presented with a monetary reward, recognition, and the opportunity to personally see their project come to life. Due to the success of the program, we continue to grow our corporate support for funding projects which have led to several product improvements and entrance into new application areas.

CUSTOMER VALUE

We aim to deliver value and delight our customers by pushing the boundaries when designing products and processes. We develop and launch all new products using a Lumentum unique Product Development Process (PDP) framework that allows us to complete as many design iterations as possible prior to production readiness. This enables teams to quickly identify programs that may need to be discontinued or revised to strengthen their applications before spending resources on ramping up production. This has not only improved product quality and saved production costs, but helped teams identify higher power, more efficient, and lower cost solutions for products. These benefits can be transferred to our customers and leveraged as added value in their businesses. Our robust Quality Management System covers all our sites and fulfills the requirements of ISO 9001:2015.

In addition, design review cycles and revisions have led to faster product commercialization. We have rethought production flows and, in some instances, insourced components reducing both component lead time and cost. Processes and production indicators are measured by shift, rather than by day or week, to quickly adapt when areas for improvement are identified. This level of review and detail has supported improvements in our time-to-market and on-time-delivery rates. The more efficiently we can introduce products to market, the more value we can create for our customers.

Product quality	FY21	FY20	FY19
Total number of sites	15	16	14
ISO 9001 certified sites	15	16	14
Percentage ISO 9001 certified sites	100%	100%	100%
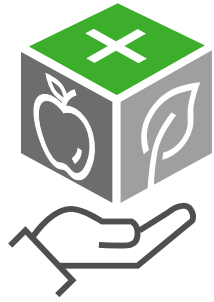
100% OF SIGNIFICANT PRODUCTS ARE ASSESSED FOR IMPROVEMENT OF HEALTH AND SAFETY IMPACTS.

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

Product Safety

Lumentum is committed to ensuring the health and safety of our customers, including the end users of our products. Product safety is a critical design requirement for all of our products, and goals and objectives are specified at the business unit and functional engineering level. The strategies employed to meet these goals and objectives are reviewed quarterly with assessments reported to management.

We have formal product development processes covering product safety requirements which address design, testing, and product safety certification. We assess the safety risks arising from the use of our products or components within our product development processes. This safety evaluation considers all aspects of product safety, including any possible negative electromagnetic compatibility (EMC) effects on the product.

In FY21 we improved our processes with regards to product quality management, formalizing safety reviews of 100% of product returns and in-field incidents to better capture and address any potential safety and health issues during product use.

Lumentum typically employs an independent third-party certification body to evaluate and certify the safety of our products according to national and international product safety standards. This certification is maintained throughout the product lifecycle including product modifications. Each certification body conducts their own

manufacturing surveillance to ensure continued safety compliance as a condition of product certification. This manufacturing surveillance consists of periodic, unannounced factory inspections of our certified products and factory quality system. Since FY19, the number of the factory inspections has decreased due to the consolidation of the manufacturing sites.

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

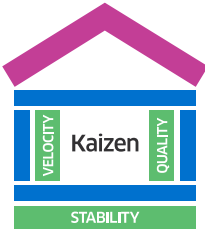| Product safety	FY21	FY20	FY19
Total number of 3rd-party audits or inspections	19	22	35
Number of audit or inspection failures	0	0	0
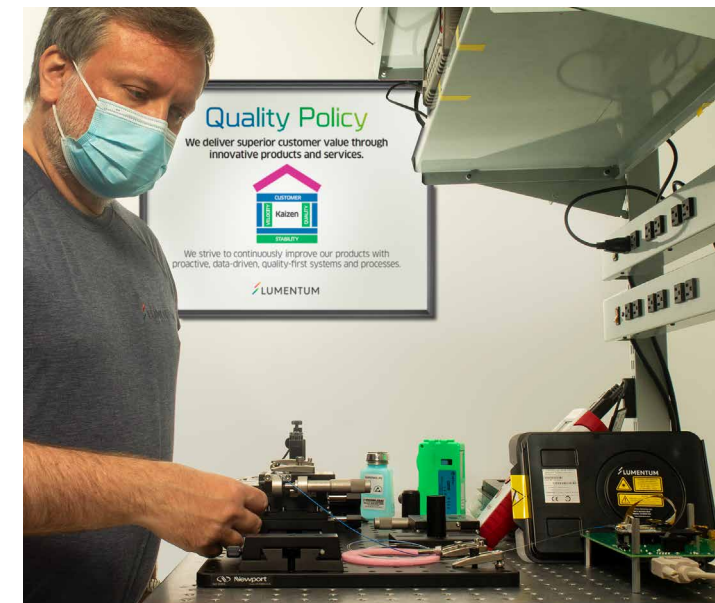
Spotlight on Quality:
Building a Kaizen Culture

Beginning in 2017, Lumentum embarked on a journey to radically reinvent our culture through organizational excellence and establishing a zero-defect mindset in everything we do. Using the fundamentals of Kaizen (continuous improvement) and based on best practices and methods compiled across a variety of industries, we created the Lumentum Production System (LPS). At the heart of this system is a collective mindset to continuously improve our products and services with proactive, data-driven, quality-first systems and processes.

Quality Policy

We deliver superior customer value through innovative products and services

We strive to continuously improve our products with proactive, data-driven, quality-first systems and process.

SETTING A STRONG FOUNDATION

To ensure success of this journey, we weaved the knowledge of Kaizen methods into the fabric of the entire company, from our production line operators to our Board of Directors. We established a new position, Chief Quality Officer, and developed a quality policy that is displayed prominently at every site and is printed on every employee's badge. Review of this policy has been instilled as part of the onboarding process for every new employee.

The next step was to establish a strong, data-based foundation with robust measurement systems and a specialized team of statisticians and data analysts to help engineers and technicians identify potential weaknesses and areas for improvement. We scrutinized and revised every quality metric, investigated data sources, data integrity, and validation methods. We standardized and verified that we are using the same measures across all sites and design teams. Each employee has a stake in these metrics, as the incentive plan for every employee at Lumentum is tied to these quality measures. Finally, we listened to the voice of our customers to align and adjust our measures to meet and exceed their expectations. This process of evaluating our measurement systems is now done quarterly to ensure we are responding to changing conditions and the needs of our customers. We even have key customers who have endorsed our success by adopting our methods!

AN INCLUSIVE STRATEGY

Lumentum's Kaizen-enabling team, known as the Kaizen Promotion Office (KPO), works to empower each employee. Our goal is to have a trained and tested member of the KPO team at each site to build capability and apply our continuous improvement methods. They engage, train, and enable everyone at the site, from operators on the shop floor to management and leadership, to play an active role in our success. Empowerment of our teams from the boardroom to the factory floor as a cornerstone of our quality approach, is achieved in multiple ways:

- We believe the best way to learn is by doing. Each site is given training and provided facilitation through the first several projects.
- We have built a culture where employees are empowered and encouraged to identify opportunities for improvement. Employees, including operators on the shop floor, are given the time and freedom to suggest and implement improvements in their work areas.
- During day-to-day production line walks, managers go to where the work is being done to listen and learn from employees on the production floor.
- We maintain an online portal where all employees can access information about the Kaizen team, current projects, project resources, and training.

Kaizen initiatives	FY21	FY20	FY19
Total number of Kaizen projects	**64**	**92**	**89**
• Closed projects	24	69	55
• Projects in review	40	23	34
Yearly benefits from Kaizen projects - hard savings	$ 13.2M	$ 10.9M	$ 10.8M
Yearly benefits from Kaizen projects - soft savings	$ 600k	$ 560k	$ 1.8M

At the heart of our Kaizen approach is the goal of dramatically eliminating waste and reducing our environmental impact. This cultural mindset aligns perfectly with our Corporate Social Responsibility principles. Lightening our environmental footprint and capturing these benefits is even embedded into our project report out templates, so that it is top of mind for all employees and leaders. Since the beginning of our journey, we have successfully completed multiple Kaizen projects that have:

- Reduced the space required to manufacture our products, minimizing our footprint
- Shortened the time needed to test our products, lessening energy consumption
- Optimized the environmental controls within our factory, reducing CO_2 emissions
- Developed new ways to collaborate virtually, minimizing the need for travel
- Modified our working stations across factories to be reconfigurable and reusable
- Connected operation steps and eliminated unnecessary packaging between operations
- Lessened our excess and obsolescent inventory
- Reexamined our recruitment processes to ensure we use inclusive hiring practices

Our plant in Navanakorn, Thailand (Nava) is a testament to the success of our quality culture. As a greenfield site, Nava adopted the zero-defect Kaizen mindset from day one. In 2020, the plant received the Thailand Prime Minister's Industry Award for Outstanding Achievement in Quality Management, as part of a distinguished list of recipients that included the well-established Thailand plants of Toyota and Proctor & Gamble. Nava earned the honor just three years after its opening, faster than any other factory in the history of the award.

BEYOND THE FACTORY

At Lumentum, quality does not stop at the production floor. We have embedded quality into our business processes and new product development. We have taken great strides in improving quality, predictability, and reliability of new product introductions. We have also embedded Kaizen thinking into our strategic planning process, embracing both a top-down and bottom-up approach to ensure progress and accountability at every level.

At Lumentum, we are proud of the breakthrough improvements our teams have delivered. Our Kaizen and quality initiatives help us identify opportunities and eliminate potential risks both internally and with our suppliers and contract manufacturers. While we have been able to deliver great results in a relatively short time, we know our improvement journey is just beginning!

Kaizen events and participation	FY21	FY20	FY19
Kaizen Academy Participants	0	75	114
Kaizen Event Participants	646	789	599
Monthly Topic Attendees	3,249	2,951	1791
Number of Kaizen Academies	0	3	4
Number of Kaizen Events	64	83	87
Number of Monthly Topic Events	36	36	12

Note: Academy events were put on hold in FY21 due to the pandemic.

KAIZEN CONTINUES

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The Pursuit of Excellence:
Lumentum Navanakorn Factory

Lumentum's state-of-the-art manufacturing facility in Navanakorn (Nava) is leading the way in sustainability, not only for our company, but also for others in Thailand.

AFTER BEING OPEN FOR JUST OVER THREE YEARS, THE NAVA FACTORY WAS HONORED IN 2020 WITH:

THE FACTORY IS
CERTIFIED ISO 9001, 14001, AND 45001.

IN FY21, NAVA
COMPLETED TL 9000 AND ESD 20.20 CERTIFICATIONS.

THE PRESTIGIOUS PRIME MINISTER'S INDUSTRY AWARD FOR OUTSTANDING ACHIEVEMENT IN QUALITY MANAGEMENT

The Prime Minister's Industry Award for Outstanding Achievement in Quality Management was established in 1981 and has become the pinnacle of excellence for enterprises across Thailand. The award recognizes top performers in quality management across industrial companies.

Assessed against the ISO9001 standard, the award encourages local companies to further advance national industrial development and involves an evaluation and assessment based upon an organization's leadership vision and strategy, and quality management system deployment.

Deploying fundamentals of the Lumentum Production System with a continuous improvement mindset and maintaining our adherence to ISO9001 demonstrated Nava's unrelenting drive for excellence in every aspect of manufacturing.

"THIS AWARD IS A TREMENDOUS ACHIEVEMENT FOR THE ENTIRE SITE. LUMENTUM NAVA MADE HISTORY BY WINNING THE AWARD IN ITS FIRST ATTEMPT – THE QUICKEST SINCE THE AWARD'S INCEPTION."

– Dr. Prong Kongsubto,
Lumentum Senior Quality Director, Nava

THAILAND'S NATIONAL HEALTH AND SAFETY AWARD AT THE SILVER LEVEL FOR HAVING ZERO ACCIDENTS

A SECOND VISIT FROM HER ROYAL HIGHNESS PRINCESS MAHA CHAKRI SIRINDHORN – IN RECOGNITION AS A LEADING HIGH-TECH MANUFACTURER IN THAILAND

STRATEGIC ADVANTAGE

Operating our own factory gives us control and better management over all aspects of our business – including quality, cost, research, technology, engineering, and environmental footprint – to achieve best in class manufacturing.

The Nava management team and manufacturing operation are directly accountable to customers and have come together with common goals for the plant's overall success to meet customers' expectations. Our internal and external customers select us because we reliably deliver on time, to specification, and at a competitive cost, and recognize our responsibility for environmental and social stewardship.

The operation is dynamic and flexible and can go from research and development to engineering to market more quickly. This shortens the product development time and time-to-market, to better serve our customers' needs and demands. In addition, the vertical integration of a variety of our products enables a more efficient supply chain and demand response. All the while, we are nurturing our in-house teams and protecting our intellectual property.

Adapting to the COVID-19 pandemic brought the team together as we developed ways to respond and ensure the safety of employees and neighbors by increasing security and nursing support, checking temperatures with no-contact sensors, and on-site tracing with dedicated badge devices – all without losing a day of productivity.

SUSTAINABLE OPERATION

Innovative thinking and a can-do mindset are helping the Nava site tackle environmental improvement projects. The plant is tracking energy, water use, and waste generation and has set reduction goals in each area to contribute towards progress to achieve our global environmental goals.

We have achieved zero landfill of hazardous waste through the conversion to alternative fuels in the cement incineration process, and 90% of non-hazardous waste is recycled. In FY21, we had zero major incidents, surpassed 15.9 million cumulative labor-hours without any accident, and more than 97% of employees completed online EHS training. In June 2021, we were recognized by the Thailand Institute of Occupation Safety and Health for the first time with "Gold" level status for our great safety record of zero accidents since inception. We also reduced energy use by almost 4.5% through improved chiller machine efficiency, lighting use management, and process improvements.

The Nava team's environmental agenda aligns with our global goals including initiating the following activities in FY21:

- Assessment of installing a rooftop solar array, increasing energy from renewables
- Evaluation of onsite water reclamation and recycling, reducing withdrawal from municipal sources
- Review of reducing pallet waste to landfill through repair or energy recovery

30% FEMALE REPRESENTATION IN ENGINEERING FUNCTIONS AT NAVA

NAVA HAS ACCUMULATED **OVER 15.9 MILLION LABOR-HOURS WITHOUT AN ACCIDENT** AND WAS AWARDED **THE GOLD LEVEL STATUS** FOR THE FIRST TIME IN 2021

Nava team celebrates shipping the first product produced at the Navanakorn factory in 2017

CULTIVATING OUR PEOPLE

At Nava, we believe in empowering our people to make the right decisions. Our engage and excel (e²) initiative guides the team in creating a culture of engagement and a sense of unity between staff and leaders. Receipt of over 1,000 suggestions for improvements to our operations lead us down a path of continuous improvement in quality, productivity, safety and environmental impact. The success of this constant engagement can be demonstrated by our average monthly attrition rate of 1.03%, compared to the industry average of 1.25% (Mercer 2019 Thailand Remuneration Surveys).

Our employees are actively engaged in several committees (EHS, Energy, Welfare, Kaizen and e²) and are encouraged to share, own, and lead initiatives surrounding their ideas. COVID-19 has provided an opportunity for more empowerment on site. Rather than external R&D and engineering teams flying into the site, our Nava team excelled in adopting the Kaizen mindset and approach to problem solving.

The Kaizen culture and strategic planning process are also key mechanisms for the team and culture. Kaizen ensures that continuous improvement can be implemented at any stage of the product life cycle. When a new product is being developed or transferred from another site, the production development process is utilized to ensure the highest efficiency and lowest waste can be achieved prior to production ramp-up. This ensures the minimum space is utilized, which in turn saves energy and lessens our impact on the environment.

We have a strong focus on diversity with 30% female representation in engineering functions, but recognize we still have opportunities to improve. Fairness is a guiding principle at Nava, and we are proud of the team we have assembled. Our aim is to build a culture organically, one that feels natural and is a blend of Western and Eastern influences. We believe we have achieved this goal, and it is this unique culture that enables our success.

LEADING BY EXAMPLE

The Nava factory aims to be a good corporate citizen to Thailand, and we seek out ways to engage with and help the community. We maintain an internship program with Chitralada Technology Institute, an apprenticeship program for students in the last year of their degree programs, and collaborate with the Cadet school and universities. These programs help students through knowledge and tools sharing and provide a hands-on experience in a high-tech manufacturing environment. Cooperative programs not only benefit the student directly, but provide us the opportunity to hire talent who understand our business and can hit the ground running. Engineering talent is in high demand, and the more we can engage with students and young professionals, the stronger our team will grow.

We share what we learn with other companies and organizations. During the COVID-19 pandemic, we worked with local governments to train communities about safety, and we shared best practices with other businesses. Both the Princess of Thailand and the governor of Prathum Thani province were welcomed to the site during the pandemic. The governor highlighted Lumentum Nava as the exemplary manufacturer for others to emulate. We also worked collaboratively with the provincial office to help support community welfare for the citizens in the province.

We shared, with other companies in Thailand, our strategies and actions to successfully combat the spread of COVID-19, such as 24-hour central command for situation monitoring and production shift scheduling techniques.

We are continuing to explore ways to contribute to the local community. We have identified initiatives such as financial contributions, and Employee Volunteer Days to support local projects by closing the plant and transporting volunteer employees to a project site. These efforts are to strengthen our ties to the community so we can raise awareness of our organization and our impact.

A BRIGHT FUTURE

Nava has enjoyed rapid growth in the number of people we employ and the products produced there. We are poised to continue that trajectory while maintaining our mission to reliably deliver on time, to specification, and at a competitive cost, while recognizing responsibility for the environment and social stewardship. Lumentum and the Nava team believe in our mission and will continue to pursue excellence in all that we do.

Team celebrates the first kW fiber laser produced at Nava in 2020

Planet:
Lighter Impact

Through our innovations we contribute to a more efficient world. Efforts to lighten the environmental footprint of our products and operations are core to Lumentum.

Our products enable a more connected society, allowing for information to flow at faster rates and people to interact from around the world. More areas of the world are gaining access to the internet, which is unlocking vast resources and reducing the burden of travel, as education and employment are now more accessible from home. Our laser technology unlocks more precise and powerful technologies that further drive down the scale and increase the power of data and communication networks. These factors all further Lumentum's role in contributing to a more efficient world that operates with a lighter footprint.

However, the demand for our products and the demand on data and communications infrastructure highlight our need to offer innovative solutions and actively manage our own environmental impacts. It is our mission to lighten our impact by reducing our energy consumption, greenhouse gas 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.

Environmental management	FY21
Percentage ISO 14001 certified sites	67%
Total number of manufacturing sites	6

Over 60% of our manufacturing sites have ISO 14001-certified environmental management systems (EMS) and we are continuing to expand this coverage. In FY21, we recorded zero significant environmental fines, 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. In addition, we integrate our ISO 9001 and Kaizen culture to our environmental management to further strengthen our program.

NET ZERO BY 2030

The environmental impact of organizations and their responsibility to manage their contributions to climate change have become clear priorities for our stakeholders. At Lumentum, we recognize the climate change we are facing and believe we have a responsibility to act. Therefore, we are proud of our commitment to achieve a net zero scope 1 and 2 emissions target by 2030.

Our journey to net zero has begun by procuring 100% renewable electricity to power our headquarters in San Jose, California, USA, a new R&D facility in Milan, Italy, and a manufacturing facility in Škofljica, Slovenia. Our site leads actively review their energy consumption for possible ways to reduce use, and we have already implemented projects at several sites. Caswell, UK, for example, has completed an LED light retrofit and replaced chiller units with newer, more efficient types to save energy.

As we grasp the challenges and opportunities that lie ahead, we are committed to rising to the occasion.

IMPACT ON CLIMATE

Lumentum recognizes the global effort needed to mitigate the worst impacts of climate change and align our actions with SDG 7 – Affordable and Clean Energy and SDG 13 – Climate Action. We realize the risk that climate change has on our business in the short, medium, and long term and have begun to incorporate climate change mitigation into our business objectives and strategy.

To monitor and manage our contributions to climate change, we have responded to CDP's Climate Change Questionnaire every year since 2017. CDP's alignment to the recommendations from the Task Force for Climate-related Financial Disclosures (TCFD) help us refine our governance structure and consider the risks and opportunities associated with climate change.

We aim to strengthen our practices and disclose our progress, and we are further developing our greenhouse gas management program. Our current inventory includes accounting for scope 1 and scope 2 emissions associated with our facilities' energy consumption and the scope 3 emissions from our contract manufacturers, business travel and other fuel- and energy-related activities. We encourage our suppliers to participate in CDP and leverage tools, such as Supply Risk Solutions, to monitor our supply chain's climate-related risks.

In FY21, our overall emissions decreased 12%. This was driven by an 18% decrease in scope 3 emissions from reductions in contract manufacturing. As we continue to expand production at Nava, we are capitalizing on process efficiencies and reduced exposure to third-party contract manufacturers. We also saw a 6% decrease in our market-based scope 2 emissions from the consolidation of our own manufacturing operations and reduced electricity use. However, counteracting these gains, we increased air circulation in cleanrooms due to COVID-19, requiring added fuel consumption, which resulted in an increase in our scope 1 emissions and scope 3 emissions from fuel-related activities. While we continue to explore global opportunities for more efficient processing and the procurement of cleaner energy, we expect to see a downward trend in our overall emissions towards our net zero goal.

As we continue to account for our greenhouse inventory, we expect to capture a wider range of scope 3 emissions categories from supplier emissions to the emissions associated with transportation and distribution. We are already taking steps to reduce our impact in these categories. In FY20, our 3D-sensing team partnered with a material supplier to nearshore their operations to a key contract manufacturer's location. This change eliminated the need to ship supplies internationally, avoiding nearly 2.3 million miles flown, or approximately 131 million commercial ton-miles. We estimate this resulted in an annual reduction of 90 metric tons of CO_2e attributable to our operations.

IN FY20, WE PARTNERED WITH A SUPPLIER TO OPTIMIZE OUR LOGISTICS **REDUCING NEARLY 2.3 MILLION MILES FLOWN** OR **APPROXIMATELY 131 MILLION** COMMERCIAL TON-MILES ANNUALLY.

GREENHOUSE GAS EMISSIONS

Legend: Scope 1 | Scope 2 (Market-based) | Scope 3 | GHG Intensity
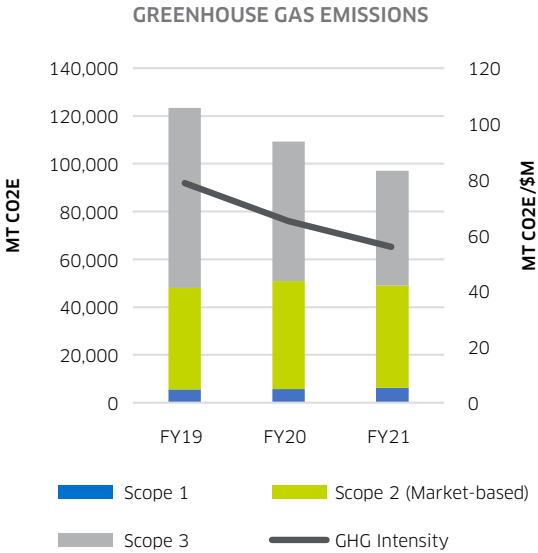
Energy	FY21	FY20	FY19
Total energy consumption (MWh)	142,299	148,048	149,191
Energy intensity (MWh/$MM)	82	88	95
Revenue ($MM)	1,742.8	1,678.6	1,565.3

PRODUCT ENERGY EFFICIENCY

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


Telecommunications and Internet Infrastructure

Internet speed and access is an ever-increasing priority across the world. The recent challenges of the global COVID-19 pandemic have only heightened the priority of national internet infrastructure upgrades. As a leading supplier of optical components and subsystems used in building internet backbone equipment, Lumentum plays an important role in the design and performance of these networks and in providing internet access across the world.

One of the key limitations to deploying terrestrial and submarine networks is electrical power. The ability to provide and dissipate power is often the most constraining factor, due to physical space limitations and atmospheric conditions.
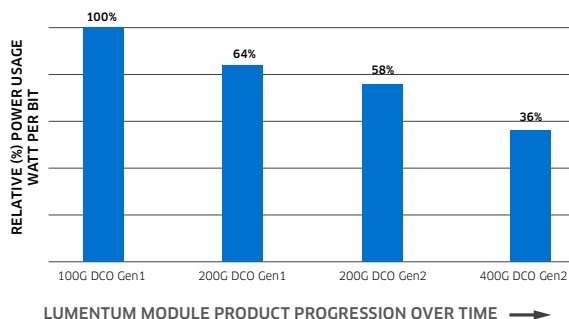
Lumentum's advances in its products and technologies are helping to increase power efficiency. For example, a comparative analysis was performed on our high-speed coherent optical data transmission modules, which are used in internet backbone applications, on a basis of watts per Gigabit (W/Gb), from 100 Gigabits per second to 400 Gigabits per second, and from the Generation 1 (Gen1) to Generation 2 (Gen2) modules. We achieved a power efficiency improvement from Gen1 to Gen2 of 64% (W/Gb).

In addition, Lumentum's high power pump lasers are critical to the world's internet infrastructure upgrades. In the span of less than 5 years, Lumentum's new generation pump lasers have doubled wall-plug efficiency compared to our previous generation. The efficiency increase allows our customers to transport more data farther while using less power. Additionally, these improvements increase the density providing more features and functions in a smaller package. Our S35 series pumps with ultra-low power consumption of less than 3.5 watts use 50% less power than the preceding S34 series pumps to generate the same optical output power.

Our leading-edge products and technologies are being used today to expand the reach of broadband throughout the world.

Cloud Data Center Infrastructure

We continually invest in the development of solutions to meet the need for reduced energy consumption in data centers. With the launch of our 100G B5 PAM4 externally modulated laser (EML), the laser power consumption per 100Gbps (Gigabits per second) was reduced by 53% over the preceding 50G B4 PAM4 EML and reduced by 80% from the original 25G B2 EML product.

In addition, we have invested in the development of a higher bandwidth 100G direct modulated laser (DML) with improved temperature control. New lasers can operate at higher temperature ranges, enabling less air-conditioning and power consumption in data centers. These factors enable savings of over 1 watt of power consumption per 400G 2 km transceiver module in the datacenter, which equates to an additional 8% power savings over an EML based 400G 2 km transceiver.

POWER USAGE IMPROVEMENTS OF COHERENT TRANSMISSION MODULES

RELATIVE (%) POWER USAGE WATT PER BIT

- 100G DCO Gen1 — 100%
- 200G DCO Gen1 — 64%
- 200G DCO Gen2 — 58%
- 400G DCO Gen2 — 36%

LUMENTUM MODULE PRODUCT PROGRESSION OVER TIME ➔

3D Sensing

Computer and machine vision applications employing laser-based 3D sensing are emerging to enhance safety, security, and functionality in a wide range of products the world increasingly relies on. These include biometric authentication in the consumer electronic devices we use every day that contain our personal information and, over the long-term, automobile safety systems.

Lumentum has shipped over a billion of vertical-cavity surface-emitting laser (VCSEL) arrays for 3D sensing over the past several years, most of which are used for biometric authentication in consumer electronics. We have continuously been focused on improving wall plug efficiency (WPE) of these products and have achieved year-over-year success. The aggregate improvement in WPE today compared to four years ago is approximately 10%. We estimate our efficiency improvements in VCSEL products have resulted in a cumulative energy savings of approximately 200,000 kWh, assuming typical usage in mobile phone applications.

Commercial Lasers

Our commercial laser products are used in a wide range of material processing applications in manufacturing, including in the medical, consumer electronics, and solar device industries, as well as in sheet metal cutting and welding. In all of these applications, energy efficiency is an increasingly critical performance requirement.

Lumentum's high-precision pulsed lasers enable reliable manufacturing processes and consistent quality for a broad range of materials. The evolution of our higher power, ultrafast, picosecond laser systems has resulted in several efficiency improvements, moving from the PicoBlade2 (PB2) to the PicoBlade3 (PB3). We have improved wall plug efficiency by 62.5%, which results in savings of 47 MWh/year for each PB3 when run 24 hours a day, 7 days a week. Optical output power has increased 3.6x with only a 1.5x increase in size, providing our customers a more efficient use of space. We are also able to reduce waste and decrease downtime up to 67% with a 3x improvement in the typical lifetime of consumables. The increased performance and reliability of the PB3 led to avoided emissions from transportation due to lighter weights (on a watt/kg basis) and fewer return-to-factory service requirements.

In the area of metal processing, Lumentum has partnered with a customer, Amada Co. Ltd. (Amada), for over 10 years in developing multiple generations of kilo-watt class fiber lasers for industrial metal cutting and welding applications. These leading-edge lasers have displaced traditional technologies, including less efficient CO_2 lasers as well as water-jet systems, which produce significant environmental waste. Our fiber laser technology has enabled Amada to accelerate the transition of their machine tool portfolio from being 90% CO_2 laser based in 2012 to their goal of less than 10% in 2022. Our fiber laser portfolio includes power levels from 4,000 watts to 12,000 watts and have a wall-plug efficiency of 30% compared to 10% for CO_2 lasers.

Further, Lumentum and Amada have partnered to develop unique laser beam shapes to enable even more efficient use of the laser light. This was a fundamental shift for the industry that enabled single machine tools to be used for a variety of applications. Lumentum continues to innovate and develop more advanced lasers in smaller and smaller footprints. We have shipped thousands of fiber lasers, which are deployed worldwide and have helped accelerate the transition to more sustainable technologies.

TRACKING PROGRESS ON ENVIRONMENTAL GOALS

As part of our commitment to a sustainable future, we set several ambitious goals in the beginning of FY21. Despite COVID-19's impact on our operations, we were able to progress on several of our goals:

NET ZERO EMISSIONS FROM OUR GLOBAL OPERATIONS (SCOPE 1 AND 2) BY 2030
Achieved 5% reduction in greenhouse gas emissions from FY20 to FY21

USE 100% RENEWABLE ELECTRICITY AT OUR CORPORATE HEADQUARTERS BY 2023
Achieved in FY21

REDUCE OUR ABSOLUTE ENERGY CONSUMPTION BY 5% AT ALL GLOBAL RESEARCH AND DEVELOPMENT SITES BY 2023
Achieved in FY21

REDUCE OUR EMISSIONS FROM AIR TRAVEL BY 20% ANNUALLY
In FY21, air travel was restricted due to COVID-19 resulting in 0 emissions

REDUCE OUR ANNUAL WATER WITHDRAWAL BY 5% BY 2023
16% increase in water withdrawal from FY20 to FY21.

We believe developing and maintaining sustainable, responsible practices in our global operations makes business sense. By reducing our chemical use and transitioning from fossil fuels to renewable energy, we are reducing costs. In a society where companies and workers are putting greater value on sustainability, greening our operations also gives us a competitive advantage with customers, increases employee morale, and aids our recruitment efforts.

WATER AND EFFLUENTS

Lumentum withdraws but does not consume large quantities of water in our operations as it is an important resource for cooling, cleaning, and hygienic use at our production facilities. In addition, several of our manufacturing facilities are in areas that experience water stress, and over half of our facilities carry out activities that could be subject to disruption due to a lack of water supply.

Integrated with our Environmental Management System (EMS), we have formal water quality management programs in place covering aspects from wastewater treatment to storm water runoff and drainage. In addition, we evaluate our water impacts through our annual submission to CDP's Water Security Questionnaire, which we've responded to each year since 2017.

We understand that water is a key resource within the communities where we operate. It is with this mindset that we introduced a goal to reduce our annual water withdrawal by 5% by 2023. We have taken measures such as the installation of closed cooling systems, which reuse and recirculate water and minimize our consumption, through the installation of efficient fixtures such as push taps and automatic taps in our restrooms and canteens. In Slovenia, we entered into an agreement with a local company for the beneficial reuse of their hot water supply. Due to increased insourcing at our Nava factory, our water withdrawal increased 14%, however water consumption decreased 20%.

In our operations where we do use water, we ensure the proper wastewater management steps are taken before discharge. We actively monitor and manage wastewater quality globally and ensure we are in compliance with all local requirements. We have received recognition for our wastewater treatment practices and have been awarded the wastewater regulatory compliance award from the city of San Jose, California, USA.

WATER AND EFFLUENTS

Withdrawal — Consumption
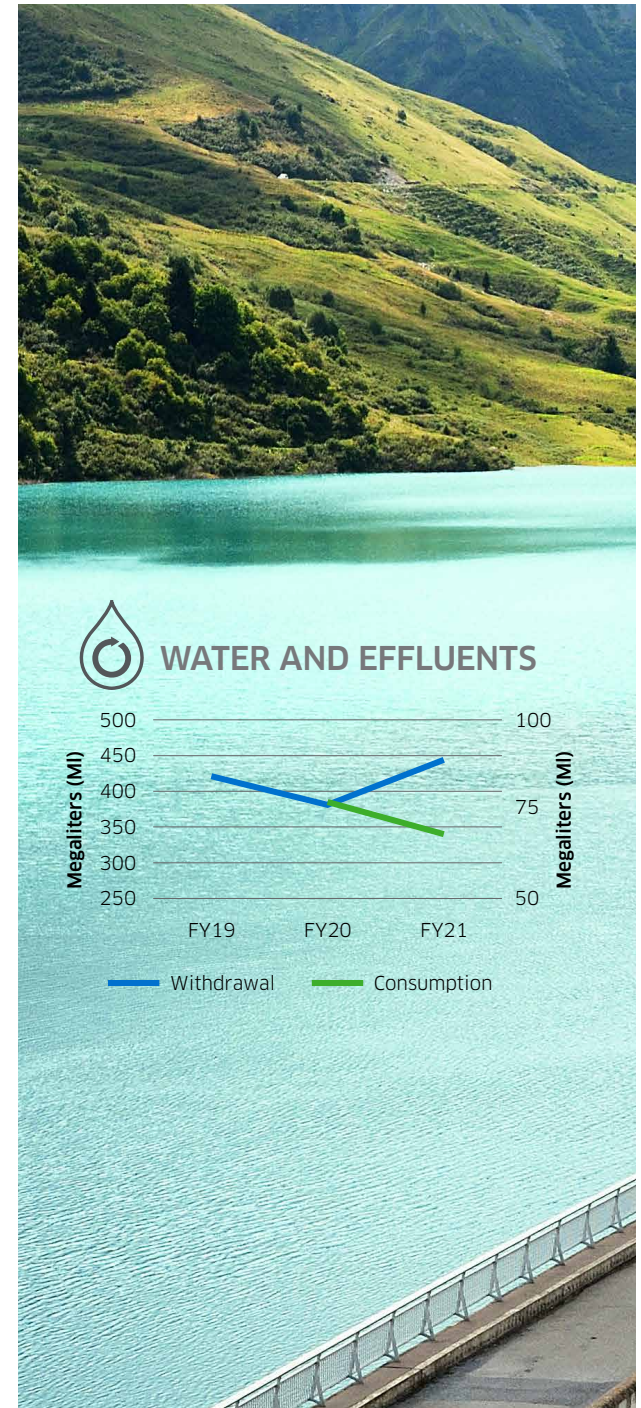
MATERIALS

Lumentum is committed to compliance with all 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).

Lumentum currently fulfills, and commits to fulfill, all of our obligations under these regulatory schemes. We participate in technical working groups and stakeholder consultations for EU RoHS legislation reviews and RoHS exemptions evaluations to ensure we are up to date on the latest and future regulations to appropriately plan our product development. We have issued position statements on REACH, RoHS and WEEE.

We require all of our suppliers to complete Lumentum's Compliance Data Form with 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, release to manufacturing, and is continuously reviewed against new substance requirements until product discontinuance.

REVENUES FROM PRODUCTS WITH
IEC 62474 DECLARABLE
SUBSTANCES DECREASED 6% IN FY21

An example of our commitment was evident when Lumentum eliminated four phthalates (BBP, DBP, DEHP and DIBP) restricted by the RoHS amending Directive (EU) 2015/863 from all of our products. In FY20 we reviewed 18,000 parts and surveyed over 600 suppliers to ensure all our products comply with Perfluorooctanoic acid (PFOA) restrictions of EU REACH regulation and the Stockholm Convention on Persistent Organic Pollutants.

In FY21, in response to a new restriction of Phenol, Isopropylated Phosphate (3:1) (PIP 3:1) and Pentachlorothiophenol (PCTP) in articles under the US Toxic Substance Control Act (TSCA) published in January 2021, we immediately performed an impact analysis and identified potentially impacted components. Based on our

full material declarations, we determined one component with PIP 3:1 substance, which was used in an already discontinued product. To ensure compliance of all our products, we have reached out to over 600 suppliers to obtain information on the presence of both substances in our components and conducted testing of selected high-risk parts.

We will continuously monitor technical progress and work closely with our suppliers to proactively reduce the use of hazardous substances in our products. We regularly evaluate our products against declarable substances included in the International Electrotechnical Commissions (IEC) 62474 standard. In FY21, 55% of our revenue was of products that contain IEC 62474 declarable substances, down from 61% and 68% in FY20 and FY19, respectively, primarily due to lead in components covered by RoHS exemptions.

WASTE

We understand the impacts that waste generation can have on surrounding communities, particularly if not treated properly. We believe organizations have a responsibility to reduce their contributions to waste streams wherever possible and align our goals with those of SDG 12 – Responsible Consumption & Production.

Our global sites produce both hazardous and non-hazardous waste through our production processes and from general operations. The generation of hazardous waste is inherent in our industry, but at Lumentum, 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, and we carry out specific training pertaining to the proper handling and disposal of general, industrial, and hazardous waste. We have introduced a comprehensive program to promote the 3Rs (Reduce, Reuse, Recycle) to reduce industrial waste. At our Nava factory, recycling rates for both hazardous and non-hazardous waste are over 90%.

IN CASWELL, UK **100% OF MUNICIPAL WASTE** IS DIVERTED FROM LANDFILL

As we continue to develop programs and seek out opportunities to reduce waste and the input materials required, we will develop a goal in FY22 to drive our waste management programs. We have already found success with waste generation decreasing over 25% from FY19 to FY20. We plan to build upon this success to continue this trend as well as increasing the percentage of waste diverted from landfill.
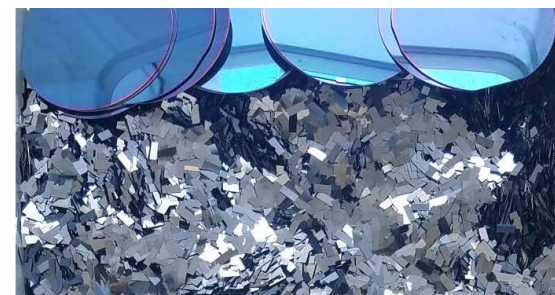
People:
Positive Impact

At Lumentum, our people are the key to our success. We offer an environment where our employees feel respected and appreciated, and we unite our team behind our Guiding Principles. We develop our team to enable their success, while creating a diverse and inclusive culture that values differences and inspires creativity.

We conduct our work to the highest social, ethical and safety standards within our facilities, and we propagate that expectation across our value chain. We aim to influence those around us beyond our value chain and work hard to positively contribute to the communities in which we live and operate.

TALENT MANAGEMENT

We recognize the future performance of Lumentum relies upon the strength of our team. Consequently, our ability to recruit and retain the services of executive, engineering, sales and marketing, and support personnel is of critical importance. The supply of highly qualified individuals–in particular, engineers in specialized technical areas and salespeople specializing in the service provider, enterprise, and commercial laser markets–is limited, and competition for such individuals is intense. Therefore, we understand the importance of creating an attractive work environment for our employees and managing our brand in the job market.

At Lumentum, we invest in programs that help us bring our best to work each and every day. Our comprehensive benefits program and wellness initiatives reflect the best standards of the high-tech industry, promoting healthy minds and bodies for both our diverse employee population and their families. Since we are a global company, our benefit programs differ by country to meet the needs of our geographically diverse employee population as well as statutory requirements and industry best practices. Benefits are one component that reinforces our Total Rewards Philosophy, and our goal is to be the employer of choice with competitive offerings.

We are proud of the work environment we have created and have received recognition at our Lumentum Ottawa, Canada site for the fourth year in a row as a best employer for recent university graduates under The Career Directory, a guide to entry-level recruitment. In addition, Lumentum Ottawa was recognized by Canada's Top 100 Employers Project as the National Capital Region's Top Employers for the fifth consecutive year.

BrightPath, our talent development process, is designed to light the way for personal and business growth, reflecting the future growth focus of Lumentum. This process encourages managers and employees to talk more often about how employees can raise their performance and skill level to support our success. Employees and managers are encouraged to meet at least monthly, or more frequently as needed, to remove roadblocks, refocus priorities, and give and receive feedback. At least once a quarter, employees and managers have an individual talent discussion. The

future of Lumentum is bright, and our employees are the critical defining factor in our company's future. Through the BrightPath process, we can apply our core beliefs of accountability, employee development, and engagement outlined in our Guiding Principles to develop a workforce that will enable us to achieve our growth objectives.

100% OF EMPLOYEES
RECEIVE REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

We offer our employees the opportunity to learn and grow as individuals and professionals. The training and education of our employees are essential to maintain Lumentum's high standards for design and manufacturing of our products along with the safety of our employees. Our learning management platform, Percipio, leverages artificial intelligence to curate learning paths and gamify skills development for recognition and celebration. Opportunities are available to learn new in-demand skills and reinforce existing knowledge for increased confidence, empowerment, and on-the-job engagement.

In addition to self-paced courses, we invest in our employees' development in safety, technical expertise, and professional business skills to meet our ongoing needs for innovation and quality control. We offer support for job-related degree programs and certifications through our learning assistance and reimbursement program. This program covers all full-time Lumentum employees across various learning types, from certificate programs to the pursuit of a degree at an accredited university.

Finally, we maintain an engaged workforce by eliciting and responding to feedback regularly. We leverage a tool called Glint to help us understand our organizational performance and identify areas to improve. We have asked employees to rate their level of agreement with continuous improvement processes supporting their understanding of roles and responsibilities. Between May 2019 and May 2021, the overall company score has increased 7 points from a low of 68 to a high of 75. Education on process improvement has taken place throughout the company at all levels. Email updates, articles, learning sessions, and metrics have helped identify areas of opportunity and address them.

Employee engagement remained a priority throughout the pandemic, and we saw strong responses in our engagement surveys. We believe this was tied to our response and ongoing communication regarding COVID-19, and we quickly implemented what feedback we received. For example, within one week of request, we enabled cashless transactions for our entire canteen in our Nava factory.

Gender Equality

Aligned with SDG 5 – Gender Equality, Lumentum is committed to equal treatment and equal pay of employees regardless of gender.

We regularly conduct our assessment and reporting for UK gender pay gap reporting. However, in June 2020, we completed a more comprehensive analysis of employee compensation with an aim to identify gaps based on gender. The analysis resulted in a subset of employees who were determined should receive salary adjustments, which were quickly implemented. This pay equity analysis has been integrated as standard practice in our compensation program, as we monitor and make necessary adjustments quarterly. We are committed to eliminating inexplicable differences in pay and monitoring our recruitment, talent, and pay practices to identify areas that may be leading to unintentional pay differences.
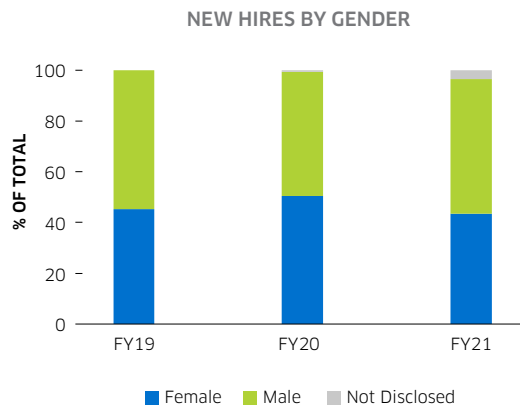
NEW HIRES BY GENDER

We are committed to gender diversity across the organization, from female representation in new hires to our goal of women in 21% of senior leadership positions.

DIVERSITY & INCLUSION BELONGING

Embracing Our Differences—Together
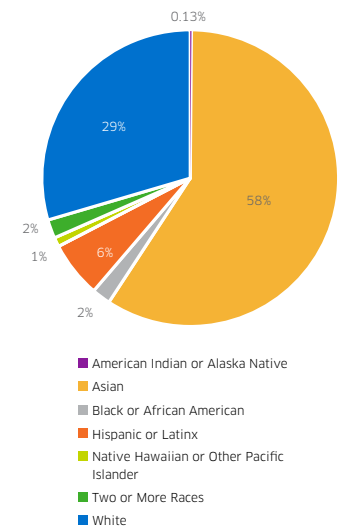
DIVERSITY, INCLUSION, AND BELONGING

Although we come from all corners of the globe—representing people of diverse cultures and perspectives—we share the same goals and vision for our company. We are unified in our commitment to live our Guiding Principles: Innovate, Engage, Deliver, Excel, and Win. Our differences make us stronger, more creative, and capable of delivering better results. As a global, multicultural company driven by innovation, we are building a diverse and inclusive culture where differences are valued, but we realize there is still room for improvement.

We have identified a maturity model and vision of progression for the diversity, inclusion, and belonging (DIB) program at Lumentum. While early in our journey, we acknowledge that diversity is a business benefit but is also the right thing to do. By fostering a more inclusive culture, our talent pool will become larger, and our competitive advantages will become greater. Our desire is to integrate and embed DIB into our daily activities. Our first step in this journey was a Kaizen project that launched in the fall of 2020 with a focus on how we recruit new talent. Everything from how job postings are written, how interviews are conducted, to how we assess talent in the organization were evaluated to ensure a consistent and unbiased process.

We review our DIB initiatives with our Nominating and Governance Committee at least quarterly. Progress toward our multiyear DIB strategy for sustainable cultural change is measured quarterly for support and accountability by our Compensation Committee. Our DIB Council, formed in 2019, aligns our diversity goals and objectives with our wider company goals and objectives. The council is co-chaired by our Chief Executive Officer and our Vice President of Talent and Chief Diversity Officer, with representation by all business units and functions.

EMPLOYEE DIVERSITY (U.S.A.)

Legend:
- American Indian or Alaska Native
- Asian
- Black or African American
- Hispanic or Latinx
- Native Hawaiian or Other Pacific Islander
- Two or More Races
- White

To bring employees together, we launched employee-led employee resource groups (ERGs) for early career hires, women, Latinx and Hispanic employees, Black employees, and AAPI employees, with plans to expand to other employee groups. These ERGs provide a safe space for conversation and help us address company-wide challenges and communicate with senior leaders across the organization.

We set annual goals to increase the representation of several traditionally underrepresented populations in our organization. See our FY21 DIB goals below:

FY21 DIB Goal	FY21 Target	FY21 Outcome	Context
Increase the percentage of women in senior leadership positions	21%	20.7%	We increased the proportion of women in senior leadership roles to 20.7%, just below our 21% goal. We have increased the number of women globally to 50% of our population and females hold 28% of our people management roles.
Increase the percentage of early career new hires	33%	48.0%	We exceeded our early career hire goals with 48% of our new employees being within the first five years of their career.
Increase the percentage of Black/African American new hires (U.S.A. only)	10%	10.2%	We achieved our goal for Black/African American representation of new hires and understand this is an important step in fostering a more diverse workforce.
Increase the percentage of Latinx/Hispanics new hires (U.S.A. only)	10%	4.6%	In FY21, our Latinx/Hispanic representation of new hires was under our 10% goal. Looking ahead, we believe our university relations program, increased diverse partnerships, and further development of our ERGs will continue to strengthen our reach to a diverse candidate pool. These efforts support our desire to foster a culture of inclusiveness and a sense of belonging for all employees, improving our desirability as an employer.
Less than a 2% gender pay gap, globally	<2%	<2%	We are proud to have achieved our goal and understand it takes regular monitoring to ensure we remain equitable in our compensation.
Less than a 2% pay gap for underrepresented minorities (U.S.A. only)	<2%	<2%	

In addition, to progress towards these goals we introduced initiatives including unconscious bias training focusing on three areas of the candidate and employee experience: attraction, development, and retention. We expanded our university relations program and partnerships to engage with the National Society of Black Engineers (NSBE), the Society of Women Engineers (SWE), and the Society of Hispanic Professional Engineers (SHPE). We also introduced a partnership with fourteen universities, of which four are Historically Black Colleges or Universities (HBCUs), to provide internship opportunities with a $10,000 scholarship awarded at the successful completion of the internship.

We also participate in external initiatives to drive DIB in the San Francisco Bay Area. We are a member of the Silicon Valley Leadership Group supporting three key areas: the Racial Equity Task Force to increase the representation of underrepresented minorities in the Bay Area through their 25x25 initiative, the Education committee to increase partnership with California Community Colleges, and the Housing Committee in support of affordable housing for Bay Area residents.

Social Justice

In the wake of the protests and conversations about race in the U.S.A. sparked by the death of George Floyd, we have worked to better share our plans and thinking about diversity, inclusion, and belonging with our workforce that already started in 2019. Our CEO has sent clear messages to all employees that racism of any kind will not be tolerated at Lumentum and expressed support for our Black employees. Also, in response to the increased hate crimes in the U.S.A. against Asian Americans and East Asians since the start of the pandemic, our CEO condemned the violence and racism, and emphasized the importance that all people stand together to support one another.

Lumentum is committed to creating a space where all employees feel empowered, are respected and can contribute to the fullest extent of their potential.

Early in 2021, Lumentum committed to the 25×25 diversity initiative developed by the Silicon Valley Leadership Group, of which our CEO is an executive board member. As a participating company, we pledged that by 2025, at least 25% of our leadership will be comprised of persons of color and/or women or that we will increase the number of underrepresented executives in leadership roles by at least 25%. We will keep the pledge by making diversity data and annual progress towards meeting committed metrics public. In addition, we commit to increase resources for funding and/or community engagement in support of underrepresented groups and expansion of minority talent pipelines by 25% by 2025.

OCCUPATIONAL HEALTH AND SAFETY

Protecting the health and safety of our employees is vital to our core values. Caring for and attending to everyone who comes through our doors is fundamental to Lumentum's success and plays a major role in quality control. Providing a productive work environment means ensuring that all of our facilities, and those of our supply partners, are safe and comply with all applicable workplace health and safety laws and regulations.

100% OF EMPLOYEES AND CONTRACTORS ARE COVERED BY AN INTERNALLY AUDITED HEALTH AND SAFETY MANAGEMENT SYSTEM

Our Lumentum Production System (LPS) extends beyond product quality and aims to create a safety culture based on safe people and safe places. We apply the zero-defect mindset and strive for zero work-related injuries at all sites. In Thailand, we were awarded Thailand's National Health and Safety award for operating over 15.9 million hours with zero accidents. Practices to support this success include the implementation of weekly safety walks conducted by local EHS and CSR team members to ensure a safe workplace and that employees are adhering to safety policies. We conduct more detailed health and safety risk assessments at all manufacturing sites on at least an annual basis.

We have a comprehensive corporate health and safety policy that covers a range of issues from evaluation of EHS compliance to hazardous waste management to noise exposure and hearing protection. The occupational health and safety management system at our largest manufacturing facility, based in Thailand, has been ISO45001-certified and we will continue to advance our program through sharing best practices learned and implemented from our global operations. All employees are required to comply with all Lumentum environmental, health and safety policies. Global health and safety teams come together monthly to discuss incidents, events, and learnings to share best practices. Within each facility, meetings are held

weekly to identify any risks or problem areas and determine action plans for resolution. Regular audits and drills are conducted onsite to simulate fire incidents or chemical spills.

Employee training and education is critical to ensure a safe and controlled workplace. Employees are required to undergo mandatory safety training and comply with the policies relevant to their work. To encourage engagement, in 2020, we held safety fairs in the United States, a safety education week in Slovenia and a 2-day safety event in Thailand to promote our commitment to safety.

Another aspect to encourage engagement is through joint labor-management health and safety committees. Each facility has a safety committee which consists of representatives across operational functions and responsibility-types. These committees have proven successful in increasing the awareness of safety practices and distributing the responsibility of health and safety to each employee within the facility.

Health and Safety management system	FY21	FY20	FY19
Number of all employees who are covered	4,869	4,906	4,625
Percentage covered	100	100	100
Number of all employees who are covered by a system that has been internally audited	4,869	4,906	4,625
Percentage covered	100	100	100
Number of all employees who are covered by a system that has been audited or certified by an external party	1,991	1,759	0
Percentage covered	41%	36%	0%

Note: FY19 and FY20 employee totals have been restated to reflect and updated reporting methodology.

Safety			
Near Miss Frequency Rate (NMFR)	1.69	2.08	3.92
Total Recordable Incident Rate (TRIR)	0.16	0.17	0.29
Hours worked	11,491,279	11,764,571	10,286,926

Note: Rates have been calculated based on 200,000 hours worked. We are expanding our coverage of NMFR reporting. Sites where data is not yet available have been excluded.

COMMUNITY ENGAGEMENT AND SUPPORT

The act of giving back, whether that be through volunteering or in-kind or monetary donations, is deeply rooted in our culture and is tied to one of our Guiding Principles, Engage. We consistently strive for a better tomorrow by uplifting our communities while continuing to make Lumentum a great place to work.

LUMENTUM OTTAWA WAS RECOGNIZED BY CANADA'S TOP 100 EMPLOYERS PROJECT AS THE NATIONAL CAPITAL REGION'S TOP EMPLOYERS FOR THE FIFTH CONSECUTIVE YEAR.

In Canada, since April 2020, **WE SERVED OVER 23,000 MEALS AND MADE 430 DELIVERIES** to at-risk groups and frontline workers

This competition recognizes employers who go above and beyond by demonstrating unwavering support for their employees and the local community. Part of the recognition was of our program to encourage employees to volunteer with a paid day off. Volunteer hours accumulated almost 1,000 hours on company time to complement a company match program.

In addition to our ongoing efforts through flexible volunteer hours, in 2020 we introduced Lumentum Gives. This all-encompassing program was designed to introduce additional paths for community engagement. Created by employees for the community, the program includes three pillars–flexible volunteer hours, disaster relief, and company donation-matching. Our mission is to fan the spark of generosity that is within all employees to make positive change through meaningful contributions.

At the beginning of the COVID-19 pandemic, when personal protective equipment was in short supply, we donated our all-in-one cleanroom apparel, hats, gloves, and touchless thermal scanners to local hospitals and health workers in the USA and Thailand. In San Jose, California, a portion of our on-site testing capability is being used to support testing for underserved people. In Thailand, our team partnered with the local government to offer safety training and shared best practices with other businesses.

Our Lumentum Gives donation matching program is available to all our sites and we are working towards expanding formal coverage of the remaining two pillars, flexible volunteer hours and disaster relief. Meanwhile, each location continues to be active in their communities through site-specific engagement with local community organizations.

To help support the communities where we operate around the globe, we donated $500,000 in FY20 and $415,000 in FY21 to local institutions that serve the communities where our employees live and work. This includes employee donations that were matched by Lumentum. Each of our global sites had the opportunity to select their local institutions to support. For example, in Canada, since April 2020, we developed a program to provide hot meals to at-risk groups and frontline workers, serving over 23,000 meals and making 430 deliveries.

Food donation for Second Harvest Food Bank in San Jose, USA

Team donation during COVID-19 in Nava, Thailand

Volunteers donated their time and contributed to Shenzhen Nanshan Xingguang Special Children Rehabilitation Center in Shenzhen, China

Food drive in support of the Food Bank in Ottawa, Canada

ESG KPI DATA SUMMARY

Planet

Energy (MWh)	FY21	FY20	FY19
Total energy consumption	142,299	148,048	149,191
Total fuel consumption	29,106	26,065	29,892
• Natural gas	29,094	26,053	29,836
• Diesel	12	12	55
Total electricity consumption	113,192	121,983	119,299
• Self-generated electricity	0	0	0
- Electricity purchased from the grid (%)	100%	100%	100%
Energy consumption from renewable sources	2,180	0	0
Energy intensity (MWh/$MM)	82	88	95
Revenue ($MM)	1,742.8	1,678.6	1,565.3

Emissions (MT CO2e)	FY21	FY20	FY19
Total GHG emissions	96,441	109,333	123,324
Scope 1 GHG emissions	6,273	5,698	5,502
Scope 2 location-based GHG emissions	43,999	46,651	44,232
Scope 2 market-based GHG emissions	42,235	45,168	42,524
Scope 3 GHG emissions	47,933	58,467	75,298
• Purchased goods & services	31,249	45,034	60,528
• Fuel- & energy-related activities	16,684	12,183	11,782
• Business travel	0	1,250	2,988
GHG emissions intensity (MT CO2e/$MM)	55	65	79

Water and effluents (ML)	All Areas	Water Stressed	All Areas	Water Stressed	All Areas	Water Stressed
Water withdrawal by source	444	93	381	107	421	310
Groundwater	49	15	35	0	0	0
Third-party water	395	78	346	107	421	310
Water discharge by destination	376	86	304	99	N/R	N/R
Surface water	8	-	17	-	N/R	N/R
Third-party water	368	86	287	99	N/R	N/R
Total water consumption	68	7	77	7	N/R	N/R

N/R indicates not recorded.
Note: Water and effluents data is reported for all global manufacturing facilities and facilities over 50,000 square feet and/or with over 100 headcount.

Waste (MT)	FY21	FY20	FY19
Total weight of waste generated	1,212	1,400	1,876
Hazardous	339	380	453
• Diverted	19	29	68
• Disposed	319	351	385
Non-hazardous	874	1,020	1,423
• Diverted	676	721	918
• Disposed	198	299	505

Note: Waste data is reported for all global manufacturing facilities and facilities over 50,000 square feet and/or with over 100 headcount.

ESG KPI DATA SUMMARY

People

Information on employees and other workers	FY21	FY20	FY19
Total number of employees	6,056	5,859	5,681
Total number of permanent employees	5,426	5,306	5,011
Female	2,695	2,593	2,354
Male	2,731	2,713	2,657
APAC	3,721	3,552	3,196
EMEA	601	491	534
AMER	1,104	1,263	1,281
Total number of temporary employees	630	553	670
% of temporary employees	10.4%	9.4%	11.8%
Female	94	93	144
Male	181	203	280
Not Disclosed	355	257	246
APAC	327	235	227
EMEA	66	51	48
AMER	237	267	395
Total number of full-time employees	5,402	5,281	4,969
Female	2,681	2,580	2,326
Male	2,721	2,701	2,643
Total number of part-time employees	24	25	42
Female	14	13	28
Male	10	12	14
Percentage that are foreign nationals	2.4%	3.3%	3.0%
Percentage that are located offshore	NA	NA	NA

Employment	FY21	FY20	FY19
Total number of new employee hires	1,280	1,829	2,729
<30 years old	556	808	777
30-50 years old	663	956	1,616
>50 years old	61	65	336
Female	670	925	1,235
Male	610	893	1,494
Not Disclosed	-	11	-
APAC	973	1,542	2,053
EMEA	175	129	505
AMER	132	158	171
Total employee turnover	1,174	1,479	1,205
Voluntary turnover	923	1,231	810
Involuntary turnover	251	248	395
<30 years old	407	652	38
30-50 years old	566	691	617
>50 years old	201	136	200
Female	574	675	525
Male	600	793	679
Not Disclosed	-	11	1
APAC	809	1,147	876
EMEA	67	170	61
AMER	298	162	268

ESG KPI DATA SUMMARY

People

Diversity & equal opportunity	FY21	FY20	FY19
Number of employees in management roles	**690**	**631**	**609**
Female	186	163	157
Male	504	468	452
<30 years old	7	6	5
30-50 years old	421	395	392
>50 years old	262	230	212
Diverse Employees	19	18	14
Number of employees in technical roles	**1,879**	**1,886**	**2,063**
Female	481	506	522
Male	1,398	1,380	1,541
<30 years old	234	181	235
30-50 years old	1,154	1,140	1,241
>50 years old	491	565	587
Diverse Employees	41	53	58
Number of all other employees	**3,547**	**3,420**	**2,948**
Female	2,214	2,087	1,832
Male	1,333	1,333	1,116
<30 years old	1,082	1,161	1,062
30-50 years old	2,113	1,942	1,568
>50 years old	352	317	318
Diverse Employees	51	42	38

Note: Diverse employee data reflects US operations only. Lumentum identifies diverse employees as those who are not of Asian or Caucasian descent.

Training & education	FY21	FY20	FY19
Total hours of training undertaken	**68,132**	**43,565**	**30,683**
Average hours of training per employee	11.3	7.4	5.4
Employee reviews			
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.

H&S-related injuries	FY21	FY20	FY19
Near miss frequency rate	1.69	2.08	3.92
Number of recordable work-related injuries	9	10	15
• Rate	0.16	0.17	0.29
Number of high-consequence work-related injuries	0	0	1
• Rate	0	0	0.02
Number of fatalities as a result of work-related injuries	0	0	0
• Rate	0	0	0
Number of hours worked	11,491,279	11,764,571	10,286,926

Note: Data covers employee cases only. Rates have been calculated based on 200,000 hours worked. We are expanding our coverage of NMFR reporting. Sites where data is not yet available have been excluded.

GRI CONTENT INDEX

Disclosure No.	Disclosure Description	Direct Response or Report Location
102-1	Name of the organization	Lumentum Holdings, Inc.
102-2	Activities, brands, products, and services	About Lumentum, page 5.
102-3	Location of headquarters	San Jose, California, USA.
102-4	Location of operations	About Lumentum, page 6.
102-5	Ownership and legal form	Lumentum is publicly listed and traded on the Nasdaq Stock Market.
102-6	Markets served	About Lumentum, page 5-6. FY20 Form 10-K, pages 4 - 6.
102-7	Scale of the organization	About Lumentum, page 6. ESG KPI Data Summary, page 47.
102-8	Information on employees and other workers	People, page 41. ESG KPI Data Summary, page 47.
102-9	Supply chain	Supply Chain Responsibility, page 20.
102-10	Significant changes to the organization and its supply chain	No significant changes occurred in our supply chain during the reporting year.
102-11	Precautionary Principle or approach	Planet, page 34.
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)
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)
102-14	Statement from senior decision-maker	A Message from the Board, page 3. A Message from the CEO, page 4.
102-16	Values, principles, standards, and norms of behavior	Our Vision, page 7. Our Guiding Principles, page 7.
102-18	Governance structure	CSR Governance, page 8.
102-40	List of stakeholder groups	Stakeholder Engagement & Materiality, page 14.
102-41	Collective bargaining agreements	Lumentum supports employees' rights to collective bargaining. No employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement & Materiality, page 14.
102-43	Approach to stakeholder engagement	Stakeholder Engagement & Materiality, page 14.
102-44	Key topics and concerns raised	Stakeholder Engagement & Materiality, page 14.
102-45	Entities included in the consolidated financial statements	FY20 Form 10-K, pages 136 - 137.
102-46	Defining report content and topic Boundaries	Stakeholder Engagement & Materiality, page 14.
102-47	List of material topics	Stakeholder Engagement & Materiality, page 14.
102-48	Restatements of information	This is our inaugural report. No restatements have been made.
102-49	Changes in reporting	There have been no changes in reporting.
102-50	Reporting period	July 1, 2020 - June 30, 2021.

Disclosure No.	Disclosure Description	Direct Response or Report Location
102-51	Date of most recent report	This is the first report prepared by Lumentum.
102-52	Reporting cycle	Annual.
102-53	Contact point for questions regarding the report	CorporateSocialResponsibility@Lumentum.com
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 50.
102-56	External assurance	Verification Statement, page 57. We have not sought external assurance of this report, however, certain environmental metrics have been verified by an independent third-party. 2020 GHG Assurance Statement
201	**Economic Performance**	
103	Management approach	Supply Chain Responsibility, page 19 - 20. Impact on Climate, page 35. 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 20. FY20 Form 10-K, pages 47.
201-2	Financial implications and other risks and opportunities due to climate change	Impact on Climate, page 35. 2021 CDP Climate Change Response.
205	**Anti-corruption**	
103	Management approach	Business Conduct and Ethics, page 10.
205-1	Operations assessed for risks related to corruption	Business Conduct and Ethics, page 10.
205-2	Communication and training about anti-corruption policies and procedures	Business Conduct and Ethics, page 10.
205-3	Confirmed incidents of corruption and actions taken	Business Conduct and Ethics, page 10.
206	**Anti-competitive Behaviors**	
103	Management approach	Business Conduct and Ethics, page 10.
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Conduct and Ethics, page 10.
301	**Materials**	
103	Management approach	Materials, page 39.
302	**Energy**	
103	Management approach	Energy data is reported for all global sites. Impact on Climate, page 35.
302-1	Energy consumption within the organization	Impact on Climate, page 35.
302-3	Energy intensity	Impact on Climate, page 35.
303	**Water**	
103	Management approach	Water data is reported for all global manufacturing facilities and facilities over 50,000 square feet and/or with over 100 headcount. Water and Effluents, page 38.
303-1	Interactions with water as a shared resource	Water and Effluents, page 38.
303-2	Management of water discharge-related impacts	Water and Effluents, page 38.
303-3	Water withdrawal by source	Water and Effluents, page 38.
303-4	Water discharged	Water and Effluents, page 38.
303-5	Water consumption	Water and Effluents, page 38.

Disclosure No.	Disclosure Description	Direct Response or Report Location
305	**Emissions**	
103	Management approach	Impact on Climate, page 35.
305-1	Direct (Scope 1) GHG emissions	ESG KPI Data Summary, page 46.
305-2	Energy indirect (Scope 2) GHG emissions	ESG KPI Data Summary, page 46.
305-3	Other indirect (Scope 3) GHG emissions	ESG KPI Data Summary, page 46.
305-4	GHG emissions intensity	ESG KPI Data Summary, page 46.
306	**Waste**	
103	Management approach	Waste data is reported for all global manufacturing facilities and facilities over 50,000 square feet and/or with over 100 headcount. Waste, page 38.
306-1	Waste generation and significant waste-related impacts	Water and Effluents, page 38.
306-2	Management of waste-related impacts	Water and Effluents, page 38.
306-3	Waste generated	ESG KPI Data Summary, page 46.
306-4	Waste diverted from disposal	ESG KPI Data Summary, page 46.
306-5	Waste directed to disposal	ESG KPI Data Summary, page 46.
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.
401	**Employment**	
103	Management approach	Talent Management, page 41.
401-1	New employee hires and employee turnover	Talent Management, page 41. ESG KPI Data Summary, page 47.
403	**Occupational Health and Safety**	
103	Management approach	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. Occupational Health and Safety, page 44.
403-1	Occupational health and safety management system	Occupational Health and Safety, page 44.
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, page 44.
403-3	Occupational health services	Occupational Health and Safety, page 44.
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page 44.
403-5	Worker training on occupational health and safety	Occupational Health and Safety, page 44.
403-6	Promotion of worker health	Occupational Health and Safety, page 44.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, page 44.
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety, page 44.
403-9	Work-related injuries	Occupational Health and Safety, page 44. ESG KPI Data Summary, page 49.
404	**Training and Education**	
103	Management approach	Talent Management, page 41.
404-1	Average hours of training per year per employee	Talent Management, page 41. ESG KPI Data Summary, page 48.
404-3	Percentage of employees receiving regular performance and career development reviews	Talent Management, page 41.

Disclosure No.	Disclosure Description	Direct Response or Report Location
405	**Diversity and Equal Opportunity**	
103	Management approach	Diversity, Inclusion, and Belonging, page 42-43.
405-1	Diversity of governance bodies and employees	Diversity, Inclusion, and Belonging, page 42. ESG KPI Data Summary, page 48.
406	**Non-discrimination**	

		Non-discrimination	FY21	FY20	FY19
406-1	Incidents of discrimination and corrective actions taken	Total number of incidents	0	1	1
		Incident status			
		Reviewed	1	2	1
		Remediation developed	0	1	1
		Remediation implemented	0	1	1
		Closed	1	2	1

407 **408** **409**	**Freedom of Association** **Child Labor** **Forced Labor**				

		Human rights	FY21	FY20	FY19
407-1 408-1 409-1	Operations in which human rights may be at risk	Freedom of association and collective bargaining (by country)			
		• Company operations	0	0	0
		• Supplier operations	11 countries	11 countries	NA
		Child labor (by country)			
		• Company operations	0	0	0
		• Supplier operations	1 country	1 country	NA
		Forced or compulsory labor (by country)			
		• Company operations	0	0	0
		• Supplier operations	4 countries	7 countries	NA

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.
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.

Disclosure No.	Disclosure Description	Comment/Response
417	**Marketing and Labeling**	
417-2	Incidents of non-compliance concerning product and service information and labeling	Lumentum recorded zero incidents of non-compliance.
417-3	Incidents of non-compliance concerning marketing communications	Lumentum recorded zero incidents of non-compliance.
418	**Customer Privacy**	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Lumentum received zero substantiated complaints or losses of customer data.
419	**Socioeconomic Compliance**	
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.
N/A	**Product Quality & Innovation**	
103	Management approach	Innovation, page 23-24. Spotlight on Quality: Building a Kaizen Culture, page 26-28.
N/A	Number of 3rd party audits or inspections	Innovation, page 25.
N/A	Number of ISO 14001 certified sites	Planet: Lighter Impact, page 34.
N/A	Kaizen projects and benefits	Spotlight on Quality: Building a Kaizen Culture, page 27.
N/A	Kaizen events and participation	Spotlight on Quality: Building a Kaizen Culture, page 27.

SASB INDEX

Disclosure No.	Disclosure Description	Direct Response or Location in Report			
Quantitative Metric	Area of manufacturing facilities	FY20 Form 10-K, page 33.			
Quantitative Metric	Number of employees	ESG KPI Data Summary, page 47.			
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 10.			
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	**Materials**	**FY21**	**FY20**	**FY19**
		Total revenue of products that contain IEC 62474 declarable substances	55%	61%	68%
		Revenue from products with declarable substances other than covered by RoHS exemptions	4.9%	5.2%	6.6%
HW/SC/EE - 440a.1	Description of the management of risks associated with the use of critical materials	Materials, page 39.			
HW - 410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Omitted.			
SC/EE - 130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Impact on Climate, page 35. ESG KPI Data Summary, page 46.			
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 46.			
SC - 110a.1	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	Impact on Climate, page 35. ESG KPI Data Summary, page 46.			
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 35.			
SC/EE - 150a.1	Amount of hazardous waste generated, percentage recycled	ESG KPI Data Summary, page 46.			
EE - 150a.2	Number and aggregate quantity of reportable spills, quantity recovered	0 recordable spills.			
HW - 430a.1	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	**Supplier social & environmental assessment**	**FY21**	**FY20**	**FY19**
		Number of Tier 1 supplier facilities audited	1	5.0	2.0
		Percentage audited	20%	83%	29%
		Percentage of high-risk facilities audited	NA	NA	NA
		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.			
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 - 330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	ESG KPI Data Summary, page 47.			
SC - 320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Occupational Health and Safety, page 44.			
SC - 320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	$0 monetary losses.			
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 42-43. ESG KPI Data Summary, page 48.			
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
5 Gender Equality (5.1, 5.5)	5.1.1 Non-discrimination 5.5.2 Proportion of women in managerial positions	• Assessing gender pay gaps as standard practice in its compensation program and making pay adjustments. • Setting specific goals to promote women to senior leadership position and to be early career hires.	Talent Management Diversity, Inclusion, and Belonging
7 Affordable and Clean Energy (7.2, 7.3)	7.2.1 Renewable energy share 7.3.1 Energy intensity	• Using 100% renewable electricity at corporate headquarters and select global facilities. • 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.	Impact on Climate
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	• Monitoring compliance of restricted materials, including conflict minerals, and decreasing the use of hazardous substances. • Adhering to our own health and safety policy involving safety training and compliance procedures. • Monitoring compliance with all workplace health and safety and labor rights laws and regulations within our operations and supply chain.	Economic Performance Materials and Waste Health and Safety Human Rights
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	• Operating manufacturing facilities and engaging with contract manufacturing in various parts of the world. • Conducting research and development at various design sites in a variety of locations around the globe.	Economic Performance Talent Management
10 Reduced Inequalities (10.4, 10.7)	10.4.1 Labor share of GDP 10.7.1 Recruitment cost borne by employee	• Paying competitive wages and salaries that contribute to the GDP in countries where we operate. • Offering skilled manufacturing jobs and policies to pay all fees associated with recruitment, while also prohibiting partners from charging fees.	Economic Performance Talent Management
12 Responsible Consumption & Production (12.2, 12.4, 12.7, 12.a)	12.2.1 Material footprint 12.4.2 Hazardous waste 12.7.1 Sustainable procurement policies 12.a.1 Installed renewable energy-generating capacity in developing countries	• Monitoring compliance of restricted materials, including conflict minerals, and decreasing the use of hazardous substances. • Using 100% renewable electricity at corporate headquarters along with establishing onsite renewable energy generation, onsite energy efficiency projects, and entering into power purchase agreements. • Requiring all suppliers to sign company Supplier Code of Conduct upon onboarding along with using 3rd party-developed tools to assess suppliers on financial, environmental and social risks factors.	Materials and Waste Supply Chain Management Impact on Climate
13 Climate Action (13.2)	13.2.2 Total greenhouse gas emissions per year	• Committing to achieving net zero scope 1 and 2 GHG emissions target by 2030 and incorporating climate change mitigation into business objectives and strategy. • Having ISO 14001-certified environmental management systems in over 50% of manufacturing sites with plans to expand coverage.	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 in relation to specified greenhouse gas (GHG) emissions reported in Sections C6.1, C6.3 and C6.5 of its CDP Climate Change Questionnaire 2021.

	Engagement Summary

Scope of our assurance engagement	Whether the following consolidated corporate GHG emissions data (on an operational control basis) for Lumentum's global operations for the financial year 2020 (1st July 2019 to 30th June 2020) are, in all material respects, fairly presented in accordance with the reporting criteria:
	• 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_2e).
	• Scope 2 Indirect GHG emissions (location-based and market-based) associated with purchased electricity (metric tonnes CO_2e).
	• Scope 3 Other indirect emissions from the following categories (metric tonnes CO_2e):
	  - Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2); and
	  - Category 6: Business travel (by air only).

Reporting criteria	The World Resources Institute and the World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition).
Assurance Standard	ISO14064-3:2019 Specification with guidance for the verification and validation of greenhouse gas statements
Assurance level	Limited assurance
Respective responsibilities	Lumentum is responsible for preparing the GHG emissions data and for the information included in its CDP Climate Change Questionnaire 2021. 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 2020 GHG emissions data are not fairly presented, in all material respects, with the reporting criteria:

Total Scope 1 GHG emissions:	**5,750** tCO$_2$e
Total Scope 2 GHG emissions:	
Location-based	**46,651** tCO$_2$e
Market-based	**45,168** tCO$_2$e
Total Scope 3 GHG emissions:	**13,441** tCO$_2$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 2020 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.

Beth Wyke
Partner, Head of Corporate Assurance
23 July 2021
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.