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Dear Valued Supplier,

Coherent recognizes that product and packaging-related environmental protection requires strict oversight in all phases of our product and packaging life cycle – from conception, development, manufacture and use, to its end of life treatment.

To that end, Coherent is committed to doing business with environmentally responsible suppliers as we recognize their critical role as partners in our environmental compliance program.

The growing list of legislation require manufacturers and suppliers to provide information about global restrictions on the use of certain chemical substances or materials in our products, manufacturing processes, and packaging used for shipping products to Coherent’s customers. To that end, Coherent has established rules and requirements for suppliers to declare whether product and packaging delivered to Coherent contain any substance that may be restricted by any such legislation.

As a supplier to Coherent, you are requested to review this document (D126573) which outlines the supply chain requirements related to Coherent’s compliance with these laws and regulations. You may be subject to any or all the requirements outlined.

We thank you in advance for your support in this matter. You are encouraged to direct any questions or concerns to the Coherent Buyer.

Sincerely,

A handwritten signature in cursive script that reads "Donald W. Ballard".

Donald Ballard,  
Corporate Product Environmental Compliance Manager  
Coherent, Inc.

Document D126573-AJ

# Supplier Environmental Compliance Requirements

Coherent, Inc.  
July 2021

**TABLE OF CONTENTS**

DEFINITIONS.....	4
KEY REGULATIONS.....	4
EU RoHS .....	4
EU REACH.....	5
US CONFLICT MINERALS .....	5
CALIFORNIA PROPOSITION 65 .....	5
CHINA ROHS.....	6
EU PACKAGING DIRECTIVE 94/62/EC.....	6
THE TOXIC SUBSTANCES CONTROL ACT (TSCA).....	6
PFOS RESTRICTIONS.....	6
SUPPLIER REQUIREMENTS.....	7
CATALOG PARTS .....	7
CUSTOM PARTS.....	7
COMPLEX CUSTOM PARTS.....	8
ROLLUP PARTS.....	8
Packaging.....	9
GENERAL REQUIREMENTS AND DECLARATIONS .....	9

## Definitions

**China RoHS** – China Restrictions of certain use of Hazardous Substances

**Homogeneous Material** – A material of uniform composition throughout that cannot be mechanically separated into different materials. Examples of “homogeneous materials” are certain types of plastics, ceramics, glass, metals, alloys, paper, board, resins, and coatings.

**Material** – Refers to any of the following: substance, chemical compound, polymer and element.

**Packaging** – Includes any box, container, reel, tray, tube, wrapper, cushioning, inks, colorants, or other material used to contain, protect, store, and transport an Item prior to its use by a customer.

**Prohibited Material** – A material that is subject to either a legal ban or a company or a voluntary industry prohibition.

**REACH** - Registration, Evaluation, Authorization and restriction of Chemicals.

**Restricted Material** – A material that is prohibited only in certain specific applications

**RoHS** – Restrictions of certain use of Hazardous Substances

**Supplier** – Any company or individual external to Coherent who manufactures and/or ships an Item to or for Coherent.

**SVHC**- Substance of Very High Concern

## Key Regulations

As a supplier to Coherent, you are required to ensure that certain regulated or hazardous substances are not present in parts, materials and packaging you supply to Coherent or, for certain other substances, to notify Coherent if they are present.

Because the substance regulations are subject to frequent change, Coherent has chosen not to publish an extensive list of restricted substances and exemptions. Rather, we have listed some of the key substance laws that impact us. Please note, this list represents some of the major global legislations and is not an exhaustive list. We expect our suppliers to familiarize themselves with these laws and to ensure that parts, materials and packaging they provide to Coherent comply with the laws.

**EU RoHS:** The European RoHS Directive (2011/65/EU) restricts the use of 10 (see note below) hazardous substances in electronic equipment sold in the EU. RoHS restricts Lead, Mercury, hexavalent Chromium, and flame retardants PBB and PBDE, to no more than 0.1% by weight in any “homogeneous material” in any part, and it restricts Cadmium to 0.01%. Some classes of electronic equipment are excluded from the scope of RoHS, and RoHS also allows exemptions for some very specific materials.

Coherent requires all parts and materials supplied to us comply with the substance restrictions of the RoHS Directive, and the supplier identify to us any exemptions that apply to those parts or materials if applicable.

**Please note:** On June 4th, 2015, the EU Commission published Delegated Directive EU 2015/863 in the EU Official Journal. This Directive added four phthalates to the RoHS restricted substances, DEHP, BBP, DBP and DIBP which are primarily used as plasticizers to soften plastics. They have been restricted from 22 July 2019 for all electrical and electronic equipment apart from Category 8 (medical devices) and Category 9 (monitoring and control equipment) that will have an additional two years to comply by 22 July 2021.

**EU REACH:** The European REACH Regulation ((EC) No 1907/2006) regulates many substances, better known as SVHC's or "Substances of Very High Concern". Note that additional substances are added to the Candidate List approximately every 6 months.

In addition, certain SVHC's are now subject to "Authorization", meaning that only certain narrowly-defined uses are authorized, or they are subject to "Restriction", meaning that they are essentially banned from use. To meet requirements, Coherent must know whether any SVHC constitutes greater than 0.1% of the weight of any part or product supplied to us. Coherent also requires that parts and materials supplied shall not contain substances that are subject to Authorization (that are not authorized for use) or Restriction.

**Waste Framework Directive:** The Waste Framework Directive (WFD) is a European Union Directive concerned with "measures to protect the environment and human health by preventing or reducing the adverse impacts of the generation and management of waste and by reducing overall impacts of resource use and improving the efficiency of such use." WFD also includes SCIP which is the database for information on Substances of Concern in articles as such or in complex objects (Products) established under the Waste Framework Directive (WFD).

**US Conflict Minerals:** In 2012, the U.S. Securities and Exchange Commission ("SEC") published regulations implementing the Dodd-Frank Wall Street Reform Act. To meet the requirements of Section 1502 of that act, Coherent must determine the country of origin for all Gold, Tin, Tungsten, and Tantalum used in our products. If any of these materials are sourced from a conflicted region, Coherent must report this to the SEC.

Coherent will contact all of its supply base for a current revision of the Conflict Minerals Reporting Template (CMRT) to verify adherence to this legislation.

**California Proposition 65:** Proposition 65, officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986, was enacted in November 1986. The proposition protects the state's drinking water sources from being contaminated with chemicals known to cause cancer, birth defects or other reproductive harm, and requires businesses to inform Californians about exposures to such chemicals. Proposition 65 requires the State to publish a list of chemicals known to cause cancer or birth defects or other reproductive harm. As a supplier to Coherent, we ask you to notify Coherent using SDS section 15 (as our preferred method) to provide Prop 65 chemical information if present. Coherent will also evaluate other means of notification from its suppliers as they are received. Coherent also asks suppliers to evaluate reformulation options if these published chemicals are known to exist in supplied articles.

**China RoHS:** Chinese law “Management Methods for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products”, requires Coherent’s products sold in mainland China to complete a hazardous substances table that indicates presence of any of the six substances and where in the product they are located, and providing information for handling end-of-life of those products. The substances involved are the same as EU RoHS, so Coherent must know about the presence of these substances in any parts supplied to us. In addition, we may require you to apply the “environmental protection use period” (EPUP) label if you supply a finished electronic product that is in scope for China RoHS.

**EU Packaging Directive 94/62/EC :** European Parliament and Council Directive of 20 December 1994 on packaging and packaging waste. The Directive lays down measures aimed, as a priority, at preventing the production of packaging waste and, as additional fundamental principles, at reusing packaging, at recycling and other forms of recovering packaging waste and, hence, at reducing the final disposal of such waste.

**The Toxic Substances Control Act (TSCA):** The Toxic Substances Control Act of 1976 provides EPA with authority to require reporting, record-keeping and testing requirements, and restrictions relating to chemical substances and/or mixtures. TSCA addresses the production, importation, use, and disposal of these specific chemicals.

Also included is US Environmental Protection Agency (EPA) restrictions on Persistent, Bioaccumulative, and Toxic (PBT) Chemicals under TSCA Section 6(h) for 5 chemicals and federal regulations which would require manufacturers and importers of any per- and polyfluoroalkyl compounds (PFAS) chemicals to provide information about the type and amounts of chemical produced in any year going back to January 1, 2011.

**PFOS Restrictions - DIRECTIVE 2006/122/EC:** The laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of perfluorooctane sulfonates (PFOS).

**Reference:** Coherent D120625 contains a listing of Coherent’s material specifications as well as additional information. It can be downloaded from Coherent's Supplier Portal webpage (visit [www.coherent.com](http://www.coherent.com), then follow the menu path under Company > Supplier Portal).

**Note on Environmental Legislation:** Coherent recognizes that the nature and complexity of environmental laws are constantly changing and require all suppliers to both understand and conform to those regulations that are appropriate for their operations and products supplied to Coherent.

## Supplier Requirements

It is the responsibility of the supplier to review each item and comply with all applicable sections within this document. Material declarations and supplier certifications are the foundational elements of our effort to ensure the compliance of Coherent's products. For this purpose, we classify parts/assemblies as either custom or catalog. In general, Coherent will assume the responsibility for RoHS compliance of the materials and finishes it specifies, and expects our suppliers to do likewise. Parts that are compliant using materials that employ EU RoHS-exemptions must be identified together with the specific material exemption from the RoHS Directive and the offending substance (e.g. EU RoHS exemption # 6(c): Copper alloy containing up to 4 % lead by weight, which covers certain compliant brass materials).

The following items are outside the scope of this document unless otherwise specified in the engineering drawings or specifications: artwork, drawings, diagrams, schematics, service bulletins, work instructions, procedures, standards, software and programmable device programming codes.

As a supplier, you may need to determine which method applies to the parts you supply:

1. **Catalog Parts:** For catalog or "commercial-off-the-shelf" parts, Coherent requires the manufacturer to declare compliance with applicable regulations.
  - 1.1. Typically, Coherent only selects Catalog Parts that are RoHS-compliant, and for which REACH information is available.
  - 1.2. Coherent, or a partner company operating on behalf of Coherent, may contact the manufacturer and request the necessary compliance information. Whenever applicable regulations change significantly, Coherent will require updated declarations of compliance. If appropriate declarations cannot be obtained, Coherent may discontinue use of the part.
  - 1.3. Coherent orders Catalog Parts by specifying the Manufacturer's Part Number (MPN). If the MPN ordered is valid, then Coherent requires the Manufacturer or Supplier to provide the MPN that has been specified, even if it is not compliant.
  - 1.4. If the Manufacturer offers both compliant and non-compliant options under the specified MPN, then Coherent requires that part shall be RoHS-compliant, and requests that it be free of REACH SVHCs.
  - 1.5. Parts that would be out of scope for the RoHS Directive, if sold by themselves, must nonetheless meet the substance restrictions of RoHS because they will be integrated into Coherent products, which are subject to RoHS.
2. **"Custom" Parts:** Custom fabricated parts, otherwise known as "make-to-spec" parts, generally use Coherent's [MCX Method](#) to ensure compliance.
  - 2.1. Under the MCX Method, Coherent explicitly specifies all the materials and finishes for the part, with each material being identified by a unique Coherent "MCX Number". Because we have pre-evaluated the compliance of these "MCX" materials, Coherent is able to determine the compliance of the finished parts without requiring suppliers to provide declarations for each part.

- 2.2. Parts that use the MCX Method are identified by the fact that the drawings and specifications reference Coherent Document D120625, “Compliance Specification for MCX Materials”, and by the fact that MCX Numbers are used in the materials callouts. For example, you might see a callout like “Aluminum 5052-H32 per MCX1007”, where “MCX1007” is the MCX Number.
- 2.3. For parts where the MCX Method applies, the supplier shall comply with the requirements of D120625, “Compliance Specification for MCX Materials”, which is available on the Coherent supplier portal at:  
<http://www.coherent.com/company/index.cfm?fuseaction=Forms.page&PageID=108>
3. **“Complex Custom” Parts:** These are custom fabricated parts or “make-to-spec” parts where the supplier must select one or more of the materials used in the part. He must do so either because Coherent did not specify all materials, or because some materials were incompletely specified. A typical example might be a custom transformer. Coherent would normally specify its electrical performance, external connections, and mechanical configuration, but the supplier must determine the construction materials.
  - 3.1. For each Complex Custom part, unless otherwise notified by Coherent in writing, the supplier shall:
    - 3.1.1. Ensure that the part complies with the EU RoHS Directive substance restrictions.
    - 3.1.2. Immediately notify Coherent, in writing, of the identity and amount of any REACH Candidate List SVHC that is present at greater than 0.1% by weight of the part.
    - 3.1.3. Ensure that the part is free of (contain less than 0.1% by weight) any REACH SVHC that is subject to Restriction or Authorization (found in REACH Annexes XIV and XVII).
    - 3.1.4. Coherent, or a partner company operating on behalf of Coherent, will contact the supplier and request the necessary compliance information. Whenever applicable regulations change significantly, Coherent will require updated declarations of compliance. If appropriate declarations cannot be obtained, Coherent may discontinue use of that supplier.
4. **“Rollup” Parts:** Rollup parts are Coherent-designed assemblies or products where Coherent controls the entire Bill of Materials (BoM), the Approved Manufacturer Parts (AML), and the Approved Suppliers (ASL) for each part on the BoM.
  - 4.1. Because Coherent controls the BoM, AML, and ASL, compliance of these assemblies is determined by Coherent, through a process of “rolling-up” the compliances of the individual parts on the BoM.
  - 4.2. Individual parts on the BoM may utilize any of the different compliance methods described above, and Coherent takes responsibility to obtain that compliance information, so that the rollup becomes possible.
  - 4.3. The supplier or “Contract Manufacturer” of a Rollup part is generally not required to provide a declaration of compliance for the entire assembly. However, in order to ensure compliance of the assembly, the supplier is required to:

- 4.3.1. Adhere to the BoM, AML, and ASL exactly as specified. Substitution of “equivalent” parts is not permitted, nor is sourcing from other Suppliers, not listed in the ASL. Changes to the BoM, AML, or ASL are only authorized via the Coherent ECO process.
  - 4.3.2. If any material, not specified on the BoM, is added by the supplier (“added material” such as solder paste, flux, etc.), and the material remains in the finished product, then the supplier must ensure it is compliant with the RoHS Directive substance restrictions.
  - 4.3.3. Immediately notify Coherent, in writing, of the identity and amount of any REACH Candidate List SVHC found in any added material, which is present at greater than 0.1% by weight of the finished assembly.
  - 4.3.4. Ensure that any REACH SVHC found in any added material, and which is subject to Restriction or Authorization (found in REACH Annexes XIV and XVII) is not present in the finished assembly at a concentration greater than 0.1% by weight.
5. **Packaging:** All products made of any materials of any nature to be used for the containment, protection, handling, delivery and presentation of goods from the producer to the consumer or the user. Packaging can be categorized as, but is not limited to, primary, secondary and tertiary packaging.
- 5.1 Packaging Classifications
    - 5.1.1 Primary Packaging - Primary packaging refers to packaging that is designed so as to form the final sales or retail unit intended for the final customer at the point of purchase for a given product.
    - 5.1.2 Secondary Packaging - Secondary Packaging refers to packaging that groups a certain number of final sales or retail units together at the point of purchase.
    - 5.1.3 Tertiary Packaging - Tertiary or transport packaging refers to packaging that is designed for the purpose of protecting the sales units and/or grouped packages from transportation and handling damages while being transferred to another economic operator, such as a warehouse, distributor, or an end-user.
  - 5.2 The supplier shall ensure that the packaging supplied complies with the EU Packaging Directive, the EU REACH Regulation and all applicable legislation in which the packaging material is subject to.

## General Requirements and Declarations

As part of Coherent’s supplier qualification process, suppliers of Custom, Complex Custom, and Rollup parts are required to read and adhere to this document then sign and date Compliance with Coherent’s Environmental Policy document D126572.

1. Suppliers signing the Compliance with Coherent’s Environmental Policy letter must agree to the following:
  - 1.1 The supplier shall maintain an adequate working knowledge of the EU RoHS Directive and the substance requirements for Articles as specified in the EU REACH Regulation.
  - 1.2 The supplier shall employ inventory control measures that ensure configuration and compliance status of all parts, materials and packaging supplied to Coherent.

1.3 The supplier is encouraged to incorporate the methods of standard BS EN IEC 63000 (for parts and materials) for data collection and retention.

1.4 If Coherent has reason to question the reliability of a declaration, the supplier agrees to make available to Coherent any test reports, supplier declarations, and other evidence of compliance, available to the supplier, that help establish the validity of the declaration.

1.5 If Coherent determines that material provided by a supplier is not compliant, but the supplier has declared it to be compliant, the supplier agrees to exercise commercially reasonable efforts to help Coherent establish the root cause of the non-compliance, to remedy that root cause, and to replace any non-compliant material at no charge to Coherent.

2. If specified on a Coherent Drawing or Purchase Order, the supplier shall evaluate his product for conformity with the requirements of China RoHS and label the product in accordance with those requirements.
3. Upon request by Coherent, a supplier shall provide, in timely fashion, a Conflict Minerals declaration for all parts and materials provided to Coherent, using the RBA declaration format. Coherent, or a partner company operating on behalf of Coherent, will provide guidance and a blank RBA declaration template at the time of request.