

# SASB Disclosure Fiscal Year 2020



The [Sustainability Accounting Standards Board's](#) (SASB) mission is to establish and maintain industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors. We have considered SASB standard when reporting annually on environmental, social, governance (ESG) issues and have provided key details below.

SASB Code	Metric	FY2020
<b>Energy Management and Environmental Footprint of Operations</b>		
RT-EE-130a.1	Total energy consumed, Gigajoules(GJ)	298,925
TC-TL-130a.1	Percentage grid electricity	100%
	Percentage renewable	—
<b>Hazardous Waste Management</b>		
RT-EE-150a.1	Amount of hazardous waste generated, Tons	641
	Percentage recycled <sup>1</sup>	23%
<b>Data Privacy</b>		
TC-TL-220a.1	<p><b>Description of policies and practices relating to behavioral advertising and customer privacy.</b></p> <p>In a world where valuable data is increasingly proliferated and can so easily be misused, VIAVI Solutions places the utmost importance on protection of personal and customer data and takes its responsibility seriously to securely handle this data. VIAVI is deeply committed to complying with all local legal requirements relating to the handling of data in all territories in which we operate. In addition, we adhere to our contractual commitments and ensure protection of all data entrusted to us by our customers.</p> <p>Because data protection is of the utmost importance, VIAVI develops and adopts our practices globally to meet the highest standards, as we implement new data copy request processes and a new supply chain audit process to validate their handling of the data given to us and them. We are also starting a new sensitive data awareness program across the company to increase employees' awareness of the data they handle and how to treat it appropriately.</p>	
<b>Data Security</b>		
TC-TL-230a.1	Number of data breaches	—
	Percentage involving personally identifiable information (PII)	NA
	Number of customers affected	NA
TC-TL-230a.2	<p>Description of approach to identifying and addressing data security risks, including use of third-party cyber security standards.</p> <p>Data security is the responsibility of our Information Security team, overseen by the Chief Information Security Officer who delivers quarterly reports to the Audit Committee of our Board of Directors.</p> <p>We leverage a combination of NIST Cybersecurity Framework, International Organization for Standardization and Center for Internet Security best practice standards to measure security posture, deliver risk management and provide effective security controls.</p>	
<b>Employee Diversity and Inclusion</b>		
TC-HW-330a.1	<p>Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees</p> <p>See page 3 for Employee Diversity and Inclusion metrics.</p>	

SASB Code	Metric	FY2020
<b>Supply Chain Management</b>		
TC-HW-430a.1	a. Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent <sup>2</sup>	Approximately 33%
	b. Percentage of high-risk Tier 1 supplier facilities audited in the RBA Validated Assessment Program (VAP) or equivalent <sup>2</sup>	N/A
<b>Materials Sourcing</b>		
TC-HW-440a.1 RT-EE-440a.1	<p><b>Description of the management of risks associated with the use of critical materials.</b></p> <p>VIAVI strives to avoid using sole-source parts. Approval of new designs is contingent on evaluation of level of multi-sourcing selection as well as other factors. VIAVI leverages the sourcing capabilities of its Tier-1 Contract Manufacturers as well as existing distribution channels to mitigate supply disruption risks. However, in some special situations buffer stock agreements may be set up when multi-sourcing is not achievable.</p> <p>VIAVI actively monitors life cycle of parts it uses. Contingency plans are implemented to avoid supply disruptions due to part obsolescence. Also, VIAVI collects and reviews country of origin information of its supply chain and uses it to assess the potential risk of Slavery and Human Trafficking associated with potential new sources along with Conflict Minerals and environmental factors.</p>	
<b>Business Ethics</b>		
RT-EE-510a.1	<p><b>Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior.</b></p> <p><b>Antitrust Compliance</b></p> <p>In many countries, VIAVI is subject to complex laws and regulations (known in some countries as “antitrust” laws) designed to preserve competition among enterprises and to protect consumers from unfair business arrangements and practices. VIAVI employees are always expected to comply with these laws. Many situations create the potential for unlawful anti-competitive conduct and should be avoided. These include:</p> <ul style="list-style-type: none"> <li>• Proposals from competitors to share price or other competitive marketing information or to allocate markets or customers</li> <li>• Attempts by customers or potential customers to preclude VIAVI from doing business with, or contracting with, another customer</li> <li>• Discussions at industry trade association meetings on competitively sensitive topics, such as prices, pricing policies, costs and marketing strategies.</li> </ul> <p><b>Antibribery and Corruption</b></p> <p>Many countries have laws and regulations restricting gifts that may be provided to government employees. For example, the United States Foreign Corrupt Practices Act (“FCPA”) provides for severe penalties for companies and individuals who engage in direct or indirect bribery of foreign officials.</p> <p>Many countries have similar laws and extend anti-bribery restrictions to the private sector. VIAVI expects all employees to strictly abide by all such laws and regulations.</p> <p><b>Training</b></p> <p>VIAVI provides bi-annual training to employees on FCPA and anti-bribery regulations as well as on the Code of Business Conduct. All employees, contractors and the Board of Directors are expected to comply with the Code of Business Conduct and our policies and procedures.</p> <p><b>Compliance</b></p> <p>VIAVI has an Internal Audit group that monitors compliance and conducts investigations. VIAVI maintains an anonymous hotline through which employees can report to the Legal department, Internal Audit and the Audit Committee of the Board of Directors, any concerns or potential violations of our policies and procedures.</p>	

<sup>1</sup> The company captures 90% of the Hazardous Material to help provide a degree of certainty.

<sup>2</sup> Tier 1 supplier facilities include here are those that either (i) are VAP audited or (ii) have undergone an audit process substantially similar to VAP.

## Employee Diversity and Inclusion Metrics

FY20 VIAVI Gender Representation of Global Employees (%)				
	Female	Male	N/A	Grand Total
First/Mid Level Officials and Managers	21%	79%	0%	100%
All Other Employees	31%	69%	0%	100%
Technical Staff	12%	87%	0%	100%
<b>Grand Total</b>	<b>24%</b>	<b>76%</b>	<b>0%</b>	<b>100%</b>

FY20 VIAVI Racial/Ethnic Group Representation of U.S. Employees (%)							
Job Category	Asian	Black or African American	Hispanic or Latino	Not Disclosed	White	Other *	Total
First/Mid Level Officials and Managers	14%	2%	9%	2%	71%	2%	100%
All Other Employees	11%	4%	9%	4%	67%	4%	100%
Technical Staff	18%	2%	2%	3%	73%	2%	100%
<b>Total</b>	<b>13%</b>	<b>3%</b>	<b>7%</b>	<b>3%</b>	<b>69%</b>	<b>3%</b>	<b>100%</b>

\*Other - American Indian or Alaska Native; Native Hawaiian or Other Pacific Islander; Two or More Races