
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM SD

LUNA INNOVATIONS INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

000-52008
(Commission File Number)

54-1560050
(I.R.S. Employer
Identification Number)

301 First Street SW, Suite 200
Roanoke, VA 24011
(Address of Principal Executive Offices)

Dale Messick, CFO - (540) 769-8400
(Name and telephone number, including area code, of the person to contact in connection with this report.)

Check the appropriate box to indicate the rule pursuant to which this form is being filed, and provide the period to which the information in the form applies:

Rule 13p-1 under the Securities Exchange Act (17 CFR 240.13p-1) for the reporting period from January 1 to December 31, 2018.

Section 1 – Conflict Minerals Disclosure

Item 1.01 Conflict Minerals Disclosure and Report

A copy of the Conflict Minerals Report of Luna Innovations Incorporated (“LUNA”) is attached as Exhibit 1.01 and is available at <http://www.lunainc.com>, under Investor Relations.

LUNA has adopted a conflict minerals policy, which is available at <http://www.lunainc.com>, under Investor Relations. This policy is not incorporated herein by reference.

Item 1.02 Exhibit

The Company has filed, as an exhibit to this Form SD, the Conflict Minerals Report required by Item 1.01.

Section 2 – Exhibits

Item 2.01 Exhibits

The following exhibit is filed as part of this report:

<u>Exhibit No.</u>	<u>Description</u>
1.01	Conflict Minerals Disclosure and Report

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the duly authorized undersigned.

Luna Innovations Incorporated

Date: May 29, 2019

By: /s/ Dale Messick

Dale Messick, Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Conflict Minerals Report of Luna Innovations, Incorporated
in Accordance with Rule 13p-1 under the Securities Exchange Act of 1934
For the Year Ended December 31, 2018

Introduction

This Conflict Minerals Report of Luna Innovations Incorporated (“LUNA”) for the calendar year ended December 31, 2018 has been prepared in accordance with Rule 13p-1 (“Rule 13p-1”) under the Securities Exchange Act of 1934, as amended (the “1934 Act”). Rule 13p-1 was adopted by the Securities and Exchange Commission (the “SEC”) to implement reporting and disclosure requirements related to conflict minerals as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”). Rule 13p-1 imposes certain reporting obligations on SEC registrants who manufacture or contract to manufacture products containing conflict minerals which are necessary to the functionality or production of their products. Conflict Minerals are defined as cassiterite, columbite-tantalite (coltan), gold, wolframite, or their derivatives, which are limited to tantalum, tin and tungsten and gold (“3TG”) for the purposes of this assessment. The “Covered Countries” for the purposes of Rule 13p-1 are the Democratic Republic of the Congo, the Republic of the Congo, the Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia and Angola.

If a registrant has reason to believe that any of the conflict minerals necessary to the functionality or production of its products may have originated in the Covered Countries, or if it is unable to determine the country of origin of those conflict minerals, then the registrant must exercise due diligence on the conflict minerals’ source and chain of custody and submit a Conflict Minerals Report to the SEC that includes a description of those due diligence measures.

Company Overview

LUNA is a leader in advanced optical technology, providing high performance fiber optic test products for the telecommunications industry and distributed fiber optic sensing products for industries utilizing composite and other advanced materials, such as the automotive, aerospace, energy and infrastructure industries. LUNA’s distributed fiber optic sensing products help designers and manufacturers more efficiently develop new and innovative products by providing valuable information such as highly detailed stress, strain, and temperature measurements of a new design or manufacturing process. In addition, LUNA’s distributed fiber optic sensing products are used to monitor the structural integrity or operational health of critical assets, including large civil structures such as bridges. LUNA’s communications test products accelerate the development of advanced fiber optic components and networks by providing fast and highly accurate characterization of components and networks. In addition, LUNA provides applied research services, typically under research programs funded by the U.S. government, in areas of advanced materials, sensing, and healthcare applications. LUNA’s business model is designed to accelerate the process of bringing new and innovative products to market.

For the year ended December 31, 2018, LUNA was organized into two main business segments, the Products and Licensing segment and the Technology Development segment. The Products and Licensing segment develops, manufactures and markets distributed fiber optic sensing products, as well as communications test products. LUNA is continuing to develop and commercialize its fiber optic technology for sensing applications for aerospace, automotive, energy, and infrastructure, as well as for test and measurement applications in the telecommunications and data communications industries. The primary product lines and development services in this segment include the Optical Distributed Sensing Interrogator, the Optical Vector Analyzer, the Optical Backscatter Reflectometer, Hyperion and Terahertz sensing systems. To manufacture these products, LUNA contracts with over 200 third-party contract manufacturers to manufacture the components of these products, and LUNA then assembles these components into its finished products.

The Technology Development segment performs applied research principally in the areas of sensing and instrumentation, advanced materials, and health sciences.

The scope of this Conflict Minerals Report excludes the products of General Photonics Corporation (“GP”), which was acquired by LUNA on March 1, 2019. In accordance with Rule 13p-1, LUNA is delaying reporting on GP’s products until

the Form SD to be filed in 2021, which is following the end of the first reporting calendar year that begins no sooner than eight months after the effective date of the acquisition of GP.

LUNA's Policy

LUNA strives to conduct its activities in a manner that reflects its mission and its Code of Business Conduct and Ethics, which includes being a good corporate citizen, dealing fairly in business, behaving ethically, supporting a safe and healthy workplace and complying with applicable law. LUNA is committed to ensuring that its supply chain reflects its values and beliefs, including adherence to principles of responsible sourcing for materials for its products. As part of this commitment, LUNA has adopted a policy relating to conflict minerals which is posted on its website at <http://www.lunainc.com>, under Investor Relations. This policy provides that LUNA supports the goals and objectives of Section 1502 of the Dodd Frank Act that requires public companies to determine the sourcing of conflict minerals used in their products and that LUNA expects its suppliers to support its efforts to comply with the Dodd Frank Act and to proactively identify and make every effort to eliminate the use of any conflict minerals in its supply chain.

Due Diligence

In accordance with Rule 13p-1, LUNA undertook due diligence to determine the source of necessary conflict minerals that are in the components of its products that LUNA contracts with third parties to manufacture. In conducting its due diligence, LUNA implemented the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD 2011), an internationally recognized due diligence framework.

As a company in the optical component and the fiber-optic test and measurement industries, LUNA is several levels removed from the actual mining of conflict minerals. LUNA does not make purchases of raw ore or unrefined conflict minerals and makes no purchases in the Covered Countries. LUNA has conducted a good faith reasonable country of origin inquiry regarding the source of 3TG used in its products. This good faith reasonable country of origin inquiry was designed to determine whether any 3TG originated in the Covered Countries and whether any of the 3TG may be from recycled or scrap sources. As part of this process, LUNA conducted a survey using the Responsible Business Alliance ("RBA") conflict minerals survey template. This template was developed to facilitate disclosure and communication of information regarding smelters that provide material to a company's supply chain. It includes questions regarding a supplier's conflict-free policy, engagement with its direct suppliers, and a listing of the smelters the supplier and its suppliers use. The template also contains questions about the origin of conflict minerals included in their products, as well as supplier due diligence.

LUNA's due diligence measures included:

- Conducting a supply-chain survey with direct suppliers of materials that contain conflict minerals using the RBA Conflict Minerals Reporting Template to identify the smelters and refiners.
- Tracking responses and reviewing responses to assess their reliability.
- Reviewing statements regarding use of conflict minerals on vendors' websites.
- Following up with suppliers who failed to return responses or who returned incomplete or inconsistent responses in order to gain additional information and received revised responses, as necessary. As of May 29, 2019, LUNA had received responses and/or reviewed policies online from 77% of the surveyed suppliers.
- Comparing those smelters and refiners identified in the supply-chain survey against the list of smelter facilities which have been identified as "conflict free" by programs such as the Responsible Minerals Assurance Process ("RMAP") for 3TG.

Conclusions

Although certain of the suppliers who responded to the survey were able to identify the smelters and refiners and conclude that the 3TG in the components that they manufacture for LUNA originated in countries other than the Covered Countries or conflict free programs, many of the suppliers who responded to the survey were unable to specify the smelters or refiners used for components supplied to LUNA. Based on the information received in the due diligence process, LUNA does not have sufficient information to determine whether the necessary conflict minerals originated in the Covered Countries and, if so, whether the necessary conflict minerals were from recycle or scrap sources, were DRC conflict free or have not been found to be DRC conflict free. To date, LUNA's process has not yielded any affirmative data indicating that any of the 3TG necessary for the functionality or production of its products originated in any of the Covered Countries.

Efforts to Mitigate Risk

In the next compliance period, LUNA intends to implement steps to improve the information gathered from its due diligence to further mitigate the risk that its necessary conflict minerals do not benefit armed groups. The steps include:

- Ongoing conduct of supply-chain surveys with direct suppliers of materials containing conflict minerals using the RBA Conflict Minerals Reporting Template to identify the smelters and refiners.
- Ensure comparison of the smelters and refiners identified in the supply-chain survey against the current list of smelters for tantalum, tin, tungsten and gold.
- Increase the response rate of suppliers with a goal of receiving responses from more than 80% of suppliers.
- Work with suppliers and request their participation in a program such as the RMAP program to obtain a “conflict free” designation.