



ESG REPORT 2022

COHERENT

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FROM THE CHAIR AND CEO

Coherent is committed to its mission of enabling the world to be safer, healthier, closer, and more efficient. We recognize the significant role we have in building a more sustainable society. Our focus on Environmental, Social, and Governance (ESG) factors are essential to Coherent's success. We are focused on long-term, sustainable value creation and the responsible management of Coherent globally. Coherent has worked to address global challenges and responded to greater calls for organizations to address racial justice and inclusion, as well as demands for businesses to step up to protect the environment.

In this inaugural ESG Report, we share how we manage key ESG topics, create solutions, and positively impact today's rapidly changing society. We hope all of our stakeholders, including employees, customers, supply chain partners, governments, communities, and shareholders, will find that this transparency helps bring into focus how ESG is embedded in our culture and integrated with our core values.

Our Products: Coherent is enabling the convergence of electrification and renewable energy, both of which are essential to the long-term strategy of many governments to reduce their dependency on fossil fuels and lower greenhouse gas emissions while accelerating to be Net Zero. The impact of our silicon carbide technology will speed the electrification of many applications, such as high-efficiency power electronics for electric vehicles, solar and wind energy, and smart grids.

Responsible Sourcing: Coherent's products are manufactured by thousands of suppliers that make up our global supply chain. We are working to implement a transparent due-diligence program that upholds human rights, supports diverse suppliers, and shows leadership in responsible sourcing and engagement practices.

Protection of the Environment: We are working to broaden the awareness of environmental sustainability among our employees and incorporate sustainable and circular business practices into our operations. We are focused on reducing our carbon footprint and responsibly managing waste products from our manufacturing processes by minimizing the waste created in our facilities and responsibly disposing of hazardous materials, while reducing water consumption.

People: Our people are essential to fulfilling our mission and working toward our vision. As a result, our human capital strategies are core to the long-term success of the company. At Coherent, employee safety is paramount. It is our highest priority to ensure the safety, security, and well-being of our employees. We also recognize that a diverse, inclusive, and equitable organization, where people feel valued, leads to greater innovation and productivity. Hiring skilled individuals and continuing to develop them are critical to our operations, and we work hard to support STEM educational and research programs.

Governance: We are committed to the practices of compliance, good business judgment, curiosity, common sense, and adherence to high ethical standards. These practices are the vital cornerstones upon which Coherent was founded, and we continue to embed them across everything we do.

The work toward a more sustainable future never stops. We will continue to focus on the ESG priorities outlined in this report and work hard every day to maintain our high standard of excellence. As we are at the forefront of the industry, we will continue to lead with the vision, perseverance, and resilience to advance our knowledge and change the world for the better. Looking ahead, we will carry forward our vision of a world transformed through innovations vital to a better life today and the sustainability of future generations.

Sincerely,



Dr. Vincent D. (Chuck) Mattera, Jr.
Chair and CEO



FROM THE ESG COMMITTEE CHAIR

At Coherent, we recognize that our ESG strategy is essential to our long-term success. We strive to align our ESG efforts with our business strategy, and we manage ESG at the highest levels of the company.

In 2021, the Board refocused its traditional committee structure and established the Environmental, Social, and Governance (ESG) Committee to provide guidance and oversight for the company's sustainability vision, to oversee the fidelity of the company's stated ESG goals, and to ensure that the governance of the company meets regulatory expectations.

As we continue to advance our mission toward enabling the world to be safer, healthier, closer, and more efficient, the full Board of Directors is dedicated to fully understanding Coherent's evolving ESG risks and opportunities, and how they are being addressed across the company.

Sincerely,



Enrico DiGirolamo

Chair, ESG Committee, Board of Directors



2022 ESG HIGHLIGHTS

COMPANY STATS

Name: **Coherent Corp.***

Core Competency: **Engineered materials**

Headquarters: **Saxonburg, PA, USA**

Asia Regional Headquarters: **Fuzhou, China**

Founded: **1971**

Patents: **3,000+**

Worldwide Employees: **28,000+**

Engineering and Technology Employees: **4,400+**

Worldwide Locations: **130**

Countries: **24**

RECENT AWARDS

- Forbes America's Best Mid-Sized Companies (FY 2021)
- Environmental Protection Outstanding Contribution Award (Wuxi, China, FY 2021)
- Fujitsu Supply Chain Excellence Award (February 2021)
- Excellent Partner Awards, Sumitomo Electric Industries, Ltd. (September 2021)
- ECOC Most Innovative Product/Optical Integration Award (October 2021)
- Excellent Supplier Award from Han's Laser (January 2022)

**Coherent Corp. as of Sept 8, 2022*

PRODUCT HIGHLIGHTS

- To meet the accelerating global demand for silicon carbide (SiC) power electronics, which are used in electric vehicles (EVs), Coherent is expanding its nearly 300,000 square foot factory in Easton, Pennsylvania, to scale up the production of its state-of-the-art 150 mm and 200 mm SiC substrates and epitaxial wafers
- Our highly differentiated process for EV battery recycling delivers >95% recovery of critical metals with zero liquid discharge

RESPONSIBLE SOURCING HIGHLIGHTS

- Broadened our responsible minerals program to include cobalt
- 85% of our 3TG suppliers have completed the Coherent due-diligence survey and submitted Conflict Minerals Reporting Templates in accordance with the Responsible Minerals Initiative

ENVIRONMENT HIGHLIGHTS

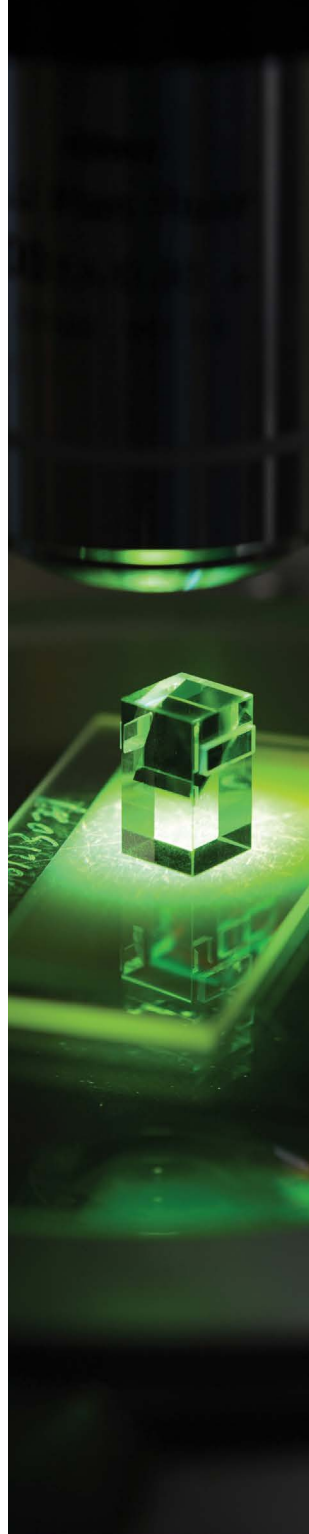
- Launched formal greenhouse gas (GHG) emissions inventory accounting process across our global operations to measure and monitor our Scope 1 and Scope 2 emissions
- Entered into renewable electricity contracts for more than 40 sites around the world, including over 35 sites that now cover 100% of their annual electricity usage with renewable sources
- Enhanced and developed key policies and statements to reflect our ongoing commitment to sustainability and mitigating climate-related risk

PEOPLE HIGHLIGHTS

- Globally, approximately 49% of our workforce is female, with 11,457 females and 12,029 males as of June 30, 2022

GOVERNANCE HIGHLIGHTS

- ESG oversight is managed at the Board level through our rebranded Environment, Social, and Governance (ESG) Committee
- 82% of Board of Directors are independent
- 55% of Board members are women or ethnically diverse

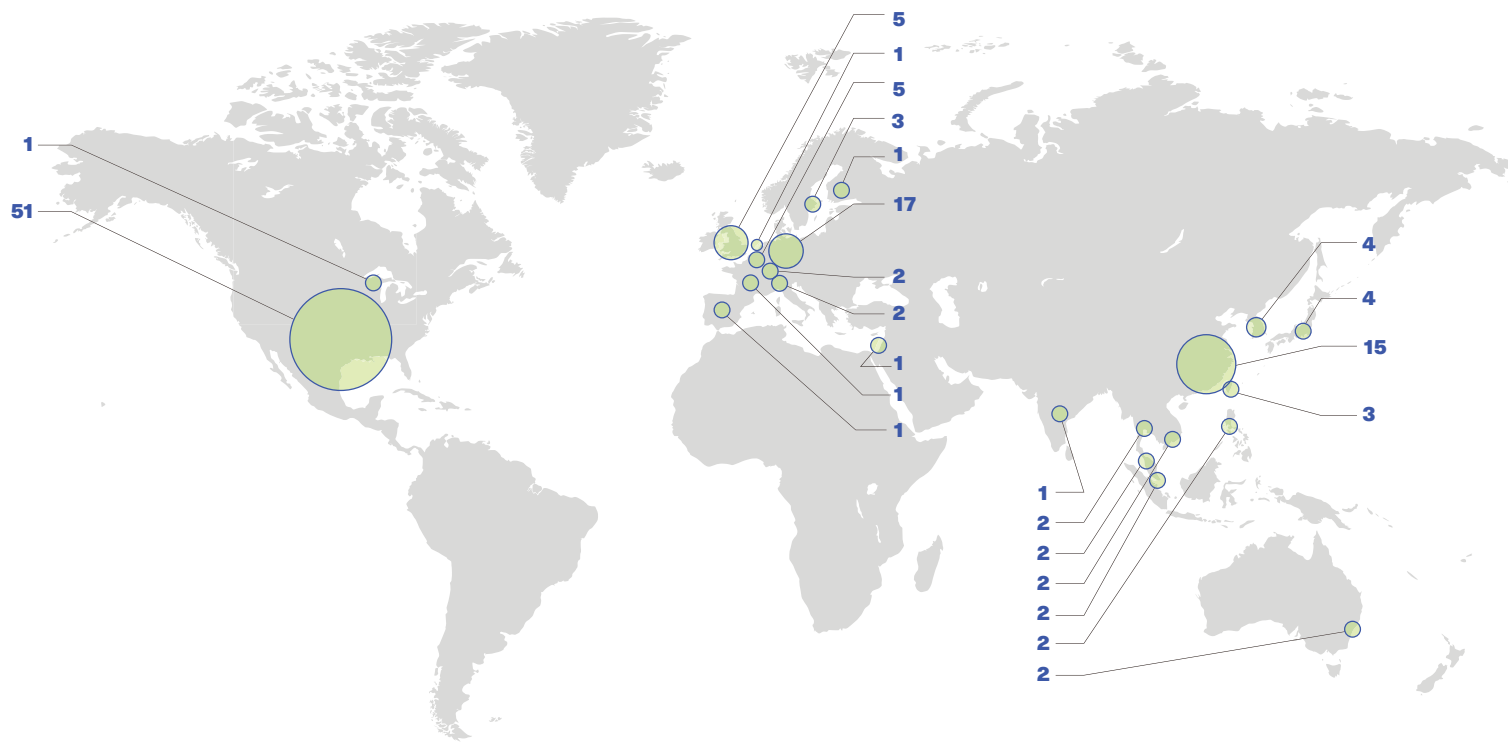


ABOUT US

OUR BUSINESS

In 2022, II-VI Incorporated marked a transformative milestone. Following its successful acquisition of laser pioneer Coherent, Inc., II-VI announced on September 8 a new name and corporate identity: **Coherent Corp.** The combination created a diversified and global powerhouse in materials, networking, and lasers, and launched a new era for two innovative leaders with over 100 years of combined history.

At Coherent, we are driven by one guiding purpose: enabling the world to be safer, healthier, closer, and more efficient.



24 COUNTRIES



130 LOCATIONS WORLDWIDE



28,000+ EMPLOYEES WORLDWIDE

Headquartered in Saxonburg, Pennsylvania, with a global footprint across 24 different countries, the new **Coherent** is a vertically integrated manufacturing company that develops innovative products for the industrial, communications, electronics, and instrumentation markets. We empower innovators to define the future through breakthrough technologies, from materials to systems.

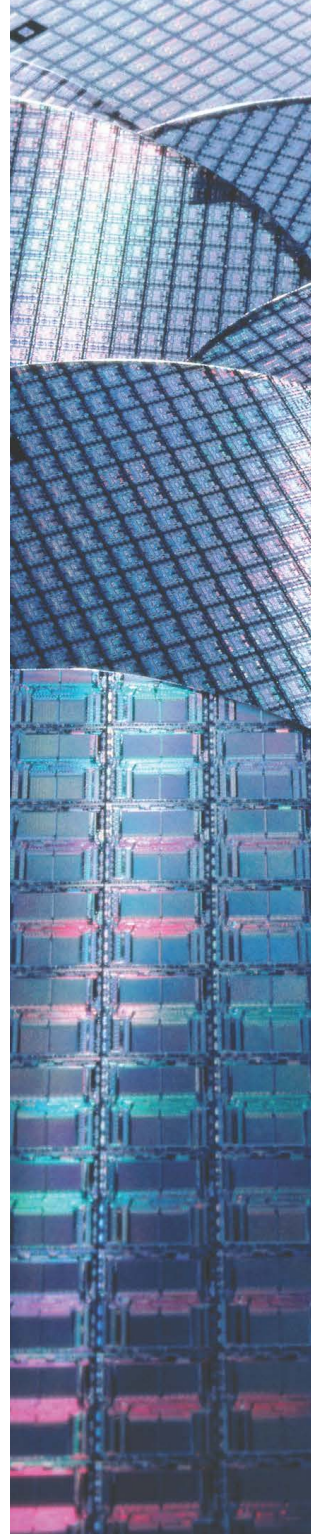
II-VI chose the name Coherent because it has a universal meaning to “bring things together,” and an appeal that we believe will both enhance our brand recognition and ultimately lead to value creation for all of our stakeholders. While the name Coherent has a natural association with lasers, the broader meaning of the word represents the consistency in everything we do by embracing diversity and inclusion as we bring the enterprise together. It represents our differences in thinking, our unity in action, and our clarity of purpose. We will aim to be coherent in all of these and a lot more.

As the new Coherent, we retain and reflect our strong heritage, long history, and deeply held values, which support our vision of a world transformed through innovations vital to a better life today and the sustainability of future generations.

REPORTING YEAR AND SCOPE

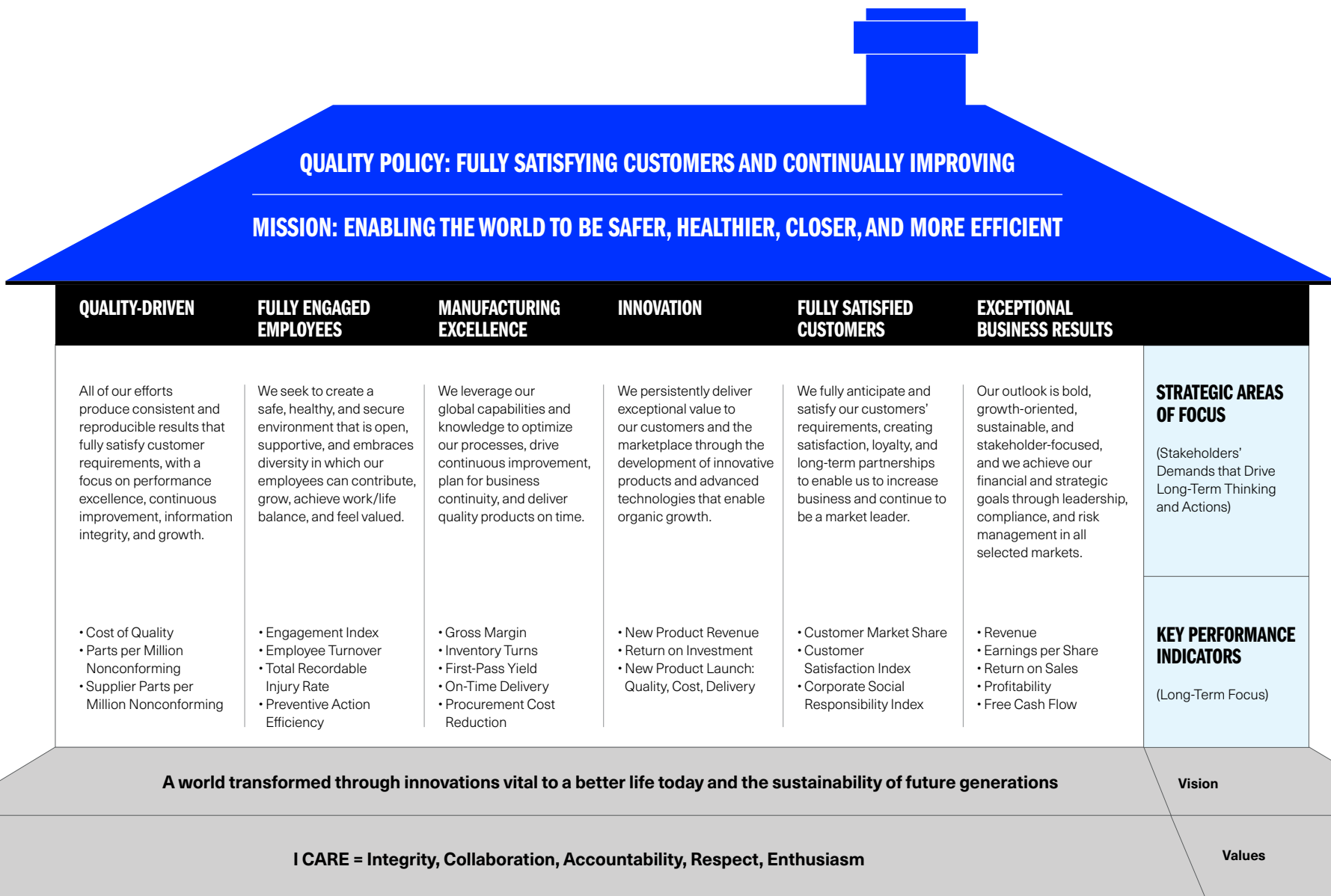
All references to a “year” refer to fiscal years. The report includes data from fiscal years 2021 and 2022. Unless otherwise specified, the scope of this ESG Report refers to the entirety of Coherent Corp.’s global business operation during the fiscal year referenced.

Over the years, the company has acquired a number of businesses. Wherever applicable, data from their activity is included from their acquisition date onward, with one exception: As noted in the “Our Business” section, II-VI Incorporated most recently acquired Coherent, Inc., on July 1, 2022. Due to the timing of this ESG Report relative to that acquisition, no data from the former Coherent, Inc., is included in this report. All information reported here is from the former II-VI Incorporated.



OUR STRATEGIC HOUSE

We developed the Coherent Strategic House to illustrate our approach to long-term sustainable growth. The Strategic House serves as a framework to communicate who we are today, how we measure progress internally, and how we will achieve our desired future.



The foundation of our Strategic House is our shared values: Integrity, Collaboration, Accountability, Respect, and Enthusiasm. These values formulate our global culture. Together, they spell out “I CARE” and serve as our compass while we navigate routine interactions and day-to-day operations.

The values allow us to make a powerful statement through our conduct; our care for our people, stakeholders, and business partners; our care for the environment and society; and proper governance.

- **Integrity** – Create an Environment of Trust
- **Collaboration** – Innovate Through the Sharing of Ideas
- **Accountability** – Own the Process and the Outcome
- **Respect** – Recognize the Value in Everyone
- **Enthusiasm** – Find a Sense of Purpose in Work

Our success depends on our employees’ understanding of how their work contributes to the company’s business strategy. Our Strategic House is communicated to employees during orientation and regularly throughout their employment with Coherent, connecting purpose to strategy.

ESG APPROACH AND OVERSIGHT

Environmental, Social, and Governance (ESG) factors are embedded in our culture and integrated with our core values. Our founders laid the groundwork for innovations in materials and manufacturing that are underpinning changes in the world today. From our beginning, Coherent has embraced a culture of honesty, humility, and an enduring respect for the individual.

ESG OVERSIGHT

All of our employees, our management team, and our Board are engaged on ESG. Our newly appointed Chief Sustainability Officer leads our global ESG efforts, along with the Vice President of Global Risk and Corporate Responsibility. Collectively, they are responsible for M&A and integration activities, ESG, enterprise risk management, and other corporate development programs.

This year we revised the charter of the Nominating and Governance Committee of our Board of Directors to incorporate our increased emphasis on sustainability matters.

The renamed Environment, Social, and Governance (ESG) Committee of the Board of Directors’ role now includes oversight of ESG by:

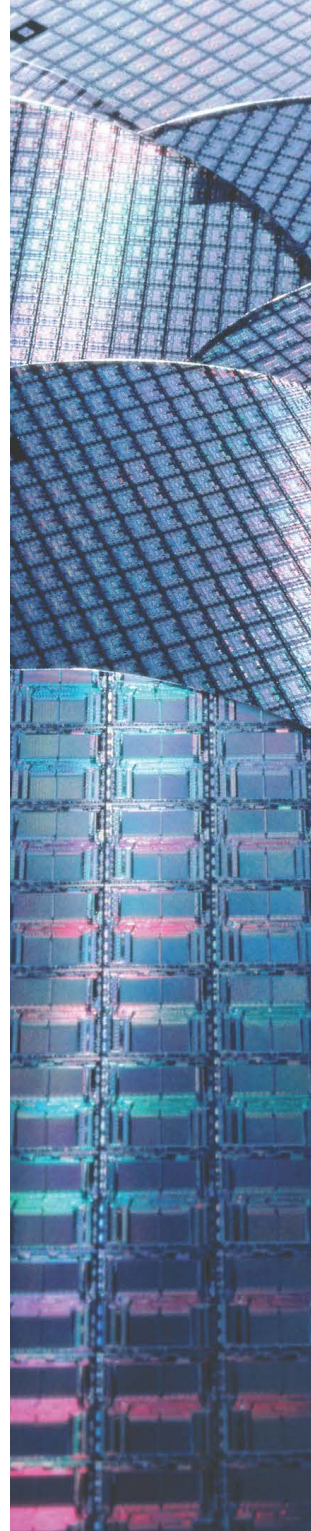
- Providing guidance on and oversight of the company’s ethical culture and sustainability vision, and its environmental, social, and governance goals
- Ensuring that the governance of the company meets the requirements of applicable law
- Ensuring that the Board defines the qualifications for, and considers and appoints, qualified candidates for all Board positions, and for the CEO position.

The ESG Committee meets at least quarterly. The committee supports the company’s efforts by overseeing ESG strategy and alignment with the company’s overall business outlook and stakeholder engagement. Read our ESG Committee Charter on our ESG page under Governance for more information.

OTHER BOARD COMMITTEES’ INVOLVEMENT WITH ESG:

- The Audit Committee oversees the company’s financial reporting, audit process, and internal controls, which include the administration of the company’s Code of Ethical Business Conduct, FCPA, and its compliance hotline.
- The Compensation and Human Capital Committee oversees the company’s compensation and incentive philosophy for its employees, officer and director compensation, human capital management strategies, and compensation-related risk.
- The Strategy, Technology, Acquisition, and Risk (STAR) Committee oversees the company’s enterprise risk management program.






Our Board of Directors provides the strategic direction for our ESG programming, and our management team provides executive management of our ESG programming to ensure that it is cohesive with the company’s business strategy. Our internal ESG Steering Committee is a cross-functional working group responsible for implementing our ESG programming, advancing performance, and integrating sustainability into all facets of our business. The committee is chaired by the Vice President of Global Risk and Corporate Responsibility and includes individual contributors and leadership from corporate development, enterprise risk management and insurance, human resources, supply chain management, legal department, global EHS, learning and development, corporate communications, investor relations, and finance.

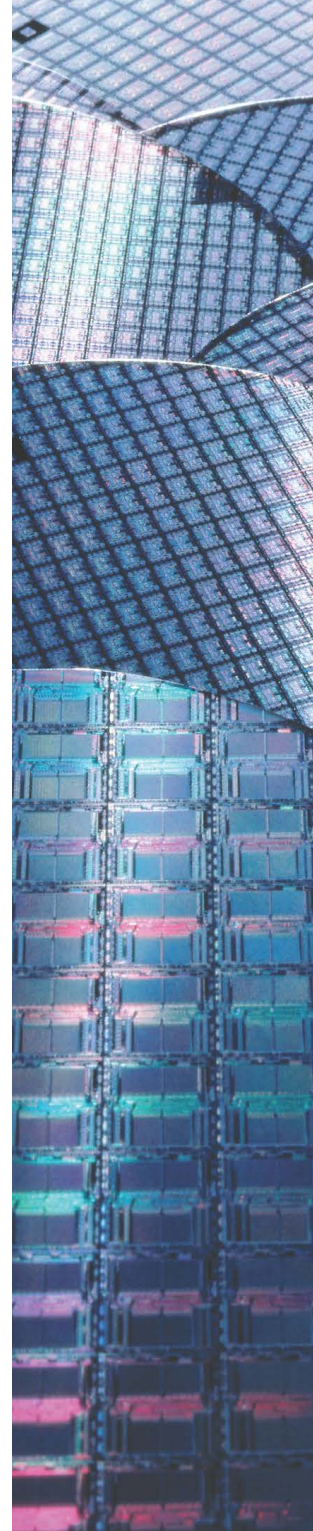


ESG PILLARS

ESG is essential to Coherent's success and to fulfilling our purpose to help the world become more connected. We are focused on long-term, sustainable value creation and the responsible management of Coherent globally.

Coherent's work in ESG focuses on the following five pillars and topics:

				
OUR PRODUCTS	RESPONSIBLE SOURCING	ENVIRONMENT	PEOPLE	GOVERNANCE
<ul style="list-style-type: none"> • INNOVATION AND IMPACT • PRODUCT QUALITY AND LEAN MANUFACTURING 	<ul style="list-style-type: none"> • CONFLICT MINERALS AND TRACEABILITY • HUMAN RIGHTS • SUPPLIER DIVERSITY • SUPPLIER ENGAGEMENT 	<ul style="list-style-type: none"> • CLIMATE AND ENERGY MANAGEMENT IN OUR OPERATIONS • WASTE MANAGEMENT • ENVIRONMENTAL, HEALTH, AND SAFETY • WATER 	<ul style="list-style-type: none"> • DIVERSITY, EQUITY, AND INCLUSION • TALENT ACQUISITION • EMPLOYEE ENGAGEMENT • TALENT MANAGEMENT • EMPLOYEE WELLNESS • COMMUNITY ENGAGEMENT 	<ul style="list-style-type: none"> • CORPORATE GOVERNANCE • ETHICAL BUSINESS CONDUCT AND COMPLIANCE • ENTERPRISE RISK MANAGEMENT • DATA PRIVACY AND SECURITY



OUR PRODUCTS

INNOVATION AND IMPACT

Over the years, Coherent has invested in developing products and solutions to help the world transition toward clean energy solutions to reduce greenhouse gas emissions. The automotive industry is going through an unprecedented transformation from internal combustion engine (ICE) vehicles to electric vehicles (EVs). Driven by regulations across the globe to curb carbon dioxide emissions, EVs are expected to reach 45% of the total new vehicles sold by 2030.*

DECADES OF SiC MATERIALS INNOVATION

The global urgency to decarbonize energy consumption is driving a disruption in power electronics with the adoption of silicon carbide (SiC), a wide-bandgap material that enables more efficient and compact power electronics subsystems than those based on silicon. Power electronics based on SiC enable EVs to achieve longer driving ranges, faster charging, and lower total system-level cost of ownership.

To meet the accelerating global demand for SiC power electronics, Coherent is expanding its nearly 300,000 square foot factory in Easton, Pennsylvania, to scale up the production of its state-of-the-art 150 mm and 200 mm SiC substrates and epitaxial wafers. Easton's 150 mm and 200 mm SiC substrate output is expected to reach the equivalent of 1 million 150 mm substrates annually by 2027, with the proportion of 200 mm substrates growing over time. The expansion of the SiC epitaxial wafer capacity in our facility in Kista, Sweden, brings in a differentiated technology through developing thick layer structures in single or multiple regrowth steps, which is ideally suited for power devices in applications above 1 kilovolt. Our customers are accelerating their plans to intersect the anticipated tidal wave of demand for SiC power electronics in electric vehicles. The Easton factory will increase Coherent's production of SiC substrates by at least a factor of six over the next five years, and it will also become Coherent's flagship manufacturing center for 200 mm SiC epitaxial wafers, one of the largest in the world.

**Source: Strategy Analytics July 2022*

SiC POWER DEVICES

Leveraging its differentiated 150 mm SiC substrates, Coherent successfully completed and exceeded the qualification of its 1200 V SiC MOSFET platform to the Automotive Electronics Council AEC-Q101 standard. This qualification represents an important milestone that allows us to begin ramping up our commercial activities for devices in the industrial motor and renewable energy markets, while in parallel initiating longer-term design-in activities in the EVs market. The licensing of GE's technology in 2020 allowed us to achieve our qualification milestone ahead of schedule. The technology access agreement will strengthen our relationship with GE and further accelerate our time to market as we continue to execute on our previously announced plan to grow by investing \$1 billion in capacity and innovation for our SiC platform over the next ten years.

ADVANCED LITHIUM SELENIUM SULFUR BATTERIES

The discovery of new electrode materials – in particular, cathodes – has been widely recognized as an essential requirement for enabling higher-efficiency electrochemical energy storage systems. Coherent introduced the world's first lithium selenium sulfur battery technology with breakthrough performance, combining the benefits of ultrahigh-capacity lithium-ion batteries and the fast charge and discharge of supercapacitors. EVs will be able to run longer, charge faster, and accelerate more quickly, with the potential to eliminate or reduce the need for a separate capacitor as is used today.

EV BATTERY RECYCLING SOLUTION

As a global leader in rare metals refining, with decades of experience in chemistry and process development, Coherent has developed multiple patent-pending hydrometallurgical processes to efficiently recover Ni, Co, Mn, and Li from black mass. This is based on an integrated technology to produce battery materials, cathode precursor, and cathode materials that has been developed and verified at lab scale.

We are working toward validation in a continuous mode before the technology can be industrialized. Our highly differentiated process delivers >95% recovery



of critical metals with zero liquid discharge and no toxic solid/gas/liquid waste generation, at 60% lower CapEx and 30% lower reagent cost versus conventional processes. Our innovations for EV battery recycling are just one example of Coherent’s passion for circularity, where a closed-loop system preserves critical raw materials while lowering the total cost of energy.

PRODUCT QUALITY AND LEAN MANUFACTURING

Coherent has two organization-wide initiatives on improving the quality of our operations. Led by our Chief Quality Officer, these include focused efforts on Lean manufacturing and business processes and reducing the cost of quality (COQ). We recognize that every improvement in yield, every product not scrapped, and every hour of labor saved means that we are able to produce the volume that our customers need without simply running the factories harder. This helps reduce our CO₂ and other resource impacts compared with running a less efficient operation. Overall, the COQ program saved \$53M in FY22.

The Coherent Global Cost of Quality process, introduced in 2015, is a corporate-wide initiative focused on categorizing, identifying, and reducing waste streams. Waste is identified in two major categories, cost of non-conformance, and cost of conformance, with seven subcategories feeding 52 identified forms of organizational waste. Data are collected and studied monthly, with waste-reduction action plans ensuing. The resulting cost savings flow directly into EBIT and have been a significant source of profit each year for Coherent, while simultaneously enabling higher manufactured and shipped quality levels.

Coherent’s Global Lean Velocity Quality Transformation program is a corporate-wide initiative focused on deploying continuous process improvement tools and methods such as Lean, Six Sigma, 6S, and Action Accelerators to identify and eliminate waste from our operations and facilities. Our 6S program, which is an integral part of our Lean Velocity program, focuses Coherent global team members on mastering the tools, methods, techniques, and key metrics within safety, and the optimization of energy usage along the value stream. As we implement this initiative in the upcoming plan year, it will lead to lower operating costs and greater benefits to our employees, customers, stakeholders, and community.

QUALITY IN OUR MANUFACTURING SITES	FY22
Total Manufacturing Sites	37
Total ISO 9001 certified sites	36
Percentage of ISO 9001 certified sites	97.3%



RESPONSIBLE SOURCING

Coherent offers a diverse portfolio of products manufactured with inputs provided by thousands of suppliers across Coherent's global supply chain. In meeting the needs of our customers and shareholders, we act in an environmentally and socially responsible manner, in compliance with all applicable laws and regulations. Compliance with regulatory bodies is, of course, a requirement in our responsible sourcing initiatives. However, that is just the beginning. We are committed to going beyond mere compliance by implementing a due-diligence program to uphold human rights and leading responsible sourcing practices across our entire supply chain.

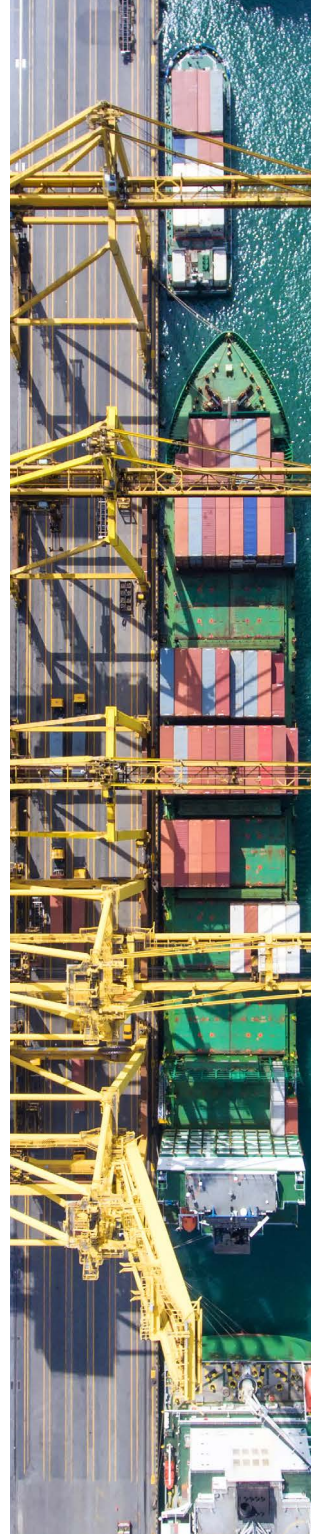
RESPONSIBLE MINERALS

We support the actions of governments and organizations that help increase supply chain transparency and enable companies to source conflict-free minerals. On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) approved the final rule regarding the sourcing of "conflict minerals" (i.e., tantalum, tin, tungsten, and gold) under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The rule requires publicly traded companies like Coherent to report to the SEC the presence of conflict minerals originating in the Democratic Republic of the Congo (DRC), or adjoining countries, in the products they manufacture or contract to manufacture if the conflict minerals are necessary to the functionality or production of their products. These minerals are widely used in our products and the end markets we serve.

Our company is committed to sourcing materials from suppliers that share our values around human rights, ethics, and environmental responsibility. We have initiated a comprehensive process to meet these regulatory requirements by taking steps to increase our supply chain due-diligence measures and internal controls for the covered minerals. Coherent expects its suppliers to develop internal conflict minerals policies, due-diligence frameworks, and management systems that are designed to identify, and eliminate from use in products sold to us, any conflict minerals coming from sources that fund armed groups in the DRC.

In cases where the supplier elects to use more than one lot of raw material, we require that they ensure, document, and furnish positive traceability to the certification or test report representing the raw material from which each product was manufactured. Upon request, we require suppliers to provide proof of traceability by identifying the raw material heat, lot, batch, or melt number from the certification or test report, both on the product and on its packaging (when used).

Coherent fully expects our suppliers to cooperate with us and to provide information to support these efforts. Specifically, we broadened our responsible minerals program to include cobalt as of 2021 under the OECD framework and guidelines. We also apply conflict minerals 3TG management systems as the infrastructure and exercise due diligence for cobalt throughout the supply chain. Suppliers that do not reasonably comply with Coherent's Conflict Minerals Policy or our Supplier Requirements Manual will be reviewed by our procurement team to assess whether we will conduct business with them in the future. Please find additional information in our Conflict Minerals Policy and Supplier Requirements Manual on our ESG page under Social.



METALS	# OF LEGITIMATE SoR (RMI IDENTIFIED)		# OF RMAP CONFORMANT & ACTIVE SoRS		PERCENTAGE OF RMAP CONFORMANT & ACTIVE SoRS	
	FY21	FY20	FY21	FY20	FY21	FY20
Gold	171	171	105	114	61%	67%
Tantalum	35	37	35	37	100%	100%
Tin	81	78	63	66	78%	85%
Tungsten	49	46	46	44	94%	96%
Total	336	332	249	261	74%	79%

See our Conflict Minerals Disclosure and Report on our ESG page under Social.

HUMAN RIGHTS

Coherent supports fundamental human rights – values inherent to all human beings. This means that we strive to always treat all people with dignity, fairness, and respect. We ask that our suppliers and contractors do the same, to care for the health and safety of their workers, and to comply with applicable human rights laws and regulations. Across our business, we do not accept forced labor, human trafficking, degrading treatment of individuals, or unsafe working conditions. Additionally, we do not permit any form of modern slavery or human trafficking in our supply chain.

We require that suppliers agree to the following:

- Suppliers shall employ workers of minimum legal age in accordance with local, state, and federal laws and regulations in the country of origin. Child labor laws must be followed.
- Suppliers should not practice the use of forced or indentured labor.
- Suppliers shall not exceed the daily and weekly working hours as permitted by the local, state, and federal laws and regulations in the country of origin.
- Suppliers shall compensate workers in accordance with local, state, and federal laws and regulations in the country of origin. This includes minimum legal wage, overtime wages, and benefits required by law.

See our Supplier Quality Requirements Manual on our ESG page under Social.

“We have a shared commitment to ensuring that Coherent operates legally and ethically, and to act toward everyone with patience, kindness, and respect in every situation or circumstance.”

–Chuck Mattera, Chair and CEO

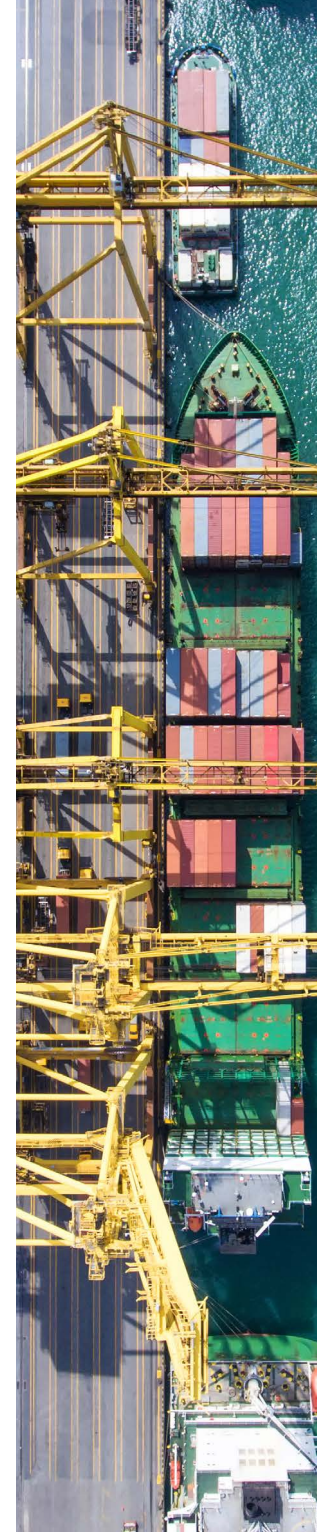
SUPPLIER DIVERSITY

Coherent is committed to the advancement of certified small businesses and companies owned by minorities, women, veterans, and disabled persons that can help Coherent achieve our corporate objectives. We strive to expand the business opportunities for these companies and increase awareness of supplier diversity at all levels of the organization. Diverse suppliers that demonstrate the ability to add value, provide competitively priced high-quality goods and services, are reliable, and are aligned with our strategic business model are given the opportunity to be included in our sourcing and procurement processes. We include diverse suppliers in our sourcing processes, award business, and recognize diverse suppliers based on these criteria.

SUPPLIER ENGAGEMENT

At Coherent, we are constantly evaluating our supplier base and conducting due diligence for opportunities to further our sustainability efforts and align our procurement processes with our values.

We recognize the importance of extending our decarbonization efforts beyond our operations. As such, our procurement team is preparing for the deployment of our supply chain decarbonization initiative. The objective of this initiative is to integrate supplier performance on GHG emissions, reporting, and reduction efforts into Coherent’s sourcing decisions. We will begin the program in FY23 with our top direct materials suppliers and expand over time. We look forward to motivating our suppliers to be good stewards of the environment and sharing our progress in future reporting.



ENVIRONMENT

We continue to broaden the awareness of environmental sustainability among our employees and incorporate sustainable business practices into our operations. Efforts to mitigate our environmental footprint and act as responsible environmental stewards are core to our ESG commitment. We do this by actively managing our energy use, improving the efficiency and quality of our operations, increasing our use of renewable energy, reducing waste from our manufacturing processes, and implementing exceptional EHS standards.

CLIMATE AND ENERGY MANAGEMENT IN OUR OPERATIONS

Coherent recognizes climate change as a significant challenge for the world, and we are doing our part to reduce the global reliance on fossil fuels. Our efforts on this front include two key approaches:

1. Providing products that our customers need to support electrification of the transportation industry. (See page 10)
2. Addressing energy management in our operations to approach net-zero global CO₂ emissions by 2050. (See below)
 - a. Measuring and reporting our energy usage and Scope 1 and Scope 2 CO₂ emissions footprint;
 - b. Improving energy efficiency across Coherent's operations;
 - c. Powering our operations with purchased renewable energy; and
 - d. On-site renewable energy generation.

Measuring and reporting our energy usage and Scope 1 and Scope 2 CO₂ emissions footprint:

Coherent tracks our energy usage and Scope 1 and Scope 2 emissions from all of our operations worldwide. This internal tracking has been in place

since FY21. Coherent uses a third party to track energy usage and compute GHG emissions in accordance with the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) GHG Protocol Corporate Standard and Scope 2 Guidance addendum. The underlying data leveraged for these carbon-accounting efforts is the energy utility invoice data managed by the third party on behalf of Coherent. For additional information on the methodology used, please see the Data Tables. Continuing to monitor and manage our emissions will help us stay on track toward net-zero global CO₂ emissions by 2050.

ENERGY	FY22	FY21
Total electricity consumption (MWh)	564,689	547,557
- Self-generated electricity (%)	0%	0%
- Electricity purchased from the grid (%)	100%	100%
Total fuel consumption (MWh)	74,779	72,222
TOTAL ENERGY CONSUMPTION (MWh)	639,468	619,779
- Energy consumption from renewable sources (%)	29%	22%

Note: Energy consumption includes electricity and natural gas only. No other energy sources are significant.

EMISSIONS (MTCO ₂ e)	FY22	FY21
Total GHG emissions (location-based)	311,138	304,239
- Scope 1 GHG emissions (location-based)	35,986	35,523
- Scope 2 GHG emissions (location-based)	275,152	268,716
Total GHG emissions (market-based)	249,728	263,600
- Scope 1 GHG emissions (market-based)	35,870	35,468
- Scope 2 GHG emissions (market-based)	213,858	228,132
CO₂ eliminated	61,410	40,369

Note: GHG emissions include Scope 1 – natural gas as well as miscellaneous emissions from process gasses and other sources; and Scope 2.



IMPROVING ENERGY EFFICIENCY ACROSS COHERENT'S OPERATIONS

Coherent has achieved, and will continue to achieve, significant energy efficiency improvements in our operations. Examples of initiatives across our numerous facilities worldwide include:

- Installing energy-efficient lighting
- Implementing automatic lighting shutoffs when a space is unoccupied
- Powering down computer monitors when not in use
- Replacing air compressors, air conditioning units, and pumps with higher-efficiency models and optimizing the operational setpoints
- Adjusting cooling setpoints for air conditioning and chill water systems when spaces or equipment is not in active use

Our operating segments have established forums for sharing energy-efficiency best practices to accelerate adoption of relevant techniques.

The combined benefit of these energy-efficiency projects worldwide is estimated at an energy savings of over 10 million kWh per year. In the wake of significantly increased energy prices in CY22, these projects are resulting in significant financial cost savings as well as environmental benefits.

POWERING OUR OPERATIONS WITH PURCHASED RENEWABLE ENERGY

We are committed to promoting clean energy usage and reducing our carbon footprint in our own operations. One of our key activities where we have already made significant progress centers on entering renewable energy contracts for our facilities around the world. Our renewable energy procurement program currently covers dozens of our operations across the United States, Europe, and Asia:

- Coherent finished FY22 purchasing approximately 38% of its electricity from renewable sources, continuing our commitment to steadily reduce our global carbon footprint.
- More than 40 sites around the world have renewable energy electricity contracts in place, and over 35 sites, including nine in the U.S., now cover 100% of their annual electricity usage with renewable sources.
- Our largest plant in China will be powered with 100% renewable electricity sources by 2026.

ON-SITE RENEWABLE ENERGY GENERATION

Coherent has a total facility footprint of several million square feet. We recognize that footprint as a valuable opportunity to install on-site renewable energy generation, such as solar panels. Our first facility to install rooftop solar panels is our operation in Vietnam, which installed panels on three buildings in our complex with a combined annual generation of ~800,000 kWh per year of clean energy. Additional facilities are evaluating solar energy systems for future installation.

WASTE MANAGEMENT

Coherent has committed to minimizing the waste created in our facilities and responsibly disposing of hazardous materials. We ensure that our waste is disposed of in a manner that meets applicable regulations, including those prescribed by the Basel Convention on hazardous waste.

Our facilities track the generation of waste from production, including chemical waste. Using this data, our facilities develop and implement measures to manage waste generation. We have a dedicated waste minimization team at each facility with more than 25 employees. The team includes representatives from every major department and meets at least quarterly to discuss ways to minimize waste and waste costs. Additionally, we conduct waste stream assessments to identify the source of waste and what can be done to eliminate it. We strive to reduce each waste stream to the minimum quantity that is technically feasible and economically practical. The waste streams are ranked and prioritized based on potential waste volume reduction, potential cost savings, and potential environmental impact reduction.

Our global programs include:

- Monitoring of wastewater, waste gas, and noise
- Minimizing waste at the source (source-reduction planning)
- Tracking of water and waste
- Auditing of third-party treatment, storage, and disposal facilities
- Recycling of waste ZnSe, ZnS, Ge, Te, Se, GaAs, Cu, Al, Au
- Recycling of scrap metals, cardboard and peanut packaging, paper, plastic, ink and office equipment, computer supplies, batteries, fluorescent lamps, and electronics
- Yield-improvement programs
- Scrap-reduction programs



ENVIRONMENTAL, HEALTH, AND SAFETY

All of our manufacturing facilities are implementing an environmental, health, and safety (EHS) management system to continuously identify and reduce occupational and environmental risks, as well as to ensure full EHS regulatory compliance. For more information, please see our Environmental, Health, and Safety (EHS) Policy on our ESG page under Environment.

We require employees to complete the following EHS training to ensure their safety and the safety of others:

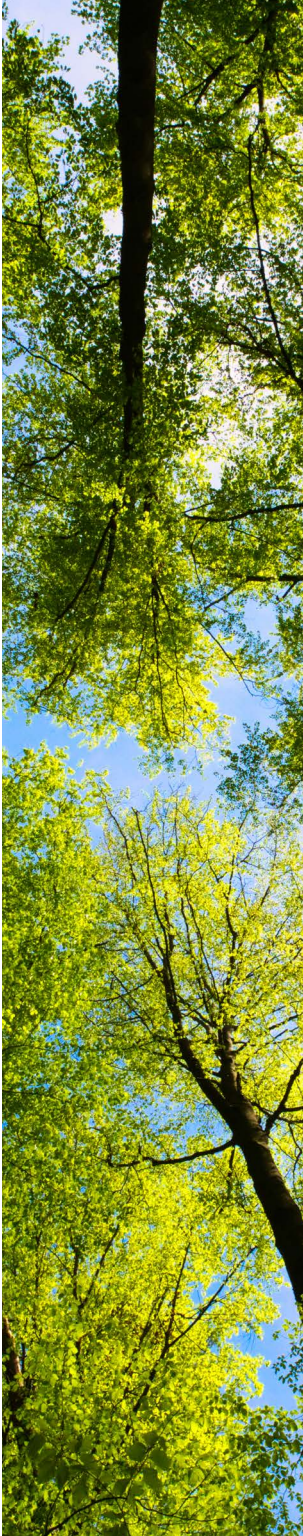
- Chemical safety (including chemical hazards, labeling, and safety data sheets)
- Confined-space entry (permit required)
- Contractor safety (safety briefing and work permit required)
- Driving safety
- EHS incident management (including investigation forms)
- EHS management system
- Electrical safety (including energized electrical work permit)
- Fire protection
- Fall protection
- Industrial hygiene
- Personal protective equipment (PPE)
- Process physical security
- Radiation protection
- Respirators
- Spill prevention
- First aid/CPR/AED
- Hazardous waste handling
- Cranes and hoists
- Laser safety
- Trenching and excavations
- Gas cylinder safety
- Aerial lifts
- Scaffold safety
- Non-ionizing radiation safety

We conduct annual verifications to confirm that the EHS management system is operating as intended. Facilities management then reviews the annual audit report to determine opportunities for improvement and establish a workplan to achieve our internal EHS goals.

SAFETY IN OUR MANUFACTURING SITES	FY22
Total Manufacturing Sites	37
Total ISO 14001 certified sites	16
Percentage of ISO 14001 certified sites	43.2%

WATER

Coherent is committed to responsible water usage and to measuring our water consumption. We understand that we operate in some water-stressed regions around the world, and with the changing climate, water risks may escalate in many areas and lead to increased regulation on water efficiency and discharge. Sufficient supply of water is critical for our operations and the communities where we do business. We have engaged a third-party sustainability partner to quantify our water footprint and identify areas of opportunity in our manufacturing processes to optimize water use. We have begun to tabulate water use and will report the result in the FY23 ESG Report.



PEOPLE

Our workplace is defined by our people. It enables us to bring our “best self” to work every day. This includes creating an inclusive environment in which every individual is considered a valued member of the team. Our people are essential to fulfilling our mission and working toward our vision. As a result, our human capital strategies are core to the long-term success of the company.

DIVERSITY, EQUITY, AND INCLUSION (DEI)

Our goal is to foster an environment that attracts the best talent, values diversity, and encourages innovation, while maintaining integrity in pursuit of our mission. As a global company with over 28,000 employees located across 24 different countries, Coherent recognizes and appreciates the importance of creating an inclusive environment in which all employees feel valued, respected, included, and empowered to do their best work.

Our DEI Policy, enacted in FY21, describes our approach in ensuring that diversity, equity, and inclusion are present in all of our procedures and processes that apply to all employees, contractors, subcontractors, agents, consultants, and all personnel affiliated with third parties. Each employee, and all those with whom we do business, are expected to ensure that the work environment is inclusive and free of all forms of discrimination and harassment. Please see our DEI Policy on our ESG page under Social.

We are currently working toward streamlining our global DEI efforts to foster an environment that embraces, respects, and values differences and accepts diversity of thought, approach, experiences, backgrounds, and education. The intent of this program is to ensure that workplace policies, practices, and processes support an equitable work environment and leverage the perspectives of Coherent employees across the globe

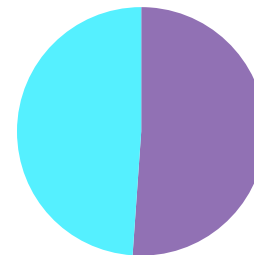
to enhance cross-cultural competence. While all employees play a role in creating a welcoming and inclusive work culture, it is important that we have a governing body to ensure the integration of these critical principles into our employee experience, our business execution, our customer journey, our investor relationships, and our diverse communities.

We recognize that an inclusive culture that welcomes all perspectives is critical for attracting, retaining, and promoting top talent. We consciously work toward expanding the diversity of our workforce, creating growth and development opportunities for our employees, embracing different perspectives, and fostering an inclusive work environment for all.

To do this, we need the help of every Coherent stakeholder, starting with our employees:

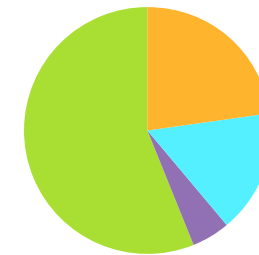
Globally, approximately 49% of our workforce is female, with 11,457 females and 12,029 males as of June 30, 2022. Our global footprint represents approximately 18,600 employees in the Asia-Pacific region, 1,200 in Europe, and 3,700 in the Americas.

GLOBAL GENDER DISTRIBUTION



■ 49% Female
■ 51% Male

EMPLOYEES BY REGION



■ 56% China
■ 23% Rest of Asia Pacific
■ 16% Americas
■ 5% Europe



DIVERSITY AND INCLUSION EFFORTS AT EVERY LEVEL

CHIEF EXECUTIVE OFFICER
EXECUTIVE SPONSORS

GLOBAL DEI ADVISORY COUNCIL
DIRECTOR OF LEADERSHIP
DEVELOPMENT AND DEI
REGIONAL DEI COUNCILS

ALL MANAGERS
ALL EMPLOYEES

Chair and CEO Chuck Mattera signed the CEO Action for Diversity and Inclusion Pledge, joining other CEOs dedicated to advancing diversity and inclusion in the workplace. The pledge includes a commitment to engaging the Board of Directors when developing and evaluating DEI strategies; cultivating an environment that supports open dialogue on complex and often difficult conversations around DEI; implementing and expanding unconscious-bias education and training; and sharing best practices for DEI programs and initiatives.

The executive sponsors are responsible for providing guidance and general oversight of program efforts in alignment with the DEI program charter, guiding principles, and strategic pillars.

The Global DEI Advisory Council comprises senior leadership across the organization with the Chair and CEO's direct reports and one Board member acting as executive sponsors.

The Director of Leadership Development and DEI leads diversity, equity, and inclusion efforts for the organization, including developing, setting up, and running DEI processes, programs, policies, and initiatives. This role is dedicated to forming a DEI Leadership Council, reinforcing workplace training with managers and employees, and collaborating closely with the Talent Acquisition and Talent Rewards teams to design DEI programs targeted to attracting and retaining staff.

Coherent is preparing localized DEI strategies led and developed by regional DEI councils. We recognize the importance of cultural understanding and integration, and we encourage our employees to discuss opportunities to be culturally affirming.

Coherent is incorporating inclusive leadership training topics into our leadership development programs to ensure that inclusive leadership practices are embedded into our culture, starting with our managers. We introduced "Building a Culture of Inclusion" into our global front-line leader program to emphasize the importance of fostering an environment of inclusivity.

Coherent requires all employees with a company email address to attend refresher trainings for our Anti-Discrimination, Harassment, and Bullying Policy. Communication on diversity topics is ongoing worldwide to bring awareness and understanding of the diverse groups representing our workforce.



TALENT ACQUISITION

Our strategy for attracting, recruiting, and retaining talent is a core element of our business growth. We are always looking to hire the best and brightest talent. The Talent Acquisition (TA) team partners with our hiring managers to identify and recruit people from diverse backgrounds to help us grow our business and respond to the needs of our customers. We recognize that there are opportunities to increase the representation of women and underrepresented groups in technical and leadership roles. We work with many organizations to attract a diverse slate of candidates to join our team at all levels of the organization. We are increasing our outreach efforts by promoting our employment opportunities on recruiting websites focused on candidates with diverse backgrounds and experiences.

Coherent is proud to be an equal opportunity employer committed to fostering an equitable and inclusive environment for our employees across the world. In the U.S., we annually assess our outreach efforts to ensure that our hiring demographics are reflective of society.

Our university outreach efforts continue to grow. We provide opportunities for students enrolled in undergraduate and graduate programs to participate in our internship programs. The internship experience allows students the opportunity to apply what they learn in the classroom. Interns are encouraged to network with Coherent employees, showcase what they have learned through end-of-summer presentations, and apply for full-time opportunities at Coherent upon graduation.

In the U.S., we use automation and reporting capabilities to understand our hiring trends as well as those of our recruiting partners, and this helps us effectively respond to staffing needs. The technology enables us to monitor selection trends that can be used to coach leaders on hiring practices, ensuring that all qualified candidates are given a fair and equitable opportunity to pursue the roles in which they are interested.

In China, we have built strategic partnerships with universities and vocational schools to ensure a regular flow of new candidates while also establishing educational pathways to develop future competencies. We work together with universities and vocational schools to carry out our summer internship program and co-op education initiatives, sponsor academic forums, and hold lectures by our top management and technical experts.

Coherent is fully committed to extending its environmental efforts into the TA process and is conscious of the impact that finding, attracting, and hiring talent has on the environment. We use industry-leading automation to eliminate the need for print in all levels of the TA process, including the candidate experience.

EMPLOYEE ENGAGEMENT

Keeping employees engaged means keeping them informed. We regularly share organizational news, announcements, and business results with our global workforce through email communications, a company intranet, and targeted facility signage. We provide monthly updates on intellectual property, quality, legal, and compliance topics. Many of these communications are translated into the primary languages of our sites to facilitate understanding and promote inclusion. These channels of communication have been especially important in relaying critical information about company policy and employee safety during the COVID-19 pandemic.

In addition, we sponsor employee campaigns to enhance camaraderie and a sense of connectedness, such as photo contests, team walking challenges, and the celebration of events such as International Women's Day, World Day for Cultural Diversity, and the International Day of Light. In the U.S., we also encourage employees to acknowledge one another through our "I CARE Stars of the Day" on our intranet.

In China, our recognition programs serve to celebrate our employees' contributions and outstanding performance. In FY22, our teams in China formally honored:

- 255 Employees of the Year
- 32 Outstanding Teams of the Year
- 5 Excellence Teams of the Year

These awards recognize employees for their superior dedication and positive attitude on the job and for always striving to go above and beyond in their efforts.



TALENT MANAGEMENT

Our talent strategy focuses on attracting, motivating, and retaining high-quality talent and rewarding performance as a differentiator. We work to ensure transparency in all of our talent programs, which include our talent acquisition, performance, and succession practices, as well as our employee care and total rewards offerings.

In our high-tech and growing business context, strengthening and continuously developing talent is crucial to our success. We maintain programs that support employee career development and a high level of organizational performance.

Performance Feedback

Our global vision for performance feedback is to provide a simple and consistent process across the organization to drive performance and add value to our employees' career development and growth. Our performance review process is aligned with our Strategic House and incorporates measures of performance as it pertains to our I CARE values, mission, quality policy, and safety standards.

A core component of our talent strategy is the performance feedback process that both the employees and their leaders are involved in. Employees are invited to summarize their accomplishments and provide input on attainment of their goals in the drafting of their performance evaluations. They are also encouraged to actively participate in the performance review discussion.

We reinforce a culture of continuous feedback and encourage our managers to hold regular performance feedback conversations with their employees to highlight strengths and address areas that need further attention and development. We formally assess performance with our performance management cycle that involves goal creation, a midyear check-in, and a year-end review.

Employee Learning and Development

We encourage our leaders to engage with their employees on career goals and support each employee's growth and development. This process promotes regular communications on professional development along with ongoing coaching.

Employees with a company email address receive training in the areas of legal and compliance issues on our online compliance training platform. Additionally, HR, EHS, Quality, and IT security topics are offered to employees with a company e-mail address through our learning management system. Topics include the Code of Ethical Business Conduct as well as our EHS practices, global data privacy policy, confidentiality and intellectual property protections, cybersecurity, and fostering a respectful workplace (anti-harassment and discrimination). Additionally, employees who work in specific roles with increased decision-making responsibilities are trained on topics that include export and trade compliance, anti-bribery and corruption, and insider trading. Between July 1, 2021, and June 30, 2022, 920 topics were offered and delivered globally via our learning management system.

As nearly 60% of our workforce is in China, Coherent has an internal team dedicated to employee training in the region. Over 50 formal development programs have been delivered in the past two fiscal years, covering core competencies such as business acumen, leadership, strategic thinking, professional skills, innovation, and problem-solving. Our teams in China understand the importance of continuing to develop new skills and its positive effect on the innovation of new technologies. The Learning and Development Team facilitates formal learning opportunities and knowledge-sharing through mentor relationships between senior experts and less tenured employees.

We provide job-specific training and certifications for our manufacturing operations employees. Based on the employee's title, roles, responsibilities, and location, a specific learning curriculum is created. With in-person training and work experience, employees may receive certifications that qualify them for advanced work assignments and opportunities for promotion.

Coherent Leadership Academy

In 2022, we launched two programs to enhance leadership capabilities and prepare our leaders for higher levels of responsibility. Our third program is scheduled to launch in 2023 with a focus on women in leadership. We updated our Level 1 front-line leader program to reflect today's demands in leading, developing, and retaining talent. Along with Carnegie Mellon University, we developed a product management certification program.



External Education and Professional Development Assistance

We encourage all employees to pursue additional training and education in order to reach their professional development goals and prepare themselves for future opportunities within the company. We offer financial reimbursement to eligible employees who wish to enroll in university classes as well as external certificate and professional development programs.

EMPLOYEE WELLNESS

Around the globe, we are dedicated to supporting the quality of life, health, and wellness of our employees and their families.

We offer competitive salaries and excellent benefits, including the following in the U.S.:

- A company-wide bonus incentive program
- Medical, dental, and vision insurances
- 401k program with a substantial company match
- Tuition reimbursement
- Life insurance
- Paid time off
- Paid holidays
- Stock purchase program

It remains our highest priority to keep our employees, customers, and suppliers safe and healthy in light of global health challenges such as the COVID-19 pandemic. Coherent's priorities with respect to our response to the COVID-19 pandemic have been to:

- Ensure the safety and security of our workforce
- Ensure the hygiene and security of our facilities
- Maintain full compliance with all applicable government laws, orders, and policies

Coherent created a Pandemic Response Guide to set out our policies and procedures regarding COVID-19. Compliance with the Pandemic Response Guide is mandatory and essential to ensuring that we maintain a safe workplace as we continue to operate during the pandemic. The guidelines align with the government regulatory agencies for countries we

operate in, including the U.S. Centers for Disease Control and Prevention (CDC) and the World Health Organization (WHO) as well as state and local requirements, to the greatest extent possible. The Pandemic Response Guide is a working document and is updated regularly to reflect changes in best practices as they become available. The Pandemic Response Guide includes protocols on facility incident response, facility on-site prevention protocols, employee responsibilities, and company resources. Regular meetings on COVID-19 are held for all site leaders, members of the Corporate Pandemic Response Team, and Coherent leadership.

Some of the key benefits that Coherent has provided in association with the COVID-19 pandemic include:

- Company-provided COVID-19 testing
- Pandemic pay (as defined by company protocols)
- Masks for COVID-19 protection
- Information on COVID-19 and vaccinations
- On-site vaccination clinics at select sites

Employee Assistance Program in China

Employee well-being is a key focus at our sites in China, and promoting high-quality working conditions has been even more important since the outbreak of COVID-19. We began our Employee Assistance Program (EAP) in early 2020 and later rolled out EAP activities across all of our China sites, with dedicated resources supported by our trade union, administration, EHS, and senior leadership teams. The EAP is centered on helping employees handle stressors related to work, family, relationship problems, financial woes, legal concerns, and other issues.

We provided all employees with psychological support and advice in coping with the pandemic through webinars, workshops, emails, posters, one-to-one counseling, and other means. We organized physical activities at each site in China, such as basketball, badminton, football, yoga, and bodybuilding. We also provided a unified China assistance hotline and online services to help our employees manage the constraints of working remotely.

In the context of the pandemic, we stepped up our efforts to protect employees whose living conditions may have been affected by directives from local authorities. As such, we implemented many initiatives to



support our most vulnerable employees, and we increased our focus on maintaining salaries, holidays, and benefits. Some of our sites went further and implemented additional measures. For example, we provided food packages for all employees at our Shanghai site to help them better prepare for lockdown measures.

COMMUNITY ENGAGEMENT

We connect and partner with local communities to make a difference where we operate around the globe, with the support of our diverse expertise and resources, to enhance the quality of life in the places where our employees live and work. As an example, during the pandemic we shipped much-needed PPE supplies to a hospital in the Philippines.

The II-VI Foundation

We believe that a quality and affordable education provides opportunities for a better life today and a better world tomorrow. Dr. Carl J. Johnson, co-founder and first CEO of II-VI (now Coherent Corp.), and his wife, Margot Johnson, created in 2007 the II-VI Foundation, a 501(c)(3) charitable organization, to support a great number of students around the world.

The mission of the II-VI Foundation is to encourage and enable students to pursue careers in science, technology, engineering, and mathematics (STEM) while maintaining a standard of excellence in that pursuit. The private foundation's two primary programs are block gifts for graduate students and undergraduate student scholarships.

Coherent is committed to increasing the number of underrepresented minorities in STEM and in our industry, and through this foundation, we support STEM education and help build a future generation of diverse leaders in our field. For the last two years, Coherent has contributed \$1 million annually to the II-VI Foundation. Since 2007, the Foundation has awarded over \$30.6 million to STEM students for research projects and mini conferences, along with early education initiatives and postdoctoral fellowships. Over 16,700 students have been impacted by the Foundation's programs over the years, with 71 Ph.D. degrees and 42 M.S. degrees awarded to students participating in Foundation-supported research at 46 institutions of higher learning.

Many of these students have proudly joined Coherent, in part due to their strong affinity to our company culture and to the Johnsons' shared vision to change the world.

“Our renewed pledge to the II-VI Foundation is one of our key ESG initiatives that aims to support STEM education where it is most needed and helps build a future generation of diverse leaders in our field. We are proud of our close ties with the II-VI Foundation, through its co-founder (and II-VI co-founder) Dr. Carl J. Johnson, and we are thrilled with its philanthropic work, which has benefited so many students around the world.”

–Chuck Mattera, Chair and CEO

The Optica Foundation's Women in Optics Scholarship Program

Recognizing the opportunity to attract more female talent to our organization and to our industry, in January 2022, Coherent committed to contribute \$100,000 over the next five years to the Women in Optics scholarship program recently launched by the Optica Foundation, Inc. This program provides financial support, community, visibility, and resources for female students in the optics field. [Learn more about the 2022 recipients here.](#)



GOVERNANCE

Doing things right and doing the right things are key to the success of Coherent. We are committed to the practices of compliance, good business judgment, curiosity, common sense, and adherence to high ethical standards. These practices are the vital cornerstones upon which Coherent was founded.

CORPORATE GOVERNANCE

We have established strong Corporate Governance Guidelines to serve the best interests of the company and our shareholders.

Management of Coherent is overseen by a highly qualified Board of Directors.¹ **We are proud to have an effective and diverse Board with a variety of skills and experiences. Some highlights include:**

- 13 total Board members
- 5 of 13 (38%) are ethnically diverse; 2 Board members are women
- 11 of 13 (82%) are independent
- Our lead independent director is Enrico DiGirolamo
- 100% of Board committees are chaired by independent directors
- 7 new directors over the past 5 years, including 2 who joined the Board in conjunction with the Coherent, Inc., acquisition in July 2022
- ~63 years – average age of directors
- ~9 years – average Board tenure
- Board members are limited to serving on a maximum of 4 public company boards

“Integrity and accountability are essential to sound corporate governance, and Coherent integrates proactively these core values across the company.”

– Enrico DiGirolamo, Chair, ESG Committee,
Board of Directors

¹The following information about Coherent’s Board of Directors is current as of July 2022.

BOARD OF DIRECTORS, COHERENT CORP.	AGE	CLASS	NEXT ELECTION YEAR	DIVERSITY	TENURE DATE	2022 TENURE	ASSIGNMENTS
Francis J. Kramer	72	Two	2022	C	1989	33	Chair Emeritus
Joseph J. Corasant	58	Three	2023	C	2002	20	Audit (Committee Chair), ESG, STAR
Howard H. Xia	61	One	2024	A	2011	11	STAR (Committee Chair)
Vincent D. Mattera, Jr.	66	One	2024	C	2012	10	Chair and CEO
Shaker Sadasivam	62	Two	2022	A	2016	6	Audit, Compensation and Human Capital (Committee Chair), STAR
Enrico DiGirolamo	67	Two	2022	C	2018	4	Audit, ESG (Committee Chair), STAR
Michael L. Dreyer	58	One	2024	C	2019	3	Compensation and Human Capital, ESG
Patricia Hatter	60	Three	2023	F	2019	3	Compensation and Human Capital, ESG
David Motley	63	Three	2023	AA	2021	1	Compensation and Human Capital
Stephen Pagliuca	67	One	2024	C	2021	1	Compensation and Human Capital
Lisa Neal-Graves	58	Two	2022	AA, F	2021	1	None at this time
Stephen A. Skaggs	60	Three	2023	C	2022	0	None at this time
Sandeep S. Vij	56	Three	2023	A	2022	0	None at this time

C - Caucasian, A - Asian, F - Female, AA - African American

The ESG Committee's practice is to review the skills and attributes of individual Board members and candidates given the current makeup of the Board, to ensure that the Board includes individuals who will serve the company's governance and strategic needs. We consider all dimensions of diversity in determining what mix of individuals will provide the Board a diverse portfolio of experience, knowledge, talents, and perspectives.

Additional information on our corporate governance can be found in our Proxy Statement on our ESG page under Governance, which describes our Board structure, committee compositions and functions, director compensation, and director equity requirements.

ETHICAL BUSINESS CONDUCT AND COMPLIANCE

The practices of compliance, good business judgment, curiosity, common sense, and adherence to high ethical standards are the cornerstones upon which the company was founded. Business ethics and compliance are the responsibility of everyone in the company, including the Board of Directors, contractors, consultants, temporary workers, suppliers, and other third parties. The Chief Legal and Compliance Officer oversees ethics and compliance issues, and the Audit Committee oversees the administration of the Code of Ethical Business Conduct.

Ethical decision-making requires employees and leadership to recognize when they are faced with an ethical issue, ask for guidance, and report any concerns according to policy. Our managers are held to high standards and commit to our values through their actions. They promote an environment where compliance is expected and ethical behavior is the norm.

OUR CODE OF ETHICAL BUSINESS CONDUCT

The Code of Ethical Business Conduct found on our ESG page under Governance combines the values and standards of behavior that make Coherent a trusted and respected organization. It is the framework for how we put Coherent's core values into practice. By providing us with policies, tools, and resources, the Code helps us ensure that we are conducting our business according to the highest ethical principles.

The Code is reviewed annually to reflect the growth and evolution of our business and society. It is translated into five languages (Chinese, English, German, Malay, and Vietnamese) to meet the needs of our global workforce. Included in the Code are provisions to encourage asking questions and raising concerns, avoid conflicts of interest, treat people and the planet with respect, act with integrity, do business the right way, keep accurate records, and protect assets and information.

Annually, we ask employees to certify that they have reviewed and understand the Code, comply with its requirements, and do not know of any violations. We also require employees to complete mandatory compliance training annually.

In addition to Coherent's Code of Ethical Business Conduct, we ask all employees, third parties, and other stakeholders to abide by our policies and guidelines that ensure that our employees and business partners conduct

business ethically, including the Anti-corruption and Anti-bribery Policy, Global Code of Conduct and Policy Statements for Working with Governments, and our conflict minerals analysis, reporting, and response process that can be found on our ESG page under Governance..

ETHICS REPORTING AND WHISTLEBLOWER HELPLINE

A central piece of fostering a culture of ethical business practices includes encouraging all Coherent stakeholders to ask questions and raise concerns. Coherent is committed to conducting business with fairness, integrity, and respect for the law and our values. We encourage all Board members, employees, and external individuals working on our behalf to speak up if they observe a suspected or actual violation of the law, the Code of Ethical Business Conduct, or our policies. We strictly prohibit retaliation of any kind against anyone who speaks up in good faith. Employees may report potential concerns without fear that any action will be taken against them.

We encourage employees to raise concerns with their manager, HR representative, our Chief Legal and Compliance Officer, and our corporate compliance officer. To facilitate anonymous reporting of potential concerns, Coherent has retained EthicsPoint as an independent, third-party supplier to provide the Coherent Ethics Helpline, a confidential communication channel for reporting potential violations.

As of the publication of this report, we have had no reported incidents of corruption, and consequentially, zero monetary losses due to corruption or anti-competitive behavior. Any incident of employee unethical behavior results in an internal investigation and termination upon confirmation of a breach of regulation or the Code of Ethical Business Conduct. For more information, see our Speaking Up and Non-Retaliation Policy on our ESG page under Governance.



- Call the Ethics Helpline at +1-866-829-3062;
- Report it at www.ji-vi.ethicspoint.com; or
- Notify HR.

While the company will protect anyone who raises a concern honestly, it is also a violation of the Code to:

- Make an accusation if you know it is false;
- Lie to investigators; or
- Interfere or refuse to cooperate with an investigation.

ENTERPRISE RISK MANAGEMENT

The Vice President of Global Risk and Corporate Responsibility leads the implementation of our enterprise risk management (ERM) activities. Our Strategy, Technology, Acquisition, and Risk (STAR) Board Committee oversees the company's ERM program. It receives reports from company management, internal audit, and other advisors, and provides thoughtful attention to the company's risk control processes and system, the nature of the material risks the company faces, and the adequacy of the company's policies and procedures to respond to and manage these risks. Material risks are identified by this committee and brought to the attention of the full Board.

DATA PRIVACY AND SECURITY

At Coherent, we understand that data privacy and security are essential to maintaining our reputation as a company that adheres to the highest ethical standards. We have developed comprehensive policies for our efforts and are committed to maintaining the accuracy, confidentiality, and security of our employees' personal information. We strive to maintain physical, technical, and procedural safeguards that are appropriate to the sensitivity of collected personal information. Our Legal and Compliance Department defines information security standards, procedures, policies, and other requirements applicable to the entire organization. Our ESG Committee of the Board oversees the management and mitigation of potential material impacts regarding data privacy and cybersecurity.

All users of Coherent computing resources are required to attend mandatory cybersecurity training annually and are provided resources to protect their systems, information, and the Coherent network while operating their devices. We ensure that all employees within the Coherent system are trained on our cybersecurity policies and best practices. These courses are intended to maintain awareness of what are relevant cybersecurity risks, including how to identify, avoid, and report suspected phishing, social engineering, and other common attack vectors; what constitutes a cybersecurity incident; and how to report suspected or known incidents. We also require all employees in the Coherent system to take courses on confidential information, intellectual property, and global data privacy, with

an emphasis on the European Economic Area/United Kingdom General Data Protection Regulation, known as GDPR. In addition, we conduct role-based training for members of the IT Department and the Cybersecurity Incident Response Team (CIRT).

We recently implemented our Cybersecurity Incident Response Policy on our ESG page under Governance, which directly handles potential and actual threats to our information systems, assets, and data. Oversight of this policy is the responsibility of our Head of Global Information Security, who determines how our mitigating control strategy will be executed. The CIRT, a dedicated support team consisting of members of the company's risk, legal, and communications functions, responds to and manages cybersecurity response activities.

We describe our compliance with data protection laws in the European Union and the United Kingdom in our European Economic Area-United Kingdom General Data Protection Regulation Policy.

DATA TABLES

PLANET

ENERGY	FY22	FY21
Total electricity consumption (MWh)	564,689	547,557
- Self-generated electricity (%)	0%	0%
- Electricity purchased from the grid (%)	100%	100%
Total fuel consumption (MWh)	74,779	72,222
TOTAL ENERGY CONSUMPTION (MWh)	639,468	619,779
- Energy consumption from renewable sources (%)	29%	22%

Note: Energy consumption includes electricity and natural gas only. No other energy sources are significant.

EMISSIONS (MTCO2e)	FY22	FY21
Total GHG emissions (location-based)	311,138	304,239
- Scope 1 GHG emissions (location-based)	35,986	35,523
- Scope 2 GHG emissions (location-based)	275,152	268,716
Total GHG emissions (market-based)	249,728	263,600
- Scope 1 GHG emissions (market-based)	35,870	35,468
- Scope 2 GHG emissions (market-based)	213,858	228,132
CO₂ eliminated	61,410	40,369

Note: GHG emissions include Scope 1 – natural gas as well as miscellaneous emissions from process gasses and other sources; and Scope 2.

PEOPLE

INFORMATION ON EMPLOYEES AND OTHER WORKERS	FY22	FY21
Total number of employees	23,639	22,856
Total number of permanent employees	23,520	22,766
Female	11,457	11,351
Male	12,029	11,387
Not disclosed	34	28
APAC	18,578	18,284
EMEA	1,234	978
AMER	3,708	3,504
Total number of temporary employees	119	90
% of temporary employees	0.5%	0.4%
Female	26	27
Male	86	58
Not Disclosed	6	5
APAC	81	53
EMEA	17	21
AMER	21	16
Total number of full-time employees	23,478	22,686
Female	11,410	11,305
Male	12,029	11,349
Not Disclosed	39	32
Total number of part-time employees	161	170
Female	73	73
Male	86	96
Not Disclosed	2	1



EMPLOYMENT	FY22	FY21
Total number of new employee hires	6,836	7,012
<30 years old	4,326	4,888
30-50 years old	2,195	1,842
>50 years old	315	282
Female	3,298	3,321
Male	3,525	3,632
Not Disclosed	13	59
APAC	5,698	6,276
EMEA	349	113
AMER	789	623
Total employee turnover	6,591	5,877
Voluntary turnover	5,492	5,229
Involuntary turnover	1,099	648
<30 years old	4,063	3,700
30-50 years old	2,184	1,788
>50 years old	344	389
Female	3,398	2,638
Male	3,186	3,055
Not Disclosed	7	184
APAC	5,904	5,392
EMEA	95	98
AMER	592	387
Hires	6,495	6,784
APAC	5,402	6,090
EMEA	342	106
AMER	751	588
Rehires	341	228
APAC	296	186
EMEA	7	7
AMER	38	35
Promotions	1,446	882
APAC	869	482
EMEA	93	44
AMER	484	356

DIVERSITY & EQUAL OPPORTUNITY	FY22	FY21
Number of employees in management roles	2,064	2,102
Female	538	548
Male	1,520	1,547
Not Disclosed	6	7
<30 years old	109	135
30-50 years old	1,317	1,347
>50 years old	638	620
Diverse Employees - US only	199	205
Number of employees in technical roles	4,364	4,233
Female	791	774
Male	3,565	3,455
Not Disclosed	8	4
<30 years old	817	801
30-50 years old	2,725	2,651
>50 years old	822	781
Diverse Employees - US only	520	515
Number of all other employees	17,739	17,067
Female	10,208	10,108
Male	7,503	6,936
Not Disclosed	28	23
<30 years old	6,798	7,199
30-50 years old	9,540	8,583
>50 years old	1,401	1,285
Diverse Employees - US only	1,689	1,551

H&S-RELATED INJURIES	FY22	FY21
Near-miss frequency rate	0.27	0.36
Number of recordable work-related injuries	39	53
• Rate	0.22	0.22
Number of high-consequence work-related injuries	0	0
• Rate	0.0	0.0
Number of fatalities as a result of work-related injuries	0	0
• Rate	0.0	0.0
Number of hours worked	36,200,000	48,300,000



SASB INDEX

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DISCLOSURE
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds	Quantitative	Metric tons (t) CO ₂ -e	TC-SC-110a.1	Environment, Climate and Energy Management in Our Operations, page 14.
	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	Discussion and Analysis	n/a	TC-SC-110a.2	Environment, Climate and Energy Management in Our Operations, page 14.
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TC-SC-130a.1 RT-EE-130a.1	Environment, Climate and Energy Management in Our Operations, page 14.
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	TC-SC-140a.1	Coherent does not currently collect this metric, but we will consider opportunities for disclosure in future reporting.
Hazardous Waste Management	Amount of hazardous waste generated; percentage recycled	Quantitative	Metric tons (t), Percentage (%)	TC-SC-150a.1 RT-EE-150a.1	Coherent does not currently collect this metric, but we will consider opportunities for disclosure in future reporting.
	Number and aggregate quantity of reportable spills, quantity recovered	Quantitative	Number, Kilograms (kg)	RT-EE-150a.2	Coherent does not currently collect this metric, but we will consider opportunities for disclosure in future reporting.
Employee Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Discussion and Analysis	n/a	TC-SC-320a.1	Environment, Environmental Health, and Safety, page 16.
	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantitative	Reporting Currency	TC-SC-320a.2	\$0
Recruiting & Managing a Global & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	Percentage (%)	TC-SC-330a.1	People, Diversity, Equity, and Inclusion, page 17.
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%)	TC-SC-410a.1 RT-EE-410a.1	Coherent does not currently collect this metric, but we will consider opportunities for disclosure in future reporting.
	Processor energy efficiency at a system-level for: (1) servers, (2) desktops, and (3) laptops	Quantitative	Various, by product category	TC-SC-410a.2	This metric is not relevant to our business.
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	Quantitative	Percentage (%), by revenue	RT-EE-410a.2	This metric is not relevant to our business.
	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	Reporting Currency	RT-EE-410a.3	Coherent does not currently collect this metric, but we will consider opportunities for disclosure in future reporting.



SASB INDEX

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DISCLOSURE
Product Safety	Number of recalls issued; total units recalled	Quantitative	Number	RT-EE-250a.1	\$0
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Reporting Currency	RT-EE-250a.2	\$0
Material Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	TC-SC-440a.1 RT-EE-440a.1	Responsible Sourcing, Responsible Minerals, page 13.
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting Currency	TC-SC-520a.1 RT-EE-510a.3	\$0
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	n/a	RT-EE-510a.1	See our Anti-Corruption and Anti-Bribery Policy on our investor relations page.
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting Currency	RT-EE-510a.2	\$0
Activity Metric	Number of employees	Quantitative	Number	RT-EE-000.B	28,000+



FORWARD-LOOKING STATEMENTS

This ESG Report contains forward-looking statements relating to future events and expectations that are based on certain assumptions and contingencies.

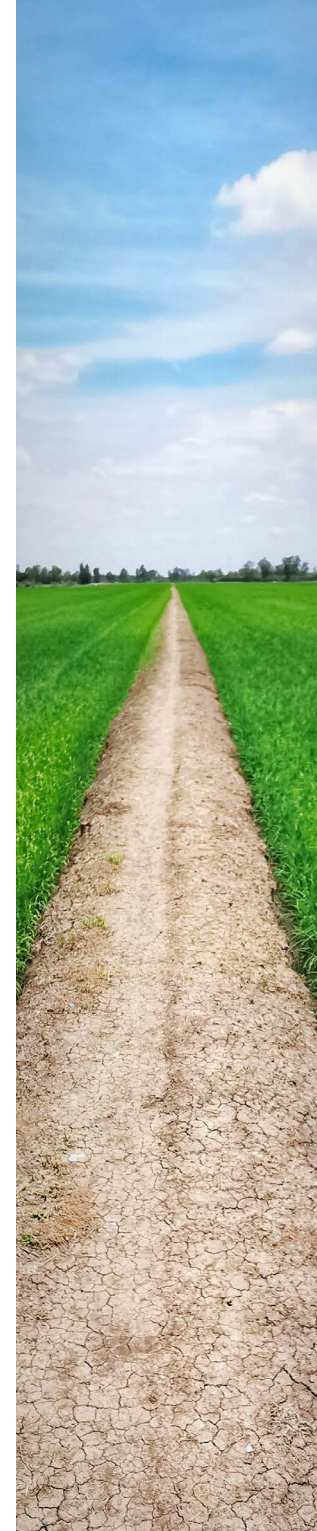
The Company believes that all forward-looking statements made by it in this presentation have a reasonable basis, but there can be no assurance that management's expectations, beliefs, or projections as expressed in the forward-looking statements will actually occur or prove to be correct. In addition to general industry and global economic conditions, factors that could cause actual results to differ materially from those discussed in the forward-looking statements in this presentation include but are not limited to: (i) the failure of any one or more of the assumptions stated herein to prove to be correct; (ii) the risks relating to forward-looking statements and other "Risk Factors" discussed in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2022 and additional risk factors that may be identified from time to time in filings of the Company; (iii) the substantial indebtedness the Company incurred in connection with its acquisition of Coherent, Inc. (the "Transaction") and the need to generate sufficient cash flows to service and repay such debt; (iv) the possibility that the Company may be unable to achieve expected synergies, operating efficiencies and other benefits within the expected time-frames or at all and to successfully integrate operations of Coherent, Inc. ("Coherent") with those of the Company; (v) the possibility that such integration may be more difficult, time-consuming or costly than expected or that operating costs and business disruption (including, without limitation, disruptions in relationships with employees, customers or suppliers) may be greater than expected in connection with the Transaction; (vi) any unexpected costs, charges or expenses resulting from the Transaction; (vii) the risk that disruption from the Transaction materially and adversely affects the respective businesses and operations of the Company and Coherent; (viii) potential adverse reactions or changes to business relationships resulting from the completion of the Transaction; (ix) the ability of the Company to retain and hire key employees; (x) the purchasing patterns of customers

and end users; (xi) the timely release of new products, and acceptance of such new products by the market; (xii) the introduction of new products by competitors and other competitive responses; (xiii) the Company's ability to assimilate recently acquired businesses, and realize synergies, cost savings, and opportunities for growth in connection therewith, together with the risks, costs, and uncertainties associated with such acquisitions; (xiv) the Company's ability to devise and execute strategies to respond to market conditions; (xv) the risks to realizing the benefits of investments in R&D and commercialization of innovations; (xvi) the risks that the Company's stock price will not trade in line with industrial technology leaders; and/or (xvii) the risks of business and economic disruption related to the currently ongoing COVID-19 outbreak and any other worldwide health epidemics or outbreaks that may arise. The Company disclaims any obligation to update information contained in these forward-looking statements, whether as a result of new information, future events or developments, or otherwise.

ADDITIONAL INFORMATION

Coherent Corp.'s ESG Report provides a point-in-time overview of our organization's ESG initiatives beyond traditional financial disclosure overseen by U.S. federal and state regulators. In this report, we seek to highlight our corporate culture, including information about our employee base, our governance practices, our risk management framework, our commitment to our customers, and our dedication to the communities in which we operate. We believe that each of these aspects may impact shareholder value creation and our ability to sustain our business over the long run. Various standard-setting bodies have published disclosure frameworks for ESG reports. We reviewed several of these standards and have incorporated disclosure practices and principles we believe to be most relevant to the industries in which we operate. This ESG Report is for informational purposes only. The information contained in this report is subject to change without notice.

We provide regular communication to our investors and the public in the form of quarterly filings with the SEC that include our financial performance; risks that may impact our operations or financial results; the composition of our



Board of Directors, Board committees, and executive management team and the compensation they receive for their service; our corporate governance practices; and other required information.

The company's public filings made with the SEC can be found on the SEC's website at www.sec.gov or on the Investor Relations page of our website.

