1.0 PURPOSE

This policy sets forth Coherent's enterprise risk management (ERM) framework and our approach to managing change and uncertainty. The policy provides direction that ensures that the information collected about risk is shared in a relevant and timely manner, and that this information sharing leads to continuous improvement. The ERM framework applies to all levels of the organization and assists in achieving the company's strategic objectives by bringing a systematic approach to identifying, analyzing, mitigating, and reporting risks.

2.0 SCOPE

This policy applies to all employees, officers, directors, independent contractors, agents, representatives, and other intermediaries of Coherent Corp. ("Coherent" or the "company") and its subsidiaries and affiliates. All covered individuals are expected to comply with this policy when performing services for or representing the company.

3.0 REQUIREMENTS

3.1 Expectations of All Employees & Management

All employees are responsible for the effective management of risk, including the identification of potential risks. Management is responsible for the development of risk management processes and the implementation of risk mitigation measures. Risk management processes will be integrated into existing planning processes and management activities.

For purposes of this policy, "risk" means the effect of uncertainty on business objectives. Risk typically refers to an event and related consequences. It is often described in terms of the impact (i.e., severity) and the likelihood (i.e., probability of occurrence) of a risk event. A risk may be positive, negative, or both, and may address, create, or result in opportunities and threats.

3.2 Expectations of Corporate and Business Unit Leaders

Corporate and business unit leaders are accountable for implementing this policy within their respective areas of responsibility:

- Incorporate risk management into their departmental/unit planning processes and management activities.
- Actively participate in the risk assessment and risk management process.
- Report on the status of risks as part of the review cycle

3.3 Managing Risk

The ERM process is continuous and should be applied at both the enterprise level and the operational unit level.

The principles for managing risk are:

- The Board of Directors oversees risk management within the company.
- The Board of Directors adopts an open and receptive approach to solving problems and managing risks.
- The Executive Leadership supports, advises on, and implements policies approved by the Board of Directors.
- The Executive Leadership makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks and opportunities.
- Business Leaders encourage good risk management practices within their units.
- Key risk indicators are identified, mitigated, and monitored on a regular basis.

3.4 Commitment to ERM

To meet the company's strategic goals, the Executive Leadership and the Board of Directors have committed to developing rigorous, structured, and effective risk management processes across the organization.

3.4.1 ERM Framework

Our ERM framework is developed to:

- Establish common risk language and direction related to risk management.
- Assign responsibilities for risk oversight among the Board and other stakeholders.
- Identify critical risks and opportunities in the company's activities and strategy.
- Increase the likelihood that strategic objectives will be achieved.
- Facilitate open communication with respect to risk and risk tolerance.

For purposes of this policy, risk tolerance means the level of risk the company is willing to accept. The risk tolerance may be different for different risks and should be aligned with overall strategic objectives. Risk tolerance will inform the company's risk management approach.

3.4.2 ERM Process

Our ERM process is designed to

- Identify potential events and trends (risks) that may significantly affect the company's ability to achieve its strategic goals or maintain its operations.
- Assess those risks against the company's level of risk tolerance to provide reasonable assurance that the company's objectives will be achieved.
- Empower employees at all levels of the organization to identify, evaluate, and respond to risks within their scope of authority and responsibility.

3.4.3 Objectives for ERM

Coherent's objectives for ERM include:

- Integrating risk management into the culture and strategic decision-making of the company.
- Anticipating and responding to changing social, environmental, and legislative conditions.
- Managing risk according to better practice and demonstrating due diligence in decision-making.
- Regarding legal compliance as a minimum standard.
- Balancing the cost of managing risk with the anticipated benefits.
- Raising awareness of the need for risk management.

3.5 ERM Oversight and Governance

3.5.1 Audit & Risk Committee of the Board of Directors of Coherent

On a periodic basis, and as necessary, Audit & Risk Committee of the Board of Directors of Coherent will recommend goals and resources in the area of enterprise risk management.

3.5.2 Executive Leadership

Members of the company's Executive Leadership are accountable for strategic risk management, including the delegation of the ERM process to those in their organizations.

Collectively, the Executive Leadership is responsible for:

- Formal identification of strategic risks that have an impact on the company's goals.

- Determination of priorities and risk rankings.
- Development of strategic risk management plans.
- Monitoring progress in managing risk.

3.5.3 Internal Audit / Vice President, Internal Audit

The Internal Audit team will provide recommendations and lead the day-to-day ERM efforts.

VP, Internal Audit, Coordinates ERM for the company, and in that role:

- Oversees and maintains the ERM framework.
- Ensuring that critical enterprise risks are being considered by the Executive Leadership and Board.
- Annually facilitates and coordinates the process of identifying, reviewing, and ranking risks.
- Supports the development of a risk register for the company, which is our company's official recording of the identified risks facing the company that catalogs significant risks (with impact and likelihood assessed).
- Monitors risks in the company's risk register and following up on mitigation plans and results.
- Facilitate action in those areas where improvements are required and promotes a risk-aware culture.

4.0 CONSEQUENCES FOR POLICY VIOLATIONS

If you violate this policy, you may be subject to disciplinary action, up to and including termination.

5.0 REPORTING CONCERNS

Violations of this Policy should be reported to the Coherent Compliance Hotline (www.coherent.ethicspoint.com) or to the Chief Legal and Compliance Officer (CLCO).

6.0 ADDITIONAL RESOURCES

International Standards ISO 31000:2018, Risk Management Guidelines

7.0 REVISION HISTORY

Revision	Date	Description of Change	Requested By
Original	March 17, 2023	Initial Release	
Revision 1	September 1, 2025	Change in org structure	
Revision 2	July 23, 2026	Updated for formatting and alignment with new policy template as part of enterprise-wide effort to update Policy Library.	Corporate Compliance