COHERENT

GLOBAL IMPACT REPORT 2025
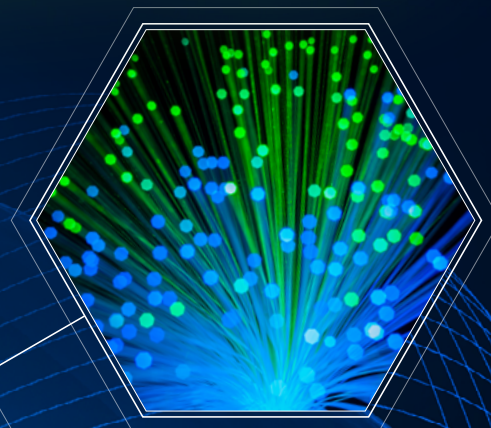
SUSTAINABLE.

INCLUSIVE.

PRINCIPLED.

INNOVATIVE.

CONTENTS

INTRODUCTION

FROM THE CEO

Welcome to our 2025 Global Impact Report.

For more than five decades, Coherent has delivered world-class technologies that power the most transformative innovations globally—from photonic solutions powering the next generation of datacenters and AI, to precision optics that drive semiconductor manufacturing and ultrafast lasers that enable life-saving medical procedures. But innovation alone is never our end goal. It is the means by which we improve lives, enable sustainable growth, and create long-term value for all of our stakeholders.

Sustainability is core to our business. In the end, it is not just how our products perform that matters, but how we make them. Sustainability is not a separate initiative—it is an all-hands commitment that requires diligence, ethical conduct, and a continuous drive for improvement across every level of our organization. We also consider it to be a whole supply-chain issue, and we expect every one of our suppliers to join us in these efforts.

As we move forward, we are doing so as one Coherent—leveraging our global scale, deep technical expertise, and strong customer relationships to deliver both innovation and impact. While we serve a diverse set of industries and regions, we are aligned by our I CARE values: Integrity, Collaboration, Accountability, Respect, and Enthusiasm. These values guide our actions and reinforce our commitment to advancing environmental and social responsibility across our operations.

After my first full year as CEO, I'm even more energized by the opportunities ahead. No other company is better positioned to harness the power of light to help customers solve complex challenges and accelerate progress. And as we do, we remain deeply mindful of our responsibilities—to our planet, to our people, to the communities where we operate, and to you, our stakeholders.

Thank you for your continued interest and trust in Coherent.

Jim Anderson
Chief Executive Officer

FROM THE BOARD CHAIR

At Coherent, our customers, investors, and partners trust us to deliver high-quality, innovative technologies that advance progress in a rapidly evolving world. Earning and maintaining that trust requires more than technical excellence—it demands that we operate with integrity, responsibility, and a long-term view that places sustainability at the core of our business.

That is why the Board of Directors is deeply engaged in Coherent's sustainability efforts. We work closely with management to ensure that the company's strategy and risk oversight are aligned with its sustainability objectives. In doing so, we are not only safeguarding the company's license to operate, but also reinforcing its ability to drive innovation, attract top talent, manage risks, and unlock new market opportunities.

We firmly believe that sustainability is a driver of long-term performance—not a trade-off. It enhances resilience, sharpens strategic focus, and positions Coherent to lead in the industries of the future.

While we are focused on continual improvement, the Board is proud of the meaningful progress made in FY2025. The results and initiatives highlighted in this report reflect the dedication of Coherent's leadership and employees to building a company that creates value for all stakeholders—today and for generations to come.

Sincerely,

Enrico DiGirolamo
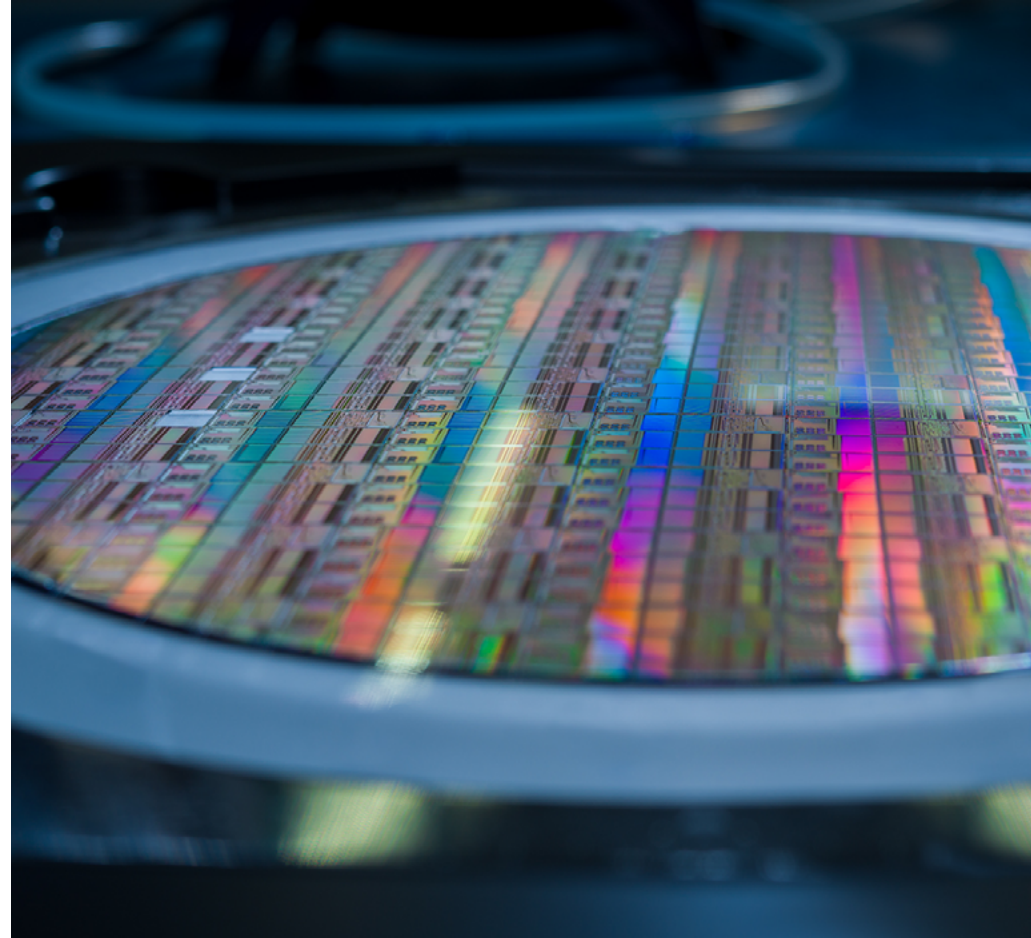Chair of the Coherent Corp. Board of Directors

ABOUT THIS REPORT

The Coherent Global Impact Report 2025 marks our fourth year of sustainability reporting and is part of our ongoing engagement with our stakeholders, including our customers, employees, investors, shareholders, suppliers, communities, and regulators. The scope includes Coherent's global business operations, subsidiaries, and joint ventures and is aligned with our Annual Report on Form 10-K. Unless otherwise specified, data and commentary are for Coherent's fiscal year 2025 (July 1, 2024–June 30, 2025), and all references to a "year" refer to fiscal years (FY).

Over the years, the company has acquired a number of businesses. Wherever applicable, data from their activity is included from their acquisition date onward. For climate-related impacts, we report on everything under our Operational Control.[1]

The terms "we," "us," "our," and "Coherent," as used in this Report, refer collectively to Coherent and its subsidiaries, unless indicated otherwise. We report only on assets under our operational control, unless otherwise indicated, and provide year-over-year trends where possible. All currency figures reported are in U.S. dollars.

This report has been prepared according to the Sustainability Accounting Standards Board (SASB) standards, now part of the IFRS Foundation, for both the Semiconductors and the Electrical & Electronic Equipment industries. Coherent also reports its greenhouse gas (GHG) emissions and water usage publicly through CDP (formerly known as the Carbon Disclosure Project). We report how our efforts align with relevant United Nations (UN) Sustainable Development Goals (SDGs). We also support our customers' requests for sustainability information through standard surveys, such as the EcoVadis Sustainability Rating.

We seek to provide sustainability information that is as accurate and complete as possible. Data for this Global Impact Report has been compiled and confirmed by the respective data owners, often with the help of specialized data management tools. Obtaining complete data on all parameters is not always possible; in such cases, we may provide good-faith estimates. We may choose not to report on some specific issues if the data is considered proprietary, sensitive, or protected by regulation or law. For the first time, we obtained limited assurance on our energy and GHG emissions (Scope 1, 2, and 3) data. In FY2025, we updated certain energy and GHG data for previous periods due to more accurate data or estimates becoming available, as indicated in the respective data tables.

We value and welcome feedback from all stakeholders. Please send comments or questions about this report to: corporate.communications@coherent.com.

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[1] In the context of carbon accounting, using an Operational Control reporting boundary means that Coherent reports emissions based on where it or one of its subsidiaries has complete authority to create and apply operating policies.

FY2025 HIGHLIGHTS

GOLD | Top 5%
ecovadis
Sustainability Rating
MAR 2025

Gold Medal Sustainability Rating
– EcoVadis

CUSTOMER RECOGNITION

KLA

KLA Corporation honored Coherent with its
Excellence in Sustainability Award in recognition
of our sustainability efforts as part of the KLA
Supply Chain Sustainability program.

ThermoFisher SCIENTIFIC

Thermo Fisher spotlighted Coherent for
our commitment to supply chain sustainability,
EcoVadis supplier score, and adoption of science-
based Scope 1 and Scope 2 GHG emissions
reduction targets.

PRODUCTS

ECOC EXHIBITION INDUSTRY AWARDS 2025

Received the **2024 ECOC Exhibition Industry Award**
for Best Product in the Data Center Innovation category
for our optical circuit switch (OCS).

SUSTAINABLE PROCUREMENT

Expanded supplier engagement and compliance requirements:

100% **of Tier 1 suppliers are now required to comply
with environmental requirements** and the
Responsible Business Alliance (RBA) Code of Conduct, with
enhanced monitoring and corrective action processes.

Hosted over

530 **suppliers at our FY2025 Annual Supplier Day**,
where we shared our increasing expectations around
our suppliers' sustainability disclosure and performance.

Introduced training to

90% **of our supply chain team to help drive
GHG emissions reductions with our suppliers.**

FY2025 HIGHLIGHTS

ENVIRONMENT

Decreased Scope 1 and 2 market-based emissions intensity per unit revenue by

34% through increased renewable energy procurement and energy efficiency, despite a 23% increase in revenue.

Made progress toward net-zero and absolute emissions reduction targets:

~75% **toward net-zero for Scope 1 and 2 by 2040** relative to our baseline year.

85% **of our global electricity comes from renewable energy sources. This helped us avoid** **264,000** metric tons of carbon dioxide equivalent (CO_2e) in FY2025.

Signed energy contracts to enable two of our largest U.S. sites to obtain

100% **of their electricity needs from renewable energy sources by 2030.**

Completed multiple energy-efficient projects, resulting in an estimated energy savings of

3.3 million kilowatt-hours (kWh) per year.

Exceeded our 2030 water conservation goal by nearly

350% **and five years ahead of schedule.**

PEOPLE

Achieved a

95% **participation rate in our Employee Engagement survey.**

Piloted a First-Time Leader Program through the Coherent Leadership Academy.

GOVERNANCE

The National Association of Corporate Directors Three Rivers Chapter honored the Coherent Board of Directors for its oversight of our successful CEO transition by naming it **2025 Public Company Board of the Year.**

13 out of 14 **Coherent Board members were independent.**[2]

Updated our Code of Conduct with expanded guidance on high-risk areas such as trade compliance, anti-corruption, and use of the Compliance Hotline.
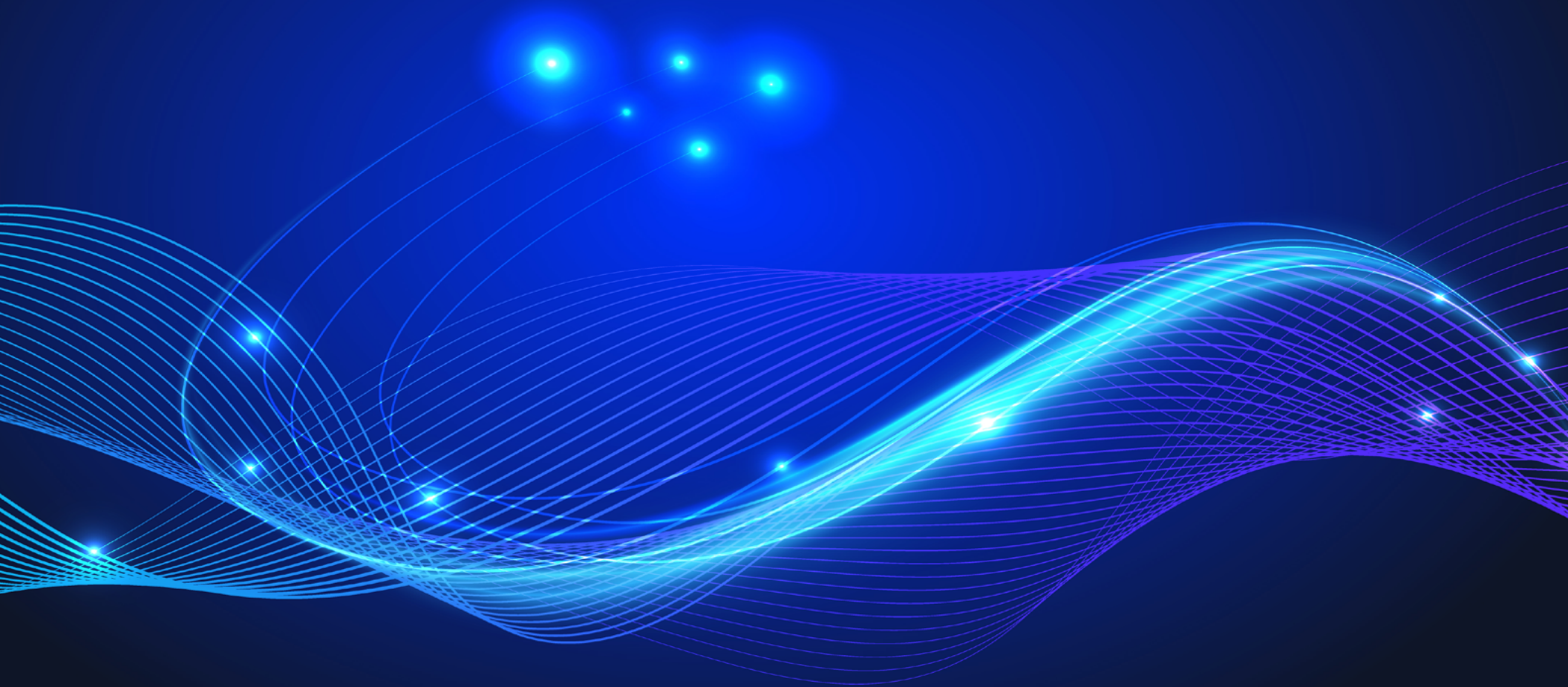
[2] Our CEO is the only non-independent Board member.

# ABOUT US

OUR MISSION:

We Harness Photons to Drive Innovation

WHO WE ARE

Coherent Corp. is a global leader in photonics for the datacenter & communications and industrial markets, with research and development, manufacturing, sales, service, and distribution facilities in 20 countries around the world.

Our customers include original equipment manufacturers (OEMs), laser end users, system integrators of high-power lasers, manufacturers of equipment and devices for our key markets, U.S. government prime contractors, and various U.S. government agencies.
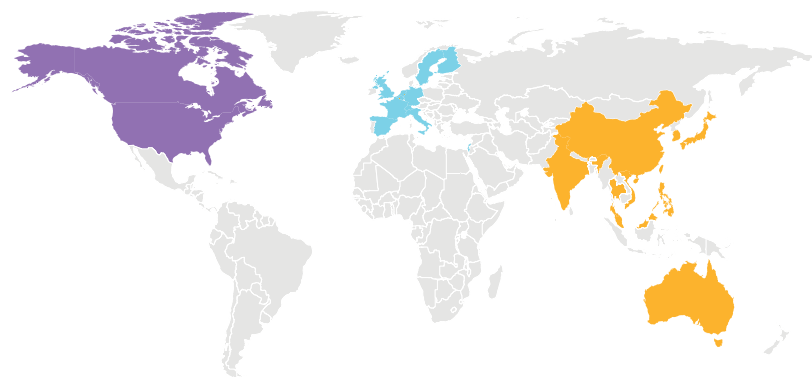
Coherent at a Glance

Founded: 1971
Headquarters: Saxonburg, Pennsylvania, USA
Worldwide Employees: 30,000+
Countries: 20
Revenue: $5.81B*
Invested in R&D: $582M*
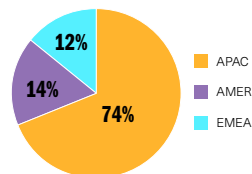**Core Markets:** Datacenter & Communications and Industrial
Patents: ~3,100
Production Facilities: 60+
Customers: 10,000+
NYSE ticker symbol: COHR

*FY2025.

Employees by region

- 74% APAC
- 14% AMER
- 12% EMEA

Employees by function

- 83% MANUFACTURING
- 9% R&D
- 8% SALES, GENERAL & ADMINISTRATIVE
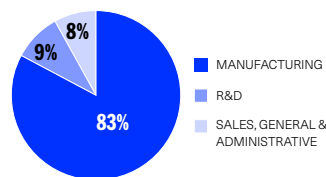
A photon is the smallest unit of light—a component of electromagnetic energy that behaves like both a wave and a particle. Photons are the fundamental building blocks of optical technology, enabling the control, shaping, and directing of light in ways that solve complex global challenges.

We Harness Photons to Drive Innovation

At Coherent, photons are not just a scientific concept; they are the foundation of nearly every innovation the company powers.

Photons play a critical role in advancing innovation across a range of industries we serve.

In communications, they are the invisible messengers that travel through fiber optic cables to deliver high-speed internet, enable 5G networks, and support the global data infrastructure.

In semiconductor manufacturing, tightly controlled photons in laser systems help pattern and etch the microchips that drive modern electronics, artificial intelligence (AI), and cloud computing.

In healthcare and life sciences, photons enable breakthroughs in medical imaging, laser surgery, and precision diagnostics, offering noninvasive, high-accuracy tools that improve patient outcomes.

In advanced manufacturing, high-powered lasers made of photon streams cut, weld, and process materials with unmatched precision, transforming how products are made in sectors such as automotive.

At the speed of light, Coherent is not just enabling technology—it's illuminating what's next.

HOW WE OPERATE

We leverage our vertically integrated manufacturing model along with expertise and scalability to transform the world. At our core, Coherent is about innovation. From designing complex photonic systems to innovating at the materials science level, we have developed a broad and deep technology portfolio. We go even further, manufacturing and delivering our products and complex systems at the scale our customers require and servicing our products to extend their lives.
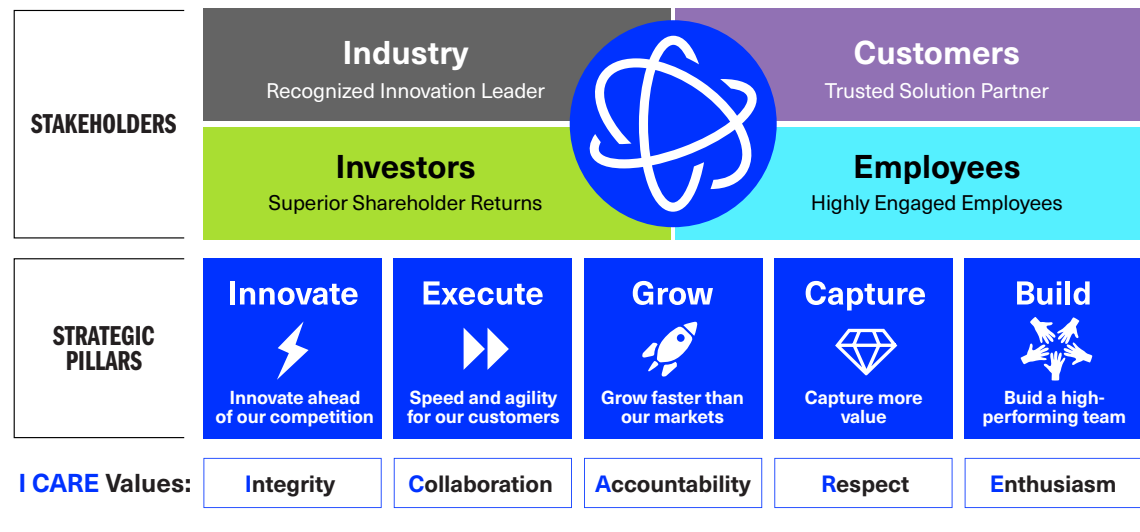
In FY2025, we introduced a new Strategic Framework and Management System to drive value creation and provided guidance on how we implement them and hold ourselves accountable. Together, these are central to who we are and how we operate. We also established an Integrated Management System Steering Committee (IMSSC) with representatives from quality, sustainability, legal, environmental, health, and safety (EHS), and human resources to support the framework and share best practices across Coherent.

> *"Our Strategic Framework is our north star, giving direction to our journey. Our Management System is the rudder and engine, keeping us on course, enabling us to adapt to changing conditions, and defining how we get to our destination."*
>
> — Chris Theis,
> Chief Quality Officer at Coherent

STRATEGIC FRAMEWORK

STAKEHOLDERS	Industry Recognized Innovation Leader	Customers Trusted Solution Partner
	Investors Superior Shareholder Returns	Employees Highly Engaged Employees

STRATEGIC PILLARS	Innovate Innovate ahead of our competition	Execute Speed and agility for our customers	Grow Grow faster than our markets	Capture Capture more value	Build Build a high-performing team

I CARE Values:	Integrity	Collaboration	Accountability	Respect	Enthusiasm

COHERENT MANAGEMENT SYSTEM

OUR QUALITY POLICY:
FULLY SATISFYING CUSTOMERS AND CONTINUALLY IMPROVING

SAFETY POLICY

Fully satisfying health and safety requirements, preventing workplace injuries and health risks, promoting well-being, and continually improving.

ENERGY POLICY

Fully satisfying energy requirements, including performance, efficiency, use and consumption, and continually improving.

ENVIRONMENTAL POLICY

Fully satisfying environmental requirements, protecting the environment, and continually improving.

SUSTAINABILITY POLICY

Integrating ethical, environmental, social, and governance principles into our decisions and actions, and continually improving.

SUSTAINABILITY AT COHERENT

Rooted in our enterprise-wide Sustainability Policy, sustainability is not a siloed effort but a core part of our business strategies and decision-making processes.

SUSTAINABILITY STRATEGY

We focus on the highest-priority sustainability topics based on a robust materiality assessment. Aligned with the principle of double materiality, the assessment helped us understand what matters most to our business and our stakeholders. It included inputs from customers and analysis from investors; statements, reports, and principles from leading nongovernmental organizations; actions we see our competitors taking; and well-recognized international standards and principles.

Our strategy includes five sustainability pillars, as described below. Within each is our core priority, followed by the areas of focus for that priority and their alignment with

the UN SDGs. As a whole, our sustainability strategy helps us manage risks, drive long-term growth, and contribute to a more sustainable and inclusive world.

Coherent reevaluates materiality at least annually and updates our areas of focus accordingly.

Learn more about how our strategy aligns with the UN SDGs on .

PILLARS	AREAS OF FOCUS	ALIGNMENT WITH UN SDGS
Our Products We develop innovative products and technologies that harness the power of photons—and seek to do so in a sustainable way.	• Innovation and Impact • Circular Economy • Product Safety, Quality, and Lean Enterprise	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Sustainable Procurement We seek to ensure our suppliers' support of our values around human rights, ethics, and environmental responsibility.	• Supply Chain Management • Supply Chain Decarbonization • Supplier Diversity • Anti-Forced Labor • Responsible Sourcing of Minerals	8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION
Environment We seek to minimize adverse environmental impacts from our operations and supply chain.	• Climate and Energy Management • Water Usage • Waste Minimization	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
People We work to improve outcomes for people and communities.	• Health and Safety • Human Rights • Inclusion and Belonging • Talent Acquisition • Talent Management • Community Engagement	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Governance We have strong governance in place to mitigate risks and help maintain stakeholder trust.	• Corporate Governance • Enterprise Risk Management • Ethical Business Conduct and Compliance • Data Privacy and Security	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SUSTAINABILITY GOVERNANCE

At Coherent, sustainability is an all-hands responsibility. All of Coherent—from our Board of Directors to our newest employees—is expected to support our sustainability strategy.

The Nominating and Corporate Governance Committee of our Board of Directors oversees key sustainability initiatives and practices, provides guidance for the company's sustainability vision, and helps to establish our sustainability goals. The committee meets at least quarterly to review our sustainability strategy and align it with the company's business plans and stakeholder engagement.

Operationally, sustainability is under the direction of our Chief Legal and Global Affairs Officer and the Director of Sustainability. Several times each year, our Director of Sustainability convenes a cross-functional Sustainability Summit, bringing together leaders from across the company to share progress, tackle challenges, and collaborate on advancing our sustainability agenda.

Insights and outcomes from these summits are reported to senior management and the Board committee, reinforcing transparency and alignment. To drive accountability, the Board factors sustainability performance into its evaluation of key executives.

LEARN MORE

Sustainability Policy

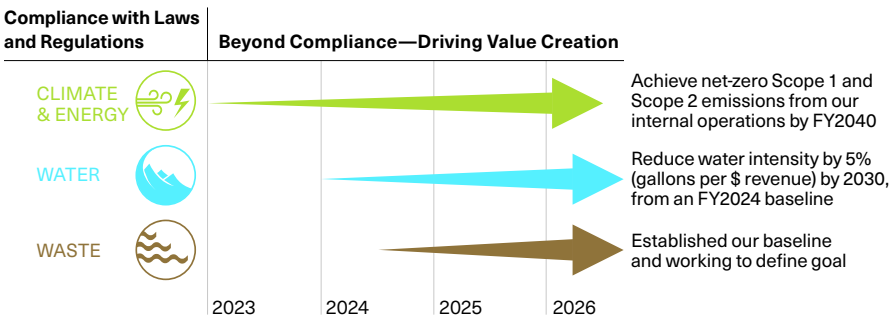# THREE QUESTIONS FOR ROB BEARD, CHIEF LEGAL AND GLOBAL AFFAIRS OFFICER

Rob leads sustainability at Coherent as part of his role as Chief Legal and Global Affairs Officer.

1 **Where is Coherent on its environmental sustainability journey?**

Coherent has grown rapidly in the past few years, both organically and through acquisitions, bringing together several companies with various systems, policies, and practices. In 2023, we conducted a materiality assessment to identify our sustainability priorities as the new combined Coherent and prioritized our efforts around energy and GHG emissions, water, and waste—in that order. Our focus, then and today, is to take actions that go beyond compliance to drive tangible value for our business and stakeholders.

We began with collecting data on our energy use and GHG emissions to establish a solid baseline. This was not easy—it required working with dozens of sites, many using different data-collection systems. But we did it and, in 2023, we announced our first sustainability goal: to achieve net-zero Scope 1 and Scope 2 emissions from our internal operations by FY2040. The next year we tackled water, and in FY2024 we announced our goal to reduce our water intensity by 5% (gallons per $ revenue) by FY2030. Today, after recently establishing our waste baseline (see page 35), we're working on an enterprise-wide waste reduction goal.

This is an ongoing journey. We continue to dig deeper, engage, listen, learn, adapt, and evolve with every milestone we hit along the way.

Compliance with Laws and Regulations	Beyond Compliance—Driving Value Creation	
CLIMATE & ENERGY	→	Achieve net-zero Scope 1 and Scope 2 emissions from our internal operations by FY2040
WATER	→	Reduce water intensity by 5% (gallons per $ revenue) by 2030, from an FY2024 baseline
WASTE	→	Established our baseline and working to define goal
	2023 2024 2025 2026	

2 **How is your climate strategy aligned with the Paris Agreement?**[3]

Our net-zero Scope 1 and Scope 2 emissions goal is aligned with achieving a 1.5°C future and serves to support our customers' Scope 3 GHG emissions goals. Since establishing our goal, we have achieved strong results, including 85% renewable electricity usage and multiple energy-efficient projects, resulting in an estimated energy savings in excess of 3.3 million kWh per year. Based on this progress and our internal climate road map, we are confident we are on track to meet our FY2040 goal and continue to execute on our internal interim goals.

On Scope 3, we are making progress by improving data collection and data quality (see page 33) in those categories that are material or potentially material to our business. This year, for example, we are disclosing for the first time emissions from Waste Generated in Operations (Category 5). We are also working to develop a Scope 3 goal. While we continue to focus on developing energy-efficient products (see page 20),

[3] The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

given our highly diverse product portfolio, it would be exceedingly complex to quantify our downstream emissions with any degree of accuracy or precision. Rather, we remain focused on our upstream emissions where we have the highest degree of influence and can have maximum impact.

3 The sustainability landscape is evolving rapidly. How is this impacting your work?

Every company has a responsibility to operate their business in a way that maximizes long-term shareholder value. Operating unsustainably in any form has the potential to harm shareholder value and make the company less valuable. As the broader sustainability landscape continues to shift, our focus remains on what matters most to our business and stakeholders, guided by our Strategic Framework and Integrated Management System. Our sustainability strategy was designed from the start to align with our business strategy—centered on mitigating risks to our business and leaning into opportunities to support value creation. No matter what happens in the sustainability landscape, we are staying true to growing as a responsible and resilient business for the benefit of all of our stakeholders. We will continue to do the right things, and to do things the right way.

OUR PRODUCTS

We aim to reshape the world by unlocking the power of innovation.

FY2025 HIGHLIGHTS

- Trained over 600 employees on productivity excellence.

- 1,019 suggestions submitted by employees for Lean improvements, of which we have implemented over half.

- Eliminated waste and lost productivity, thereby generating $71 million in direct cost savings through projects submitted in the Coherent Lean Olympics.

- Received the 2024 ECOC Exhibition Industry Award for Best Product in the Data Center Innovation category for our optical circuit switch (OCS).

PRODUCT SAFETY, QUALITY, AND LEAN ENTERPRISE

We are committed to meeting or exceeding all safety and quality requirements before introducing our products to the market. This has been central to how we have operated since day one, reinforced by our I CARE values.

PRODUCT SAFETY

OUR APPROACH

As defined in our Global Quality Manual, our Quality Policy requires that Coherent complies with all applicable legal and regulatory product safety requirements and can verify compliance and the safety of our products.

Supporting this effort, our global quality team partners closely with local teams at each site to help ensure alignment with regulatory standards, Coherent policies, and industry best practices.

As part of our new product introduction (NPI) process, safety features—such as interlocks, shutters, emergency-off switches, and integrated control accessories—are incorporated into designs, as applicable, to prevent exposure to potentially hazardous conditions. Coherent has adequate conformity assessment processes in place. In addition, we can provide documented evidence that all applicable safety requirements are met and the final product complies with regulations and safety requirements.

Where applicable, Coherent products are tested and certified by accredited laboratories to help ensure that our designs meet or exceed safety standards. To maintain this high standard, our quality team monitors compliance through internal ISO 9001 audits.

Once a product reaches the market, we support customers with product-specific manuals, where applicable, that include detailed safety information. In the event of a reported safety concern, our escalation process ensures rapid response; we track customer feedback, investigate the root cause, and implement corrective actions to safeguard users and maintain trust.

QUALITY

OUR APPROACH

Guided by our company-wide Quality Policy and Quality Manual, we prioritize quality in all we do.

Coherent sites are supported by a quality manager, forming the first line of accountability for quality. These managers are backed by our Chief Quality Officer (CQO), who oversees our global Quality Management System (QMS). Our QMS is built on the ISO 9001:2015 foundation and includes a range of third-party certifications such as AS9100, ISO 13485, IATF 16949, and TL 9000.

In collaboration with site teams, our global quality organization drives the development, implementation, and continuous improvement of our QMS. Led by our CQO, the Coherent Global Quality Council brings together quality leaders from various regions and business groups. The council meets approximately monthly, or more frequently when warranted.

Starting with onboarding, certain employees participate in training programs that include an overview of our Quality Policy. Additional site- and technology-specific training is also provided, as appropriate to the person's position.

We evaluate the performance and effectiveness of our QMS through internal quality audits, management reviews, and customer escalation metrics.

Customer satisfaction and perception also serve as key indicators of our performance, helping us stay focused on improvement. While methods of measuring customer satisfaction vary within Coherent due to the diversity of our product and customer base, our enterprise-wide commitment to customer satisfaction and ongoing improvement is outlined in our Quality Policy. Our business groups and regions conduct Voice of the Customer outreach with key customers and use feedback to improve product quality, reliability, and other factors, including sustainability. This process continued in FY2025, and our business team incorporated customer feedback appropriately into updated plans and actions.

For a summary and percentage of sites holding specific certifications and share of headcount covered, see the Appendix.

LEAN ENTERPRISE

OUR APPROACH
A key aspect of our approach to quality is waste reduction in all forms. We do this in two ways: through our Cost of Quality (COQ) program and our Coherent Lean System (CLS) program. By reducing waste, we can better protect the environment, improve safety, increase employee and customer satisfaction, and reduce costs.

At many of our manufacturing facilities around the world, our COQ program collects and studies data monthly, allowing us to categorize, identify, and reduce waste streams. Results include opportunities for cost savings and to enable higher quality levels in our manufactured and shipped products. The program also includes a measure for the social cost of carbon emissions, which represents the GHG impact of our business operations. This puts further business focus on the need to drive emissions reductions (see page 31).

"Every improvement in yield, every product not scrapped, and every hour of labor saved allow us to more efficiently produce the volume that our customers need. This, in turn, helps reduce our CO_2 and other resource impacts."
— Bob Daly, Vice President,
   Global Lean Transformation at Coherent

Building a Culture of Continuous Improvement and Lean Thinking
Through our CLS program, we are building a sustainable Lean culture across Coherent. This includes using less energy and fewer resources. Coherent sites and teams establish annual CLS productivity improvement activities and projects, with employees encouraged to take on two Lean activities each year. To support them, we offer an in-depth Lean onboarding training. While all aspects of performance are candidates for Lean projects, we place special emphasis on the following:

- Water consumption reduction
- Solid waste generation reduction
- Energy use reduction
- GHG emissions reduction
- Yield improvements
- Labor optimization
- Work-in-process inventory reduction
- Increased inventory turns
- Lead time reduction
- Shorter design-to-manufacturing cycles
- Design-to-cost optimization
- Quality enhancement
- Capital optimization
- Cash flow optimization
- Overhead optimization

SPOTLIGHT:

Going for Gold in Quality Improvements

In FY2025, we held our first Coherent Lean Olympics, an enterprise-level event that highlights continuous improvement projects across our business segments. Fifty-five teams from eight countries competed, sharing projects that addressed real-world challenges through collaborative problem-solving. Results were tangible, including reduced time, costs, resource use, and energy, and gains in efficiency, innovation, customer satisfaction, and operational excellence.

REDUCING COSTS AND USE OF RESOURCES

A team from our Shenzhen, China, site was one of 16 teams to be honored at the event for their Energy and Gas Resource Savings project.

Their challenge: The process of applying the package lid to the pump laser was one of the site's top-five sources of energy consumption. The team sought to reduce the flow rate of the oxygen and nitrogen gas mixture used during the process, which would reduce both gas consumption and overall energy consumption.

**Their solution:** By value-stream mapping, the team identified a process step that could be eliminated, as well as an opportunity to reduce compressor usage.

Their results:

▼ **40% less gas consumed**

▼ **186,200 kWh of energy saved per year**

▼ **~$328k cost savings per year**

Projects submitted to our Coherent Lean Olympics eliminated waste and delivered $71 million in direct cost savings.

55 TEAMS
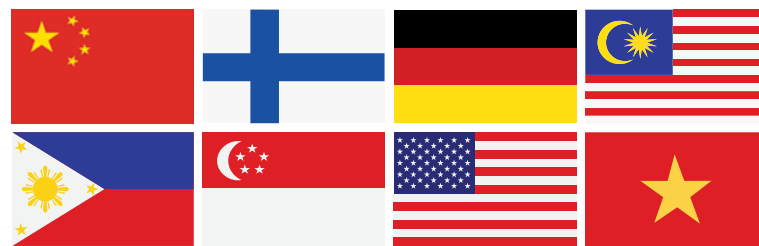
8 COUNTRIES

ACTIONS IN FY2025

- **Fully implemented a mandatory global technology transfer process.** The process is designed to mitigate quality, safety, and other sustainability-related risks during the transfer of Coherent products or technology between Coherent sites. The cross-functional, collaborative process ensures that the site to which the product or technology is being transferred has the same standards and practices in place as the site from which it is being transferred. This could require, for example, a site to procure additional renewable energy or strengthen occupational safety requirements to meet product-specific needs. Manufacturing cannot start until the site passes all phase-gate reviews.

- **Introduced a central database to capture continuous improvement projects.**

- **Trained over 600 employees on productivity excellence.**

RESULTS

Nearly

390 COQ action plans being executed to reduce waste streams.

Our current level of waste-to-profit conversion is over

$60M per year.

93 CLS projects completed, bringing our cumulative total since 2023 to 166 projects.

Together, they are expected to result in savings of

$123M + 350,000 kWh per year.

1,019 suggestions submitted by employees for Lean improvements, of which we have implemented more than half.

39 Coherent employees—who represent all business segments and geographies in which we operate—earned Lean Six Sigma certifications in FY2025, bringing the total to 391.

Decreasing Median Failure Rate: As shown in the chart below, the median failure of Coherent's product lines has declined over each of the past three years. We use this indicator as a proxy for quality improvement and customer satisfaction.[4]

Median Failure Rate of Coherent Product Lines

Bar chart titled "Median Failure Rate of Coherent Product Lines" with y-axis "Median Failure Rate (parts per million)" ranging from 0 to 600. FY23 ≈ 545, FY24 ≈ 390, FY25 ≈ 375.
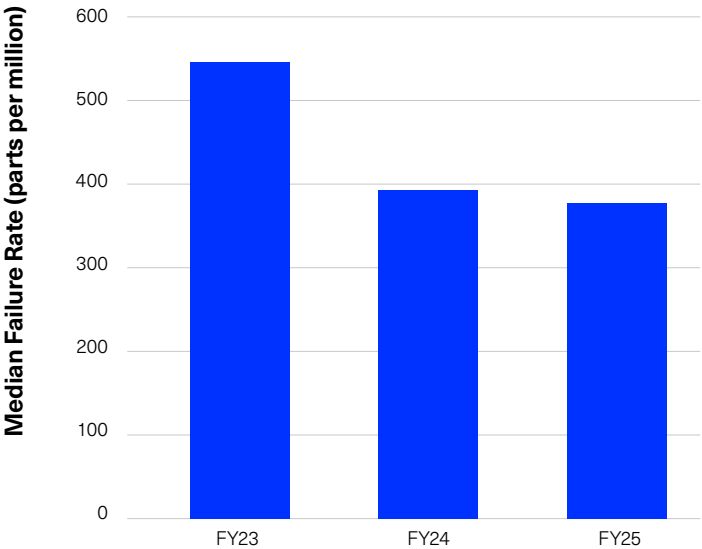
[4] Due to the wide array of different products in the Coherent portfolio, both in terms of volume and potential failure modes, comparing failure rates across different product lines is not appropriate. Coherent monitors the failure rate of each product line individually. For the product portfolio as a whole, the median value across the failure rate performance of each product line is considered the best indicator of the overall failure rate trend for Coherent.

SUSTAINABLE PRODUCT DESIGN

Many of our customers are pioneers in their industries, driving the frontiers of technological change and innovation. They turn to Coherent as a trusted partner to help power their progress and bring bold ideas to life without compromising their commitments to sustainability. One way we achieve this is by embracing circular economy principles.

OUR APPROACH

Across our business segments, our researchers and engineers collaborate closely with customers to understand their evolving needs and develop tailored solutions. This includes hosting product road map sessions, where customers share feedback on performance, cost, timelines, and increasingly, sustainability. In many cases, these conversations help guide innovations that reduce waste—by boosting energy efficiency, extending product lifespan, and improving manufacturing yields—delivering value for both our customers and the planet.

We integrate sustainable design and circular economy principles directly into our product development through our NPI process. Because Coherent's product portfolio spans a wide range of technologies and applications, our top-level NPI guidelines are considerations that give the designer the opportunity to balance trade-offs in sustainability with performance, timeline, and cost to find the optimal balance among these sometimes competing priorities. They outline key topics that teams are encouraged to evaluate based on what is most relevant to their specific business (see examples of sustainability criteria in the chart to the right).

To ensure accountability, sustainability considerations are reviewed at each NPI phase gate by a cross-functional team that includes representatives from design and process engineering, product marketing and management, manufacturing, quality, and supply chain.

We also collaborate with trusted third-party services to identify and procure environmentally responsible parts and components. These partnerships enhance our visibility into the supply chain, helping us ensure that our suppliers not only meet rigorous environmental standards but also uphold fundamental human rights and responsible business practices (see page 26).

In addition, Coherent provides maintenance, repair, and overhaul services specifically designed to extend the life of its products, with a focus on laser measurement and sensor devices. Beyond these services, Coherent empowers customers to perform their own maintenance through comprehensive training programs. Learn more here.

We help our customers understand how to recycle our products and support end-of-life take-back programs, including programs aligned with the European Union's Waste Electrical and Electronic Equipment (WEEE) Directive 2012/19/EU. For select Coherent products, these efforts help ensure proper collection, treatment, and recovery of electronic waste. In alignment with the principles of reduce, reuse, and recycle, we also strive to minimize waste and resource consumption throughout the product lifecycle through thoughtful design, responsible material selection, and manufacturing practices that extend product longevity and enable component reuse wherever possible.

EMBEDDING SUSTAINABILITY INTO NEW PRODUCT DEVELOPMENT
Examples of sustainability criteria that Coherent design teams consider in new product development and existing product improvements based on customer requirements include:
Using recycled and recyclable materials in the manufacturing and packaging process.
Optimizing the design for repair, reuse, and replacement.
Reducing and minimizing the amount of waste and resource consumption in manufacturing processes.
Reducing the use of plastics. Where plastics must be used, applying design practices and joining methods that optimize the potential for recovery of plastics at end of life.
Increasing the energy efficiency and decreasing the energy consumption of products.
Eliminating foam packaging and optimizing packaging efficiency with bulk and multi-pack packaging.
Substituting or reducing hazardous or regulated materials, including per- and polyfluoroalkyl substances (PFAS).
Minimizing the generation of hazardous and nonhazardous waste.
Using partial or closed-loop recycling processes to reduce waste.

SPOTLIGHT:

Product Recycling: Evaluating and Returning Hundreds of Key Components

The challenge: A global leader in advanced chip-making equipment and a key Coherent customer faced a growing challenge: Tooling for semiconductor manufacturing was, over time, wearing down and falling outside the very tight tolerances required. This meant it could no longer be used as-is.

The solution: Coherent partnered with the customer to find a smarter, more sustainable way forward. Rather than treating used tooling as waste, the team set out to repair and return it to service. Together, they mapped every step in the repair journey to identify slow spots, created clear repair procedures, trained employees, and worked side by side with supply chain managers to prioritize the work. This hands-on approach—walking the shop floor, engaging managers, and streamlining the process—transformed how the components were handled.

The results:

- ▲ **Coherent prioritized returns, processing hundreds of parts in 18 months.**
- ▲ **Half of the products were repaired and returned to use in the field, preventing significant scrap through reuse.**

Today, repair work in progress is at an all-time low, and Coherent and our customer have reached a steady rhythm of repairing the tooling as it returns from the field. The two companies are also tackling another challenge together: reducing the number of parts sent back that are not salvageable, avoiding wasted time, cost, and transportation emissions sending back unrecoverable parts.

REGULATORY REQUIREMENTS

Our sites undergo regular internal and external ISO 9001 audits to help ensure that our production and service activities meet all requirements, including regulatory requirements such as the EU's RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipment) Directive and REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) Regulations. See page 60 for our certifications. We also comply with Regulation (EU) 2023/1542 concerning batteries and waste batteries. Continued certification to ISO 9001 is contingent on implementation of corrective actions for any findings.

ACTIONS IN FY2025

- Explored the **expansion of our WEEE compliance program beyond our EU operations** to other regions, where applicable. We will continue this process in FY2026.

- **Participated in industry associations to share research findings on chemical substances,** such as per- and polyfluoroalkyl substances (known as PFAS), and alternative options that can be used.

LEARN MORE

Coherent Environmental Compliance Policy

ACROSS OUR PORTFOLIO: MEGATRENDS AND SUSTAINABILITY

Coherent develops innovations that address critical needs of our customers—and our world.

FY2025 RECOGNITION

Coherent was proud to be recognized for our pioneering work in developing technologies that shape the future of optical networking, receiving the 2024 ECOC Exhibition Industry Award for Best Product in the Data Center Innovation category for our optical circuit switch (OCS).

"Innovation is at the heart of everything we do. It is how we solve complex problems and empower the industries shaping tomorrow. Whether it's electrification, connectivity, or advanced manufacturing, our technologies are built to meet the demands of today and the challenges of what comes next."

— Julie Sheridan Eng, Chief Technology Officer at Coherent

POWERING THE AI REVOLUTION SUSTAINABLY

We are living through an AI revolution—arguably one that will be more transformative compared to any wave of technology before it. AI is redefining what is possible across many industries from healthcare and manufacturing to finance and agriculture. But behind this surge lies an often-overlooked reality: AI's massive appetite for power.

Moving Data Faster Using Less Power

Coherent technology is being used to reduce power consumption at multiple levels of infrastructure in the AI universe. For example, Coherent is a leading innovator and one of the recognized early collaborators in the development of co-packaged optics (CPO), which is empowering next-generation high-performance datacenters.

Compared with traditional optical or electronic transceiver technology, CPO minimizes the distance electrical signals need to travel to transmit data, significantly reducing power consumption and improving bandwidth performance.

In 2025, we partnered with NVIDIA to help introduce a new generation of silicon photonics networking switches within its datacenters using Coherent CPO.

THE POWER OF CPO

Reduces power consumption by up to 40% compared with traditional pluggable optics, especially at high data rates (800G, 1.6T).

Reduces latency by several nanoseconds, which is critical in data-intensive applications.

Enables denser I/O (input/output) bandwidth, supporting up to 1.6 terabits per second and beyond.

Connecting Processing Cards and Racks

AI requires multiple—hundreds to even thousands—of individual processors working together. As computing requirements and workloads shift, connections between processors need to be dynamically reconfigured to optimize bandwidth allocation and overall performance within datacenters.

Coherent's OCS does this switching of optical signals, using significantly less power and at a lower cost than converting each optical signal to an electrical signal and then doing the same with electrical switches. In fact, one hyperscaler who switched from traditional electrical switching technology to Coherent's OCS technology documented a five-times higher speed and capacity, 30% reduction in costs, and a 41% reduction in power consumption.[5]

In addition, because Coherent's OCS is based on liquid crystal technology and has no moving parts, it has significantly improved long-term reliability compared with other optical switching technology based on MEMS (microelectromechanical systems).

Linking the World's Datacenters

Modern communications, cloud computing, streaming, and enterprise services all rely on the power of datacenters—but no single datacenter can do it alone. Delivering these capabilities at scale depends on the seamless connection of datacenters through vast regional, national, and international networks.

Coherent's optical transport solutions play a key role in this infrastructure, enabling data to travel long distances with a fraction of the energy previously required by copper-based systems. To further improve efficiency and scalability, Coherent also supports multi-rail transmission—a technique that distributes workloads across multiple low-power data lanes, similar to traffic flowing on parallel highway lanes.

In March 2025, we introduced a new generation of multi-rail technology that combines high-efficiency pump lasers with innovative resource pooling strategies, significantly boosting line system capacity while reducing the size and energy required to operate by approximately 50%.

Looking Ahead

As the AI revolution accelerates, the imperative to power it sustainably grows stronger. Coherent's innovations—from CPO to OCS to advanced multi-rail transmission and optical transport solutions—are foundational steps toward building the energy-efficient, high-performance datacenters that AI demands. Together with industry leaders and partners, Coherent is committed to driving a future where cutting-edge AI capabilities and sustainability go hand in hand.

[5] "MEMS-based optical circuit switches key to Google's network gains" *Electro Optics*

ILLUMINATING THE BRAIN: HOW COHERENT LASERS ARE ADVANCING ALZHEIMER'S RESEARCH

As the number of people affected by Alzheimer's disease continues to grow worldwide, scientists are racing to understand how this complex condition develops, progresses, and might one day be prevented or cured. A key part of these efforts relies on one essential question: how can we observe and influence what is happening inside the brain in real time?

This is where advanced laser technologies developed by Coherent are making a meaningful difference. By providing researchers with tools that allow them to study brain activity and structure at the cellular level in living tissue, these lasers enable new insights into how Alzheimer's unfolds.

Seeing Into the Living Brain

One of the biggest challenges in neuroscience is studying brain activity in living organisms as they respond to various stimuli. Traditional methods, like electrophysiology or light microscopy, offer limited snapshots of brain activity. In contrast, multiphoton microscopy, a specialized fluorescence microscopy, enables researchers to observe the brain's inner workings in real time within living samples. In addition, unlike other deep brain imaging technologies such as nuclear magnetic resonance, multiphoton microscopy also offers cellular-level resolution. This capability enables scientists to gain mechanistic insights into diseases and design more targeted treatments.

Coherent's Chameleon® and Axon® families of lasers play an important role in this imaging technique. They emit short bursts of far-infrared that easily penetrate the brain's dense structure, enabling scientists to observe cells several hundred micrometers below the brain's surface. This makes it possible to observe neuronal communication,

monitor the buildup of toxic proteins like amyloid plaques, and study how cells change in response to new treatments while the brain is active.

These insights are central to understanding the mechanisms that influence the progression of Alzheimer's and developing more effective interventions.

Working with Precision and Care

Coherent's Monaco® laser, widely used in both academic and medical research, is known for its precision and stability. It delivers precisely shaped beams of light powerful enough to manipulate tissue yet gentle enough to preserve surrounding structures. This balance is especially important when working with a living brain.

Researchers use the Monaco to perform delicate laser microsurgery, activate specific brain cells with light, and power advanced microscopes that reveal intricate details of the brain's deeply embedded neurons. In doing so, neuroscientists can create pieces of data to build a clearer picture, all of which help to answer important questions about how Alzheimer's disease impairs brain function.

Training the Next Generation of Brain Researchers

Beyond technology, Coherent is passionate about supporting the next generation of imaging scientists working on Alzheimer's and other brain-related diseases. We loan our lasers and provide technical assistance to advanced hands-on courses at the esteemed Marine Biological Laboratory, Cold Spring Harbor Laboratory, and others, where scientists gain experience with cutting-edge approaches in intravital, high-resolution brain imaging.

SUSTAINABLE PROCUREMENT

Coherent is committed to sourcing materials from suppliers that share our values around human rights, ethics, and environmental responsibility.

FY2025 HIGHLIGHTS

- Hosted over 530 suppliers at our FY2025 Annual Supplier Day, where we shared our increasing expectations around our suppliers' sustainability disclosure and performance.

- Onboarded a new partner to help us ensure supplier compliance with expanding responsible minerals regulations and further map our supply chain to proactively identify potential areas of risk.

- 77% of in-scope suppliers completed supplier self-assessment questionnaires (SAQs), up from 71% in FY2024.

SUPPLY CHAIN MANAGEMENT

From the sourcing of raw materials to suppliers' treatment of their employees and their efforts to reduce their environmental footprint, the scope of our global supply chain presents an opportunity to drive significant positive change while managing risks.

OUR APPROACH

As outlined in our Sustainability Policy, our Chief Supply Chain Officer has overall accountability for how we manage our global supply chain. As a member of the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to responsible business conduct in global supply chains, we have adopted the RBA Code of Conduct as our Supplier Code of Conduct.

We consider sustainability criteria in the selection of new suppliers and continually monitor their performance once they are on board. We have identified a set of suppliers that fall within the scope for enhanced due diligence. This includes completion of a SAQ and, for some, audits conducted either by Coherent teams or accredited third-party firms to verify alignment with our standards and the RBA Code.

Workers within Coherent and our supply chain can raise concerns or suspected violations of the RBA Code through the Coherent Compliance Hotline, which is available 24/7. For more information, see page 52.

SUPPLIER RECOGNITION

Kymera INTERNATIONAL

In FY2025, Coherent awarded its ESG Supplier of the Year Award to Kymera International for their efforts to reduce their carbon footprint and environmental impact through tangible actions within their operations. Kymera is a global leader in manufacturing advanced materials and surface technologies.

LEARN MORE

Anti-Forced Labor and UFLPA Compliance Statement

Compliance Requirements for MCX Materials Statement

Conflict Minerals Disclosure on Form SD

Human Rights and Labor Policy

Prevention of Modern Slavery and Human Trafficking Statement

Responsible Minerals Policy

Supplier Code of Conduct

Supplier Diversity Program

Supplier Environmental Compliance Requirements

Supplier Quality Manual

Supply Chain Management Issue Brief

Supply Chain Decarbonization

"Supply chain management has evolved into a strategic function that goes far beyond logistics. At Coherent, we're building resilient, agile supply chains that not only drive innovation and reliability, but also uphold our commitment to sustainability and responsible sourcing. That means working closely with our partners to reduce environmental impact and proactively manage human rights risks across the value chain."

— Jeff Place, Chief Supply Chain Officer at Coherent

ACTIONS IN FY2025

- **Hosted over 530 suppliers** at our FY2025 Annual Supplier Day, where we shared our increasing expectations around our suppliers' sustainability disclosure and performance.

- **Broadened our Responsible Minerals program to include four new minerals** (copper, graphite, lithium, and nickel) and reflect the new Additional Minerals Reporting Template developed by the Responsible Minerals Initiative (RMI). The template helps companies collect due diligence data on minerals beyond conflict minerals. We also continue to expand our due diligence to geographies beyond conflict regions, where increased demand calls for greater accountability and transparency.

- **Onboarded a new partner to help us ensure supplier compliance** with expanding responsible minerals regulations and further map our supply chain to proactively identify potential areas of risk.

RESULTS

77% of in-scope suppliers completed supplier SAQs, up from 71% in FY2024.

36 supplier facilities audited against local social and environmental laws and regulations and the RBA Code of Conduct, compared with 23 in FY2024.

90% of suppliers responded to Responsible Minerals Sourcing assessment, up from 84% in FY2024.

For more results, see the Data Tables in the Appendix.

ENVIRONMENT

We are committed to minimizing our environmental footprint across our operations and value chain by using fewer natural resources, cutting emissions, and reducing the waste we generate.

FY2025 HIGHLIGHTS

- Decreased Scope 1 and 2 market-based emissions intensity per unit revenue by 34% through increased renewable energy procurement and energy efficiency, while increasing revenue by 23%.

- Obtained 85% of our global electricity needs from renewable energy sources.

- Completed multiple energy-efficient projects, resulting in an estimated energy savings of 3.3 million kWh per year.

- Achieved our water intensity goal five years ahead of schedule.

- Recycled over 90 kg of precious metals, including gold and platinum.

ENVIRONMENTAL MANAGEMENT

Our goal is to minimize negative environmental impacts and contribute to a more sustainable planet. Embracing sustainable operations is not only the right thing to do—it is often a smart business decision, driving greater efficiency and long-term cost savings.

OUR APPROACH

Our efforts are guided by our global Environmental, Health, and Safety (EHS) Policy, which all sites are required to follow in alignment with local regulations and the nature of their specific operations. We monitor compliance through our EHS Compliance Tracker management system, which helps ensure that each site implements tailored EHS programs and delivers relevant training to employees based on site activities and ISO certification status (see page 60).

Beyond our efforts to manage energy, water, and waste, our manufacturing sites maintain air pollution controls in compliance with all regulatory standards. We actively work to minimize the use of hazardous chemicals, safeguarding both employee health and the surrounding communities while protecting the environment.

Our EHS team conducts site-level reviews and assessments, verifying compliance with Coherent policies, applicable laws, and regulatory standards. We use a baseline assessment gap analysis (BAGA) tool for EHS site audits to understand compliance and areas of opportunity. At ISO-certified locations, these audits also include checks for ISO compliance. Significant risks identified through this process are reported to senior management.

We also recognize the importance of understanding our impact on biodiversity near our operations. We conduct annual biodiversity risk screening analyses[6] for our global facility profile due to both changes in our operational footprint and possible changes in risk profiles of existing sites. Our latest analysis found three of our locations are in proximity to biodiversity-sensitive areas: our facilities in Guangzhou, China; Laguna, Philippines; and Longmont, Colorado. Given the nature of the operations at these facilities and mitigation efforts in place, the analysis determined that the facilities have very little to no impact on local biodiversity.

[6] The analyses were conducted by Siemens using the World Wildlife Fund Biodiversity Risk Filter to identify biodiversity risks.

ACTIONS IN FY2025

- **Rolled out EHS skill development training** focused on energy control, ergonomics, our incident command system, root cause analysis, and EHS project management.

- Continued to **implement EHS software to improve consistency in reporting** and provide visibility to leading and lagging indicators.

RESULTS

Conducted a risk assessment or audit using our baseline assessment gap analysis tool for **13** sites, compared with four sites in FY2024.

Sites implemented **448** corrective action plans.

For more results, see the Data Tables in the Appendix.

EARNING RECOGNITION

Our Guangzhou site earned a Green-Grade Environmental Credit Rating from the State Environmental Protection Administration in China, placing it among the top 10% of manufacturers in the city for environmental performance.

LEARN MORE

Biodiversity Risk Assessment Report 2025

Coherent Environmental Compliance Policy

Environmental, Health, and Safety (EHS) Policy

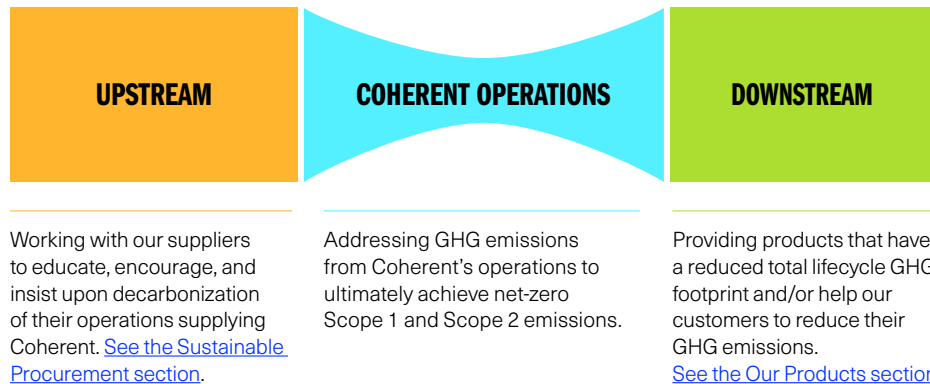Environmental Management System Policy

CLIMATE AND ENERGY MANAGEMENT

Climate change poses risks to our business as well as opportunities through the transition to a low-carbon economy. Our climate and energy management efforts span our entire value chain—upstream into our supplier base and downstream with customers using our products.

OUR APPROACH

We are working to achieve our decarbonization goal by reducing our energy use and GHG emissions from our operations worldwide. Our Climate Transition Action Plan (CTAP) outlines our approach aligned with our five decarbonization levers (see below right).

UPSTREAM	COHERENT OPERATIONS	DOWNSTREAM
Working with our suppliers to educate, encourage, and insist upon decarbonization of their operations supplying Coherent. See the Sustainable Procurement section.	Addressing GHG emissions from Coherent's operations to ultimately achieve net-zero Scope 1 and Scope 2 emissions.	Providing products that have a reduced total lifecycle GHG footprint and/or help our customers to reduce their GHG emissions. See the Our Products section.

"Reducing GHG emissions across our operations and value chain is both a responsibility and an opportunity. It is a complex, long-term journey that demands sustained investment and strong partnerships. At Coherent, we are committed to doing the hard work—because a more sustainable future isn't just good for the planet, it is essential to the resilience and success of our business."

— Rich Marino, Director of Sustainability at Coherent

DECARBONIZATION ANALYSIS AND PLANNING — Establish baseline

LEVER 1 — Procure clean energy

LEVER 2 — Reduce consumption

LEVER 3 — Produce energy on-site

LEVER 4 — Transition to electrification

LEVER 5 — Other options

Carbon Emissions %

BASELINE 100%

Progress-to-date (75% reduction from baseline)

-80% -5% -5% -5% -5% TARGET 0%
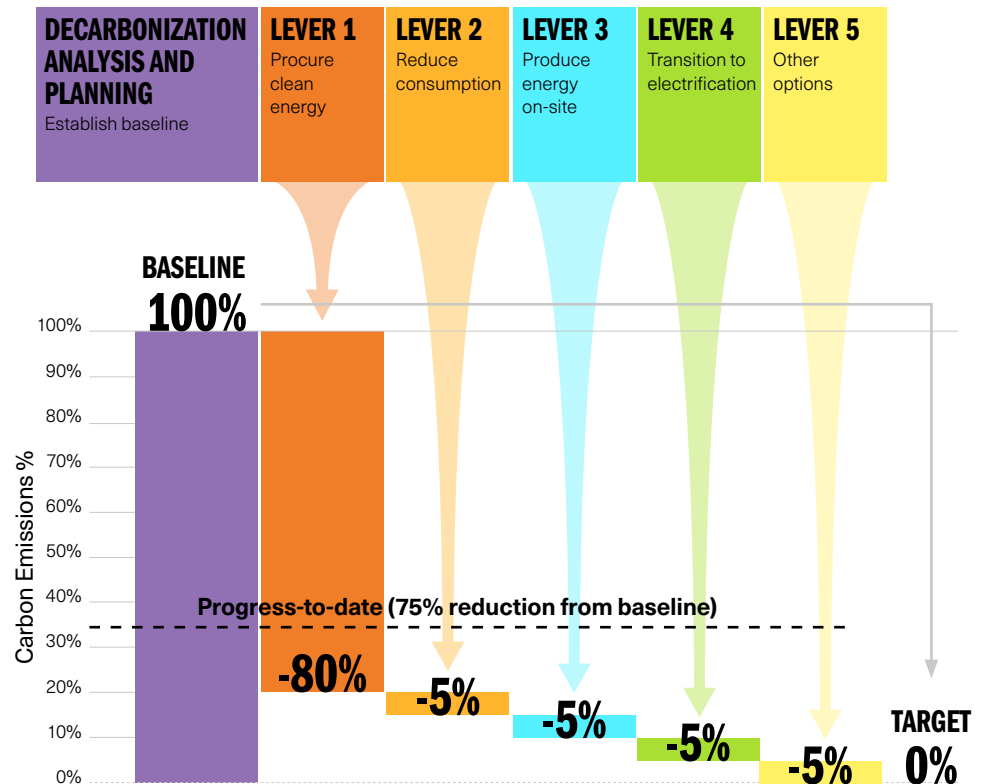
Source: Siemens.

ACTIONS AND RESULTS IN FY2025

Goal[7]
Reduce Scope 1 and Scope 2 emissions 50% by FY2030 compared with our FY2023 baseline.

100%
Achieved

Goal
Achieve 100% renewable electricity by FY2030.

85%
Progress

Goal[8]
Achieve net-zero Scope 1 and Scope 2 emissions from our internal operations by FY2040 compared with our FY2023 baseline, aligned with achieving a 1.5°C future.

75%
Progress

Achieved a B on CDP Climate Change

As outlined in our CTAP, we have implemented an internal carbon price mechanism to factor climate impact into our business decision-making. In FY2025, we incrementally increased it over the FY2024 level, and anticipate doing so annually based on external benchmarking of market costs, government reports, and expert consultant recommendations.

Lever 1: Procure Clean Energy

- On track to achieve 100% renewable electricity company-wide no later than FY2030.

- Obtained 85% of our electricity supply from renewable sources—an increase of 56,000 MWh (9.8%) over FY2024. In total, this represents nearly 625 million kWh of renewable electricity per year. This helped us avoid 264,000 $MTCO_2e$ in FY2025.

- Signed energy contracts to enable two of our largest U.S. sites—Saxonburg and Easton, both in Pennsylvania—to obtain 100% of their electricity needs from renewable energy sources by 2030.

Percentage of Energy from Renewable Sources
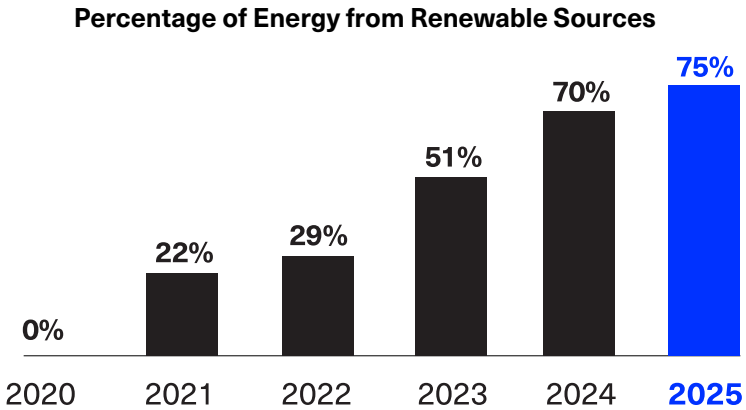
Year	Percentage
2020	0%
2021	22%
2022	29%
2023	51%
2024	70%
2025	75%

Lever 2: Reduce Consumption

- Completed multiple energy-efficient projects, resulting in an estimated energy savings of 3.3 million kWh per year. When aggregated with energy savings from previously completed energy-efficient projects, estimated energy savings is in excess of 31.2 million kWh per year.

SITE HIGHLIGHTS

GUANGZHOU, CHINA: saved over **550,000 kWh per year** by upgrading to **energy-efficient** air conditioning and cooling systems.

WUXI, CHINA: installed remote-control fan filter units, which can be programmed to **reduce airflow** during nights, weekends, and low-activity periods. This helped the site **reduce energy consumption by over 500,000 kWh per year.**

Lever 3: Produce Energy On-site

- Continued to operate on-site solar photovoltaic systems at several facilities across the globe and contracted for an additional installation in Laguna, Philippines. We expect this to be operational in FY2026 and will continue to evaluate other locations for additional on-site solar on a case-by-case basis.

Lever 4: Transition to Electrification

- Continued to look for opportunities to replace existing fossil fuel equipment with electric or non-fossil-fuel-based systems as they wear out or become obsolete. For example, our site in Ipoh, Malaysia, is set to replace a propane forklift with an electric model at the end of 2025.

Lever 5: Other Options

- Continued to explore carbon offsets in multiple geographies and evaluate options for abatement of fluorinated GHG gases used in semiconductor manufacturing processes.

For more results, see the Data Tables in the Appendix.

[7] Our goal is based on, among other factors, our current emissions, growth projections, existing GHG accounting protocols, and market projections on the availability and cost of renewable energy and carbon offsets.

[8] Coherent has selected FY2023 location-based emissions as our baseline to track our progress against (346,077 $MTCO_2e$). To reflect our purchase of ~625 million kWh of renewable energy in FY2025, we've measured our progress using market-based emissions. This led us to achieving ~75% progress toward our net-zero target.

SCOPE 3 EMISSIONS AND SUPPLY CHAIN DECARBONIZATION

Beyond our Scope 1 and Scope 2 emissions, we are working to manage, mitigate, and reduce our Scope 3 emissions, both upstream and downstream.

OUR APPROACH

As outlined in our CTAP, we are focused on the following levers:

- Recognizing and rewarding existing supplier emissions reduction efforts
- Supplier capacity building
- Product innovation and R&D collaboration

Assessing Materiality of the 15 Scope 3 Categories for Coherent

1| PURCHASED GOODS AND SERVICES	**2| CAPITAL GOODS**	**3| FUEL & ENERGY-RELATED ACTIVITIES**	**4| UPSTREAM TRANSPORTATION AND DISTRIBUTION**
5| WASTE GENERATED IN OPERATIONS	**6| BUSINESS TRAVEL**	**7| EMPLOYEE COMMUTING**	**8| UPSTREAM LEASED ASSETS**
9| DOWNSTREAM TRANSPORTATION AND DISTRIBUTION	**10| PROCESSING OF SOLD PRODUCTS**	**11| USE OF SOLD PRODUCTS**	**12| END-OF-LIFE SOLD PRODUCTS**
13| DOWNSTREAM LEASED ASSETS	**14| FRANCHISES**	**15| INVESTMENTS**	

■ Material and estimable emission sources
■ Potentially material, but not measured currently
■ Not material to operations

Adapted from the WRI/WBCSD GHG Protocol Technical Guidance for Calculating Scope 3 Emissions.

ACTIONS IN FY2025

- **Engaged with 50 suppliers within our Datacenter & Communications portfolio** (75% of our total procurement spend in this business segment) to articulate our expectation for them to measure their emissions, set reduction goals, and share their progress as described in the spotlight on page 33.

- **Improved data collection for Upstream Transportation and Distribution** (Category 4) by collecting primary data from our largest transportation providers rather than spend-based estimates.

- **Completed analysis of waste generated in operations** (Category 5), allowing us to disclose related emissions for the first time in this report.

- **Began partnership with DitchCarbon to streamline the collection of supplier-specific emissions factors for Purchased Goods and Services (Category 1) and Capital Goods (Category 2)** from publicly available data. As a result, suppliers do not need to complete a separate Coherent report, which improves the efficiency of data collection for both Coherent and hundreds of suppliers and enhances data quality. (See spotlight on page 33.)

- **Introduced Stages of Sustainable Procurement training to 90% of our supply chain team** to help them drive GHG emissions reductions with our suppliers.

- **Identified training materials based on RBA resources to help suppliers who need support on their decarbonization journeys.** We plan to introduce the training in FY2026.

RESULTS

Improved from a C to an A- in Supplier Engagement within our CDP Climate Change submission.

For more results, see the Data Tables in the Appendix.

SPOTLIGHT:

Ditch~~carbon~~

Gaining Visibility into Supplier Emissions Data

In FY2025, we launched a pilot with DitchCarbon within our Datacenter & Communications business to obtain emissions information and reduction plans for our top 50 suppliers (by spend).

We first searched for publicly available data. If data was not found, we requested it from the supplier. Once obtained, we incorporated direct supplier data into our Scope 3 emissions dashboard, replacing industry estimates. We assigned each supplier a maturity score in our supplier database from 0 to 6 based on where they are in their decarbonization journey. For suppliers who do not measure their emissions or have not set targets, we are working to help them do so with training on GHG emissions from RBA.

In FY2026, we will continue to actively engage our top suppliers to drive emissions reporting and reductions. To further scale the program, we intend to use DitchCarbon's emissions data collection to passively retrieve data from thousands of our additional suppliers. This will enhance our ability to report and make better-informed decisions using more reliable and accurate data.

"Visibility is the first step toward accountability. By working with DitchCarbon to integrate supplier-specific emissions data, we're turning estimates into evidence — and that allows us to partner with suppliers on real, measurable reductions. This initiative strengthens the integrity of our Scope 3 reporting and helps ensure that sustainability is embedded throughout our entire value chain."

— Valerie Estacuy, Senior Project Manager of Global Procurement at Coherent

WATER STEWARDSHIP

Coherent is committed to protecting water resources across our operations and ensuring responsible global water use and wastewater management.

OUR APPROACH

Water Use and Conservation

Water plays a vital role in many of our production processes, with most of our supply coming from municipal sources. At the site level, we actively work to reduce consumption and conserve resources through our eliminate–reduce–reuse–recycle approach. Across our facilities, we implement water-saving technologies, efficiency projects, and water treatment and recycling initiatives, while promoting best-practice sharing among sites. Water risk assessment is also embedded in our environmental management systems to help guide responsible and resilient water stewardship.

Each year, Siemens conducts a formal water stress analysis of every Coherent location globally using the World Resources Institute (WRI) Aqueduct Water Risk Atlas tool. In FY2025, the analysis identified 19 sites that scored within the "extremely high risk" classification in the Physical Risk Quantity or Quality category. We are prioritizing our water conservation efforts at these locations. Details of the screening assessment methodology and the results of the analysis are available here.

Wastewater Management

All Coherent sites are responsible for ensuring that water is properly treated before being discharged to municipal sewage treatment systems—either through on-site wastewater treatment or by trusted third-party providers. Sites that discharge industrial wastewater are required to sample and test both stormwater and sewage water in compliance with local environmental regulations. We also have processes in place to remove heavy metals, such as arsenic, from wastewater.

Many of our facilities are equipped with on-site wastewater treatment systems that include real-time monitoring and immediate alerts for any noncompliance, enabling swift corrective action. Several sites also have systems in place to reuse treated wastewater, further supporting our conservation efforts. In addition, a number of locations are equipped with backup tanks that can store a full day's worth of discharged water. These tanks provide critical capacity in the event of system issues, allowing us to resolve problems without disrupting production.
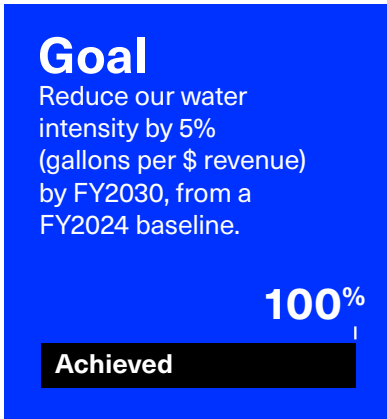
ACTIONS IN FY2025

- **Collected data on wastewater management** from our sites globally for the first time.
- **Developed an inventory** of on-site wastewater treatment processing systems.

SITE HIGHLIGHTS

FUZHOU, CHINA: installed a deionization filter system that allows the site to reuse **40% of wastewater** for non-drinking purposes. Together with a project to reuse water from a cooling water system, **the site will save over 4 million gallons of water per year.**

RESULTS

- We achieved our water intensity goal ahead of schedule, as revenue rose significantly in FY2025 while water withdrawals remained relatively flat. We plan to maintain our goal as our water strategy continues to develop.
- Achieved a B score on CDP Water Security.

Goal
Reduce our water intensity by 5% (gallons per $ revenue) by FY2030, from a FY2024 baseline.

100%
Achieved

For more results, see the Data Tables in the Appendix.

WASTE MINIMIZATION

We are committed to minimizing and responsibly managing waste produced by our operations.

OUR APPROACH

As outlined in our EHS Policy, each Coherent site is responsible for seeking ways to reduce waste through source reduction, recycling, and reuse, and for proper disposal of all waste generated. Our structured approach also includes waste segregation, sampling, and thorough waste auditing and monitoring.

Several of our facilities have established site-specific goals such as achieving zero waste to landfill. To date, one site has achieved it—our facility in Glasgow (see Site Highlights on page 36). Our corporate-level waste minimization committee centralizes and consolidates our global waste stream data collection and reporting, as well as sharing of best practices across sites.

We aim to design and develop products that are durable, repairable, upgradable, and recyclable. (See page 20.)

ACTIONS IN FY2025

- Completed a global waste minimization initiative with our top 20 waste-generating sites, collecting site-specific baseline data on 384 individual waste streams providing visibility into:
  - Total hazardous and nonhazardous waste generation
  - Landfill diversion rate
  - Scope 3 emissions associated with waste generation and disposal

  Data showed that 10 sites make up over 90% of the company's global hazardous and nonhazardous waste generation and nearly 95% of associated GHG emissions from waste disposal. The project team developed site-specific waste minimization recommendations and key performance indicators, which will be tracked in a centralized dashboard and reviewed by Coherent's waste minimization committee quarterly. In the coming years, we plan to expand the assessment to all Coherent manufacturing sites.

- Partnered with certified third-party services for the responsible disposal of IT equipment, ensuring that electronic components are either recycled or handled in an environmentally responsible manner.

> **We will focus on driving waste minimization at our top waste generating sites by:**
>
> - Reducing waste generated through process efficiency improvements
> - Increasing recycling, reuse, and compost rates
> - Decreasing the amount of mixed municipal solid waste sent to landfill, including by collaborating with service providers to find alternative treatment methods where possible

GLASGOW, SCOTLAND: Since November 2024, Coherent's 7,000-square-foot manufacturing and packaging site in Glasgow **has been Zero Waste to Landfill certified.**

SHERMAN, TEXAS: Established recycling or reuse processes for several waste streams following a comprehensive **waste-stream assessment.** Since FY2022, the site has increased the amount of waste it recycles **from 235 tons to over 343 tons and reduced the waste it sends to landfill by 75%.**

IPOH, MALAYSIA: Sent more than **140 MT of nonrecyclable waste,** such as smocks, shoe covers, and floor mats, to local cement factories where it was reprocessed as an **alternative fuel to coal.**

RESULTS

>90 kg of precious metals, including gold and platinum, recycled through our metals and minerals recycle and reuse program.

For more results, see the Data Tables in the Appendix.

FY2025 Quantity of Waste by Treatment Method (metric tons)

- 406
- 4
- 124
- 2,002
- 249
- 1,243
- 3,608

- Incineration/Waste to Energy/Fuel Blending
- Compost
- Reuse or Reclaim
- Recycle
- Anaerobic Digestion
- Landfill
- Wastewater Treatment
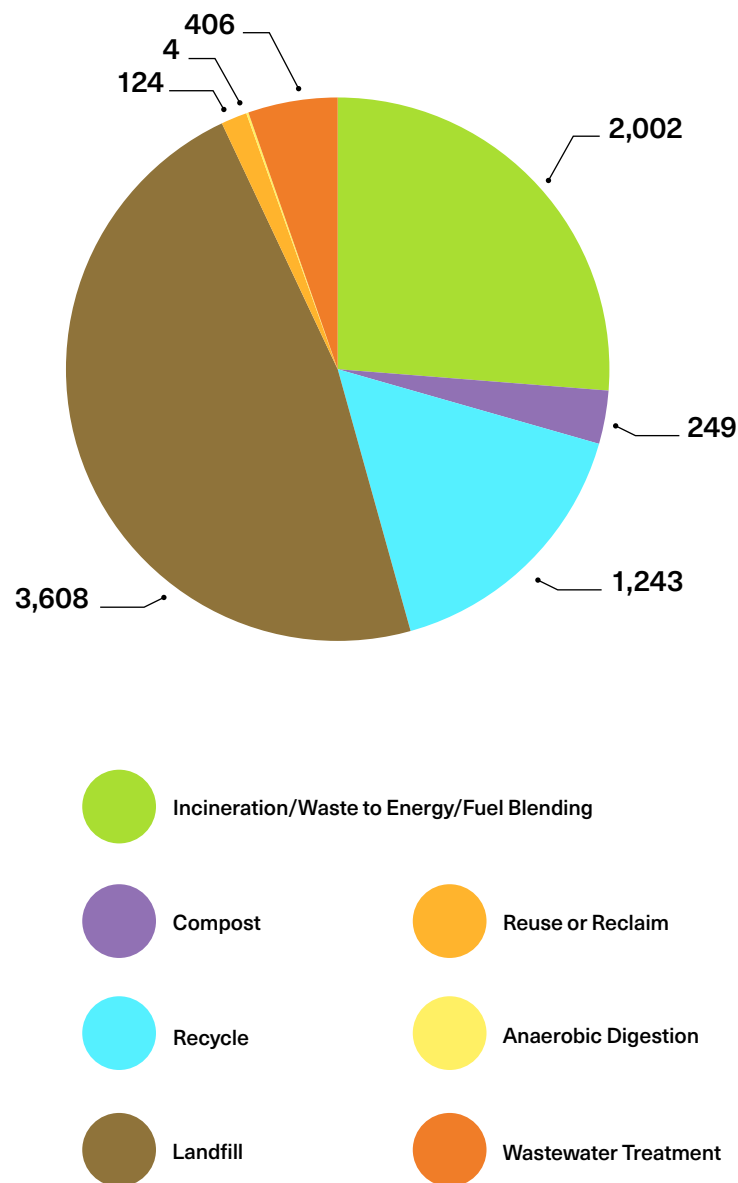
Data represents waste across our top 20 hazardous waste-producing sites.

PEOPLE

The ingenuity and integrity of Coherent employees are key to our success. They apply their passion, creativity, and innovative spirit to create transformative products and deliver them to customers.

FY2025 HIGHLIGHTS

- Achieved a 95% participation rate in our Employee Engagement survey.

- Piloted a First-Time Leader Program through the Coherent Leadership Academy.

- Contributed $100,000 to the American Red Cross Disaster Relief fund in the wake of the California wildfires.

OUR CULTURE AND VALUES

Our culture is defined by colleagues with an entrepreneurial, inquisitive spirit and a passion for helping our customers solve their toughest technology challenges. Underlying our efforts are our I CARE values, including respect for one another.

OUR APPROACH

At Coherent, we are intentional about creating an environment where everyone—regardless of background, identity, or role—feels valued, heard, and empowered to contribute. We do this by striving to embed belonging, empathy, and openness into how we collaborate, communicate, and make decisions. This includes listening to our employees and fostering open communication through an open-door policy, engagement surveys, and employee town halls, among other methods. Their feedback allows us to reflect and adjust our internal initiatives across the globe to create a culture that recognizes employees' contributions and values their opinions.

> *"At Coherent, our people are the driving force behind our success. Their passion, expertise, and integrity shape who we are and the impact we create every day. Guided by our shared values of integrity, collaboration, accountability, respect, and enthusiasm, we work together to deliver meaningful outcomes for our customers and communities.*
>
> *"We're proud of the culture we've built: one that empowers growth, celebrates individuality, and values purpose as deeply as performance. At Coherent, people don't just work—they thrive, grow, and make a lasting difference."*
>
> — Grace Lee, Chief People Officer at Coherent

LEARN MORE

[Anti-discrimination, Harassment and Bullying Policy](#)

[Inclusive Culture and Merit Based Advancement Policy](#)

[Equal Employment Opportunity and Affirmative Action Policy](#)

ACTIONS IN FY2025

- Recognized 75 employees with **I CARE and Innovation awards** for demonstrating our **I CARE values**.

  For workplace demographics, see the [Data Tables](#) in the Appendix.

RESULTS

Achieved a

95% **response rate in our Employee Engagement survey, and an 83% employee engagement rate.**

(See Career Growth, [page 41](#), for an example of how we responded to survey feedback.)

TALENT ACQUISITION AND DEVELOPMENT

We invest in attracting, advancing, and retaining a highly skilled workforce.

OUR APPROACH

Our Talent Management & Learning Center of Expertise leads the design and implementation of global programs to attract, develop, and retain talent. Our Chief People Officer provides regular updates to our Board of Directors on strategy, progress, and outcomes.

Attracting Top Talent

We seek high-quality candidates who are motivated by challenge, inspired by impact, and energized by working on high-performing and inclusive teams. We hire for all levels—from early to mid-career and executive level.

Supported by our global talent acquisition team, all Coherent sites use our centralized recruiting platform. This helps automate our recruiting activities, reduce bias in the hiring process, and provide visibility into business needs and hiring trends.

> **In FY2025, we welcomed over 100 interns across the globe. Five received a $10,000 STEM scholarship through the Coherent/II-VI Foundation to continue their studies.**

Helping Employees Grow and Thrive

We help our employees build leadership capability, ensuring succession readiness for critical roles, fostering a culture of continuous learning, and enabling internal mobility. Our actions are aligned to and driven by our business priorities, ensuring that our workforce capabilities evolve in step with our strategic direction.

Learning starts from day one with our automated onboarding process. It introduces new hires to key information about Coherent, policies, and mandatory training on various topics. Throughout their career with us, employees are offered different ways to develop their technical acumen and business skills, including on-the-job training, continuing education,[9] mentoring, and internal certifications and trainings.

To support internal career growth, employees can explore open roles and express interest in stretch assignments through our digital Opportunity Marketplace—a platform designed to promote internal mobility and help employees expand their skills across Coherent.

SITE HIGHLIGHTS

In China, we hosted a two-month **New Employee Development Program for over 190 employees.** Activities included plant tours of our Wuxi and Fuzhou facilities, **networking and team-building opportunities, and online learning and skill-building workshops.** Participants also heard from senior leaders about our business, products, and I CARE values.

THROUGH OUR TALENT MANAGEMENT EFFORTS, WE ASPIRE TO:

Enhance leadership effectiveness by creating and delivering programs that equip our leaders with the tools and skills to effectively lead, empower, and engage employees at all levels.

Build organizational capability by assessing and strengthening employee capabilities to innovate, adapt, and align with changing business needs while responding with speed and agility.

Identify and cultivate high-potential talent by accelerating the readiness of future leaders through structured high-potential development programs, targeted growth experiences, as well as coaching and mentoring.

[9] In the U.S., we offer financial reimbursement to eligible employees who wish to enroll in university classes or external certificate and professional development programs.

SPOTLIGHT:

Coherent Leadership Academy: Empowering Leaders Across The Organization

The Coherent Leadership Academy offers six-month development programs to equip current and future leaders with the skills needed to inspire, grow, and guide their teams effectively. They are structured as learning cohorts, encouraging collaboration, peer learning, and cross-functional networking. Participants can join through self-nomination or be nominated by a manager, another leader, or human resources.

Beyond our global development programs, our geographic and functional businesses offer additional learning opportunities. For example, in China, we host Leading at the Shop Floor for front-line supervisors in operational roles. This program helps supervisors acquire knowledge and skills to effectively manage production lines and achieve high-production efficiencies. It includes topics such as leveraging I CARE values as a leader, communication techniques, conflict management, problem-solving, delegation, and stress management. Over 200 employees participated in the program in FY2025.

COHERENT LEADERSHIP ACADEMY PROGRAMS

	NUMBER OF PARTICIPANTS IN FY2025	HOURS OF TRAINING COMPLETED IN FY2025	PARTICIPANTS PROMOTED SINCE PROGRAM BEGAN (%)	PARTICIPANTS REMAINING AT COHERENT SINCE PROGRAM BEGAN (%)
FRONT-LINE LEADER PROGRAM Covers topics such as coaching, delegation, developing yourself and others, and resolving conflict.	50	824	29	90
WOMEN IN LEADERSHIP Helps employees in mid-level leadership positions further refine and develop their leadership skills to reach their full potential through live learning sessions and self-directed activities. Educational leaders from a world-renowned university lead sessions together with Coherent senior leaders. Participants also receive a 360-degree assessment and create a personal development plan with their mentor or manager.	30	1,087	19	80
FIRST-TIME LEADER PROGRAM PILOTED IN FY2025 Supports employees transitioning into leadership roles through building their skills to effectively manage teams, make strategic decisions, and navigate challenges. As part of the program, Coherent leaders share their own career journeys through a series of coaching circles.	128	1,984	n/a	n/a

Development Through Mentoring and Coaching

One way our employees learn best is from one another. Throughout Coherent, we offer various mentoring opportunities.

- As part of our Strengths-Based Development Program, certified Coherent Global Strength coaches facilitate workshops and offer one-on-one coaching for employees. Approximately 75 people leaders attended workshops in FY2025.

- Our team in China offers a formal mentoring program for new employees that pairs them with a tenured mentor who shares knowledge and assists with onboarding. In FY2025, more than 4,000 colleagues in China were assigned a mentor to help in their onboarding.

- Our Women in Leadership Program includes Global Coaching Circles, monthly discussions led by female senior leaders. These circles provide participants with a safe space in a peer learning format to share the unique challenges and hurdles they face in the workplace. The discussions revolve around identifying solutions and best practices, guided by the Coaching Circle leaders who share their own experiences and practical applications. Now in its third year, approximately 125 women have participated in the initiative, with several past participants now serving as coaches.

Career Growth

Each year, we conduct a structured performance management cycle that includes goal setting, a mid-year check-in, and a year-end review. This process gives every employee the chance to reflect on their achievements and provide input on their progress.

Beyond formal reviews, we encourage our leaders to hold ongoing one-on-one conversations focused on talent development. These regular touchpoints help identify growth opportunities, build capabilities, strengthen team performance, and boost engagement.

ACTIONS IN FY2025

- **Simplified the year-end review process form** with a focus on employees' key contributions and achievements and opportunities for improvement and further development.

- Based on feedback from our 2025 Employee Engagement survey showing that our employees want more feedback from managers about their development, **we enhanced manager training to emphasize year-round talent and development discussions—not just annual reviews.**

Succession Planning

Our succession planning process is designed to ensure a smooth transition of leadership and minimize disruption from unexpected departures by preparing capable individuals to step into critical roles. We align employees' career aspirations with organizational needs through comprehensive talent assessments, performance evaluations, and targeted leadership development programs.

By taking this proactive approach, we build a strong pipeline of future leaders while fostering a culture of growth, continuity, and long-term success across the organization.

For workplace metrics, see the Data Tables in the Appendix.

LEARN MORE

Equal Employment Opportunity and Affirmative Action Policy

EMPLOYEE WELLNESS

We invest in our employees so they can be the best they can be at home and at work—and we are committed to helping them get there through our benefits and wellness programs.

OUR APPROACH

We offer a range of benefits and resources to eligible employees worldwide that support their and their families' physical, mental, and financial well-being. We regularly benchmark our compensation and benefits packages against industry standards, local requirements, and market trends to ensure that we remain competitive and aligned with employee expectations.

We offer competitive compensation programs and benefits, including the following in the U.S.:

HEALTH AND WELL-BEING	FAMILY	FINANCIAL
Medical, dental, and vision coverage for all full-time employees and part-time employees working 20 or more hours per week; zero cost for all preventative care	Parental leave	Competitive performance-based compensation
	Military leave	401(k) program with a substantial company match
Employee Assistance Program	Bereavement leave	Employee stock purchase program
	Paid time off	Workshops and webinars on financial wellness
On-site flu and other preventative clinics, in some locations	Paid holidays	Tuition reimbursement
Access to on-site fitness center or gym membership discounts, in some locations		Life, accident, and disability insurance
		Group legal and other voluntary benefits

SPOTLIGHT:

Employee Assistance Program in China

In China, home to over 40% of our workforce, our Employee Assistance Program (EAP) supports employees in managing challenges related to work, family, relationships, finances, legal matters, and more. The program provides employees and their family members with access to valuable resources, including free counseling sessions, seminars, and workshops.

INITIATIVES INCLUDE:

OUTREACH:
Our in-house trained EAP ambassadors reach out to associates with the goal of providing peer-to-peer counseling and support and an early connection to care.

FAMILY OPEN DAY:
Family Open Days were held in Fuzhou and Suzhou, where employees' families had the opportunity to visit our workplaces.

EXTERNAL SUPPORT:
No-cost, one-to-one counseling hotline for our employees and their family members.

SOCIAL AND SPORTS ACTIVITIES:
At most sites in China, employees can participate in a wide variety of group activities such as basketball, badminton, football, yoga, hiking, and dining together.

AWARENESS:
The China EAP team provides informational video messages via email and social media to let employees know about resources and where and how they can benefit from them.

EDUCATION:
Seminars, workshops, and messages via email, posters, and social media provide employees with information and resources on topics such as stress reduction, personal well-being, parent-child relationships, and financial management.

Housing

In China and Malaysia, we provide housing to our factory workers.

For employees at our major manufacturing sites in China who require company housing, Coherent rents apartments that serve as dormitories. This includes housing at our sites in Fuzhou, Wuxi, Shenzhen, and Guangzhou. A typical dormitory apartment accommodates two to six employees. The dormitories are fully furnished, with air conditioning, gyms, laundry rooms, and other amenities so employees can move in their first day of arrival. We also cover the cost of professional housekeeping and maintenance services. These dormitories are typically within walking distance to our manufacturing facilities, or employees can take a company shuttle or public transportation to and from work. Employees can stay as long as they need to during their employment with us. In FY2025, Coherent provided housing in China to 3,423 employees—approximately 21% of our workforce there.

In Malaysia, it is mandatory for employers to provide housing for foreign workers. Coherent's site in Ipoh provides two government-licensed hostels for employees, with a total capacity of 1,500 employees. Both are managed by professional hostel service providers. Employees are ferried to the factory daily using company transportation. In FY2025, Coherent provided housing in Malaysia to 846 employees—approximately 12.1% of our workforce there.

We conduct audits of our housing facilities to ensure compliance with the RBA Code of Conduct.

Compensation and Pay Equity

Globally, our compensation programs and policies are designed to deliver competitive and equitable pay within each region, based on roles and responsibilities and on company and individual performance, regardless of gender, race/ethnicity, or other individual demographics. Coherent firmly supports the principle of equal pay for equal work. Total compensation includes legally established salaries as well as cash and in-kind benefits. Select employees are eligible to receive equity-based awards.

Coherent maintains a defined salary structure that includes salary bands for each role or job level. This helps ensure consistency, fairness, and internal equity across the organization. We continually review our pay practices, job levels, salary grades, job classifications, and performance management processes to help ensure that all employees are paid competitively, equitably, and fairly across all levels and job

roles within the organization. Annually, we evaluate total compensation relative to performance, peers, affordability, and market compensation survey data to help ensure competitive practices.

We are committed to compliance with country- or jurisdiction-specific statutory or regulatory-mandated salary increases or bonus payments. We conduct periodic reviews of our internal compensation and benefits policy to help ensure that it aligns with national and international laws and stakeholder requirements.

We communicate the remuneration process and criteria to all employees through internal policies, orientation at time of hire, and periodic internal communications. In addition, we share total rewards frameworks and performance-based compensation structures during annual review discussions, in our employee handbook, and at town halls.

> **Coherent firmly supports the principle of equal pay for equal work.**

ACTIONS IN FY2025

- **Shifted how we measure our bonus program** to focus on corporate goal attainment only, in order to promote "one company" performance.

HUMAN RIGHTS

Coherent is committed to promoting and protecting fundamental human rights—values inherent to all human beings. We strive to treat all people with dignity, fairness, and respect.

OUR APPROACH

Through our actions and policies, we work to uphold and respect human rights as established in the United Nations International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), as well as those of the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We also expect our suppliers—and their supply chains—to comply with the RBA Code of Conduct and align with Coherent's policies, procedures, and guidance related to human rights.

Within our own operations, our commitment to promoting ethical labor practices and safe working conditions is embodied in our global Human Rights and Labor Policy and Code of Ethical Business Conduct, and aligned with the RBA Code of Conduct. Our Board of Directors has ultimate responsibility for ensuring compliance with our Human Rights and Labor Policy within Coherent's operations. Our Chief People Officer oversees our Human Rights and Labor Policy.

Employees are trained on our Code of Ethical Business Conduct, including issues related to human rights.

ACTIONS IN FY2025

- Developed learning modules on human rights-related topics and **introduced a human rights training video** on our internal Compliance website.

- **Added RBA-aligned human rights standards** to our Harmonized Internal Quality Audit System.

- Our facilities in Wuxi, Shenzhen, and Fuzhou, China, were audited by external RBA auditors against the RBA Code of Conduct requirements. **Sites are actively addressing opportunities for improvement** identified during the audits.

LEARN MORE

Anti-discrimination, Harassment, and Bullying Policy

Anti-forced Labor and UFLPA Compliance Statement

Company Statement on the Prevention of Modern Slavery and Human Trafficking

Human Rights and Labor Policy

HEALTH AND SAFETY

Through comprehensive environmental, health, and safety (EHS) programs and ongoing education and training, we strive to provide a safe and secure workplace for all employees, contractors, visitors, and communities near our sites.

OUR APPROACH

Our comprehensive global EHS program and management system drive us to continually improve. Inspired by internationally recognized standards, our system is designed to prevent incidents before they happen. It tracks and analyzes critical data points—including injuries, illnesses, near misses, inspections, and compliance requirements—giving us the insights we need to act decisively and early.

Our EHS program works hand-in-hand with an internal audit platform that monitors life safety, physical security, proper use of personal protective equipment (PPE), cleanliness, and overall safety in manufacturing areas. In addition, our Strategic Safety and Risk Management program takes a deeper dive into manufacturing processes with the highest inherent risks. We also audit high-risk processes using our baseline assessment gap analysis (BAGA) tool. This allows us to identify gaps, benchmark performance, and assign each site a rating along with key findings. When risks are identified, site leadership is responsible for creating and implementing corrective action plans.

New employees take part in a comprehensive health and safety orientation and onboarding program that introduces them to our workplace policies and general safety expectations.

Concerns and incidents can be reported directly to a manager or confidentially through our EHS Concerns System, with the assurance that there will be no retaliation for raising a safety issue.

OVER 15 YEARS OF HIGH PERFORMANCE

In FY2025, our R&D facility in Horseheads, New York, has been injury-free for 16 years.

ACTIONS IN FY2025

- **Developed a standardized and easy-to-use global health and safety risk assessment process**, incorporating hazard identification, severity/probability scoring, and hierarchy of controls.

- **Introduced a new Strategic Safety and Risk Management (SSRM) Policy and tool** to strengthen process safety management at our sites; trained key employees at relevant sites; and surveyed sites for compliance with the policy.

- **Developed a simplified root cause analysis process** to increase usability by field service staff and integration into routine and nonroutine work planning.

- **Partnered with the National Safety Council** to establish a formal process to recognize outstanding contributions to EHS performance across our sites worldwide. Began pilot award submissions for standout safety performers and teams.

- **Launched corporate-level project to support site-level ergonomics programs** through standardization, education, and resource sharing. Project includes a comprehensive intranet resource with ergonomics training, best practices from high-performing sites, and an ergonomic assessment tool for offices, labs, and manufacturing facilities.

RESULTS

In FY2025, our EHS management system collected data from

8,219

site self-inspections. This includes over

5,000

more reports from our sites in China than in the prior year.

Lost-time injuries/illness rate fell from 0.19 in FY2024 to

0.09 in FY2025.

Recordable injuries/illness rate (TRIR) fell from 0.37 in FY2024 to

0.22 in FY2025.

RECOGNIZED FOR SAFETY

FUZHOU, CHINA

The Chinese National Health Commission awarded our site its "Healthy Enterprise" title following a rigorous government evaluation of industrial hygiene practices and employee mental health initiatives. Coherent was the only company to receive the award in the Fuzhou district.

GUANGZHOU, CHINA

The local government recognized our site as a "Dual-Prevention Demonstration Enterprise" for our hazard classification and control practices.

For more results, see the Data Tables in the Appendix.

LEARN MORE

Environmental, Health, and Safety Policy

Health & Safety Issue Brief

Occupational Health and Safety Management System Policy

COMMUNITY ENGAGEMENT

Coherent is committed to the communities where we work. We seek to positively impact socioeconomic development through meaningful community programs, win-win partnerships, donations, and employee volunteering.

OUR APPROACH

Through our corporate philanthropic program, we focus on strengthening science, technology, engineering, and mathematics (STEM) education in the communities in which we operate. We also support disaster relief efforts working with trusted partners.

In FY2025, we developed a Donations Policy and screening protocol to increase transparency and accountability in charitable giving. It includes pre-donation review and post-donation tracking. We intend to implement the policy and screening protocol by the end of calendar year 2025.

STEM Education

In FY2025, the Coherent/II-IV Foundation[10] awarded five students $10,000 scholarships to advance their studies in STEM.

Since 2022, we have also supported the efforts of the Optica Foundation's Women in Optics Scholarship Program through a $100,000 commitment over five years. Scholarship recipients receive financial support and mentoring opportunities.

Offering Support During Times of Need

In response to the devastating wildfires in California, Coherent contributed $100,000 to the American Red Cross Disaster Relief fund. In addition, through our workplace giving microsite, our employees donated over $5,000 to the fund.

EMPOWERING TOMORROW'S INNOVATORS—TODAY

On *Zukunftstag* (Girls' Day/Boys' Day), students across Germany explore careers they might not have considered. At Coherent, we opened our doors at our sites in Göttingen, Lübeck, Munich, and Hamburg to curious young minds, offering hands-on insights into the world of photonics and engineering. From laser demos to cleanroom tours, the day was packed with inspiration.

Mobilizing Our Colleagues for Greater Impact

Through our employee volunteering program, we encourage employees to give back to their local communities to causes that are important to them. Local employee teams organize numerous volunteer opportunities across the globe, including STEM outreach in local schools; mentoring youth; coordinating clothing, blood, and food drives; and promoting environmental efforts to enhance the quality of life in our communities.

For example, our employees in Malaysia distributed grocery hampers to more than 150 children in shelters.

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[10] The Coherent/II-VI Foundation was founded in 2007 by II-VI Incorporated (now Coherent Corp.) co-founder and CEO Dr. Carl J. Johnson and his wife, Margot Johnson. It is a 501(c)(3) charitable organization. The Foundation is overseen by a separate Board of Directors.

GOVERNANCE

Operating a responsible global business that acts with integrity and a long-term mindset is fundamental to earning and maintaining the trust of our stakeholders, mitigating the risks we face, and protecting the sustainability of our business.

FY2025 HIGHLIGHTS

• 13 out of 14 Coherent Board members were independent.[11]

• Updated our Code of Ethical Business Conduct with expanded guidance on high-risk areas such as trade compliance, anti-corruption, and use of the Compliance Hotline.

• Received no material complaints of breaches to data privacy.

[11] Our CEO is the only non-independent Board member.

CORPORATE GOVERNANCE

Good corporate governance provides the framework to manage our business and carry out our responsibilities for the short- and long-term benefit of our shareholders, employees, and communities.

OUR APPROACH

Coherent's Board of Directors comprises a broad range of talented professionals with a balance of experience, skills, and qualifications to help drive the company's long-term performance. Over the past five years, we refreshed 70% of the company's independent directors, significantly strengthening the Board's collective skillset and aligning its expertise with Coherent's evolving strategy and growth opportunities. In addition, the roles of Board Chair and CEO are separate. As of June 30, 2025, 13 out of 14 Coherent Board members were independent—our CEO is the only non-independent director. Our Board members meet on a quarterly basis and hold additional meetings as required.

Only independent Board members serve on key standing committees. Key standing committees of our Board include the Audit and Risk Committee, the Compensation and Human Capital Committee, and the Nominating and Corporate Governance Committee. We have appointed new Chairs across all Committees to further sharpen the Board's focus on overseeing our operational discipline, strategic direction, and shareholder value creation strategy.
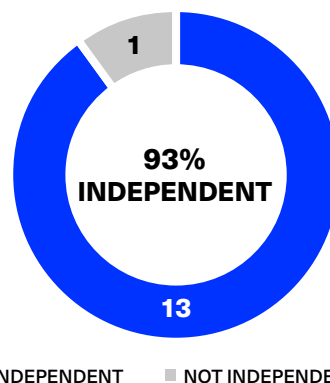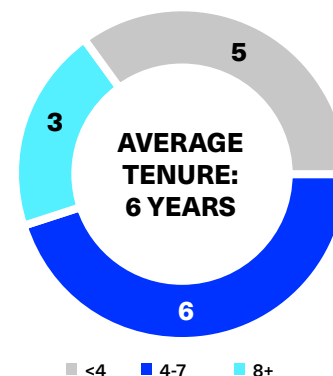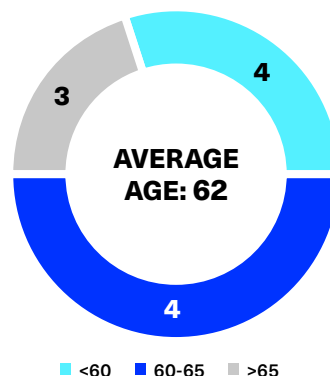
ACTIONS IN FY2025

- In collaboration with a leading law firm, **the Board conducted a review and updated all committee charters** to ensure they continue to reflect leading governance practices.

- **Invited a third-party consultant to present to our Board of Directors on sustainability trends and topics**, including the current political and public discourse, opportunities for the Board to engage in meaningful ways, the relationship between sustainability topics and creating long-term shareholder value, and stakeholder engagement.

See our 2025 Proxy Statement for actions we took related to executive compensation based on stakeholder input.

The National Association of Corporate Directors Three Rivers Chapter honored the **Coherent Board of Directors** for its oversight of our successful CEO transition by naming it **2025 Public Company Board of the Year.**

AVERAGE AGE: 62

3 / 4 / 4

■ <60 ■ 60-65 ■ >65

AVERAGE TENURE: 6 YEARS

5 / 3 / 6

■ <4 ■ 4-7 ■ 8+

93% INDEPENDENT

1 / 13

■ INDEPENDENT ■ NOT INDEPENDENT

LEARN MORE

2025 Proxy Statement

Board of Directors

Compensation Recovery ("Clawback") Policy

Conflicts of Interest Policy

Corporate Governance Guidelines

ENTERPRISE RISK MANAGEMENT

We continually seek and obtain input on potential risks from leaders across the business, helping to ensure that we are equipped to make informed decisions, ensure regulatory compliance, and build stakeholder confidence and long-term sustainability.

OUR APPROACH

With direct oversight from the Board of Directors, Coherent's robust enterprise risk management (ERM) program holistically considers risks to, and potential impacts on, our business. Elements of risk are overseen by each of our standing Board committees. Material risks that are identified are brought to the attention of the full Board.

The Board encourages management to promote a corporate culture that understands the importance of ERM and to incorporate it into the corporate strategy and day-to-day operations of the company. The company's ERM approach also includes an ongoing effort to assess and analyze the most likely areas of future risk for the company and to address them in its long-term planning process.

LEARN MORE

Annual Report on Form 10-K

Enterprise Risk Management Policy

ADDRESSING CLIMATE-RELATED RISKS

We assess climate change risk through our enterprise and business continuity risk management processes. In addition, we work with our global insurance carrier to identify and mitigate physical climate-related risks at our facilities.

As of June 2025, based on on-site assessments and advanced analytics, we estimate that 20 of 40 priority Coherent facilities examined face certain exposure to physical climate risk. Property damage and business interruption from wind and hail are the most common risks that these sites face. Other less common physical risks include flooding, extreme precipitation, wildfire, extended heat waves, and drought.

Coherent sites are taking actions to maximize their resilience to these and other climate exposures. Each site leader monitors and escalates climate-related risks that might demand investment or corrective action to protect our employees and the facilities in which they work. This includes emergency response plans in the event of a climate-related emergency.

In addition to mitigating physical risks, we take proactive action to prepare for potential regulatory risks, including monitoring additional mandatory reporting requirements in geographies where we operate and potential carbon taxes.

ETHICAL BUSINESS CONDUCT AND COMPLIANCE

We are committed to living by our I CARE values, doing what's right, and acting ethically and in compliance everywhere we do business regardless of the circumstances.

OUR APPROACH

The Board and its Audit and Risk Committee monitor our global compliance and ethics program, which is aligned with the standards of the Responsible Business Alliance (RBA). Our program is managed by the Chief Legal and Global Affairs Officer, who updates the Board throughout the year on material compliance and ethical risks, as well as specific issues identified through our reporting channels.

"At Coherent, ethics, compliance, and integrity are essential to how we operate. In a business built on innovation, global partnerships, and trust, doing the right thing ensures long-term success for our employees, customers, and communities. It's how we protect our reputation, meet our obligations, and lead."
— Rob Beard, Chief Legal and Global Affairs Officer at Coherent

Guiding our day-to-day actions is our Code of Ethical Business Conduct (the "Code"). All new employees receive training on the Code of Conduct as part of the Coherent new hire onboarding process. This training includes a certification that they have reviewed and understood the Code and commit to comply with its requirements.

Each year, we deploy various company-wide training courses that cover topics such as legal and ethics compliance, EHS practices, quality, global trade compliance, anti-corruption/anti-bribery, global data privacy, confidentiality and intellectual property protections, cybersecurity, and anti-harassment and discrimination. These annual trainings are offered to all employees with a company email address through our learning management system. Additionally, employees who work in specific roles with increased decision-making responsibilities may be trained on certain topics, including export and trade compliance and insider trading.

As outlined in our Code, all Coherent stakeholders, including our business partners, employees, suppliers and their employees, and other third parties, can raise concerns about any potential violations of our Code, company policies, the RBA Code, and laws online or by phone through our Compliance Hotline or via our corporate compliance email. Employees can also report concerns to their supervisor, HR, business group legal counsel, or any member of management. In addition, employees can submit written concerns or grievances in physical boxes located at some of our manufacturing facilities.

We review all Compliance Hotline reports and take corrective action as appropriate to remedy reported situations. Coherent strictly prohibits retaliation of any kind for making a report in good faith, even if it turns out that the conduct reported is not illegal or improper.

ACTIONS IN FY2025

OUR WORKFORCE

- **Introduced a QR code** to enable employees to directly access the Compliance Hotline from their phones.

- **Established an internal poster campaign** in various locations with compliance messaging.

- **Launched internal Compliance Spotlight communications** with topics such as gifts and hospitalities, the Code of Ethical Business Conduct, our Compliance Hotline, and conflicts of interest.

- **Launched an automated intake and tracking process** for conflicts of interest concerns and inquiries supported by a company-wide communications campaign in English, German, Chinese, and Vietnamese.

- **Updated our Code of Ethical Business Conduct** including a new CEO message reaffirming our leadership's commitment to integrity and expanded guidance on high-risk areas such as trade compliance, anti-corruption, and use of the Compliance Hotline.

OUR SUPPLIERS AND PARTNERS

- **Introduced a harmonized global contract review process** to help ensure that appropriate trade and export compliance language and risk mitigation clauses are embedded consistently in all onboarding, initial screening, and contract management of relevant agreements with our sales channel partners.

- **Began implementation of a new supplier third-party risk management system** to assess risks during supplier onboarding and periodically thereafter related to quality, environmental, labor, ethical, trade compliance, cybersecurity, and other issues.

- **Developed a new restricted party screening procedure** to help ensure compliance with export controls and sanctions laws and deployed related training to Coherent employees in select roles.

LEARN MORE

Anti-Corruption and Anti-Bribery Policy

Code of Ethical Business Conduct

RBA Code of Conduct

RBA Code of Conduct Compliance

Speaking Up and Non-Retaliation Policy

PUBLIC POLICY AND ADVOCACY

Public policy and government decisions can directly influence our operations, markets, and long-term strategy.

OUR APPROACH

While Coherent does not make any corporate political donations, our U.S. employee-funded political action committee (PAC) makes direct contributions to U.S. congressional officials from both parties. The Board of the Coherent PAC has oversight of all PAC activities. All PAC disbursements are publicly disclosed and available on the website of the Federal Election Commission.

Outside the U.S., rules governing interactions with policymakers vary by country. Coherent has implemented internal policies regarding compliance with all applicable laws and regulations in countries where relevant interactions with policymakers occur, including the U.S. Foreign Corrupt Practices Act.

CYBERSECURITY AND DATA PRIVACY

We prioritize enterprise cybersecurity and data privacy as critical foundations of our operations and trust with stakeholders.

OUR APPROACH

Based on the National Institute of Standards and Technology Cybersecurity Framework, the Coherent Cybersecurity Program is focused on protecting the confidentiality, enforcing the integrity, and ensuring availability of Coherent data[12] while working to identify and mitigate cyber threats to our business. Our efforts are guided by our global Security Policy for Information Technology and Networks, the Coherent Cybersecurity Incident Response Plan, and our global data privacy policies.

In addition, we have global guidelines for the use of generative AI within our company to help ensure that technology is used safely and securely, while aligning with our corporate values and policies. The guidelines also provide safeguards to help our employees navigate the responsible use of this technology, reinforcing our commitment to ethical and responsible practices.

Employee Training and Awareness

All users of Coherent computing resources are required to complete mandatory information security and data privacy training. In addition to training, we host employee awareness events and campaigns on topics such as ransomware, identity theft, and mobile security. We also conduct phishing exercises to help strengthen employee resiliency against cyber threats.

RESULTS IN FY2025

- Received no material complaints of breaches to data privacy.

LEARN MORE

Cybersecurity in the Annual Report on Form 10-K

Global Privacy Notice

Security Policy for Information Technology and Networks Policy

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[12] Includes personal information, intellectual property, customer-owned data, proprietary information, software, personal health information, financial reporting, and other types of nonpublic information.

APPENDIX

POLICIES AND PRACTICES

Coherent is committed to a number of policies and practices that promote the thoughtful and ethical operation of our business.

SUSTAINABILITY

Sustainability Policy

PRODUCTS

Coherent Environmental Compliance Policy

SUSTAINABLE PROCUREMENT

Anti-forced Labor and UFLPA Compliance Statement

Compliance Requirements for MCX Materials Statement

Conflict Minerals Disclosure on Form SD

Human Rights and Labor Policy

Prevention of Modern Slavery and Human Trafficking Statement

Responsible Minerals Policy

Supplier Code of Conduct

Supplier Diversity Program

Supplier Environmental Compliance Requirements

Supplier Quality Manual and Agreement

Supply Chain Management Issue Brief

ENVIRONMENT

Climate Transition Action Plan (CTAP)

Coherent Environmental Compliance Policy

Energy Management System Policy

Environmental, Health, and Safety (EHS) Policy

Environmental Management System Policy

Fossil Fuel Equipment Policy

Greenhouse Gas Accounting Methodologies

Greenhouse Gas Verification Report

PEOPLE

Anti-discrimination, Harassment, and Bullying Policy

Anti-forced Labor and UFLPA Compliance Statement

Company Statement on the Prevention of Modern Slavery and Human Trafficking

Inclusive Culture and Merit Based Advancement Policy

Environmental, Health, and Safety (EHS) Policy

Equal Employment Opportunity and Affirmative Action Policy

Health and Safety Issue Brief

Human Rights and Labor Policy

Occupational H&S Management System Policy

GOVERNANCE

Anti-corruption and Anti-bribery Policy

Code of Ethical Business Conduct

Compensation Recovery ("Clawback") Policy

Conflicts of Interest Policy

Corporate Governance Guidelines

Enterprise Risk Management Policy

Global Privacy Notice

RBA Code of Conduct Compliance

Security Policy for Information Technology and Networks Policy

Speaking Up and Non-retaliation Policy

STAKEHOLDER ENGAGEMENT

We regularly engage with stakeholders on topics across our sustainability pillars and areas of focus. Through this engagement, we learn about and discuss ways to address issues that are important to our stakeholders and our business and collaborate to accelerate positive impact on the planet and people worldwide. Below are examples of how we engaged with stakeholders in 2025.

STAKEHOLDER	HOW WE ENGAGE	ENGAGEMENT TOPICS
Employees	• Employee training and development • Employee surveys • Manager–employee performance management process • Town halls • Manager briefings • Coherent intranet and emails	• Career development • Wages and benefits • Employee housing and welfare • Occupational health and safety • Ethics and compliance • Inclusive culture • Coherent Lean System
Customers	• Joint innovation efforts • Voice of the Customer meetings • Customer surveys	• Product solutions, innovations, quality, and reliability • Sustainability performance • Labor matters • Supply chain risk management • Conflict minerals compliance • Human rights and human trafficking/modern slavery in the supply chain
Suppliers	• Supplier assessments, questionnaires, and audits • Supplier quarterly business reviews • Annual Supplier Day • Supplier awards • U.S. Supplier Diversity Program • Industry events	• Product solutions, innovations, quality, and reliability • Sustainability performance and disclosure, including emissions reduction • Responsible sourcing • Ethics and compliance • Cybersecurity and data privacy • Supply chain risk management • Supplier diversity • Conflict minerals compliance • Human rights and human trafficking/modern slavery in the supply chain
Investors and rating agencies	• Quarterly earnings reports and calls • News releases and web disclosures • Annual reports and other company filings with the U.S. Securities and Exchange Commission • Annual shareholder meetings • Industry and investor conferences • Participation in sustainability rankings and ratings	• Value creation through innovation • Strategic, operational, and financial results and progress • Corporate governance, sustainability, and risk oversight • Environmental management • Supply chain risk management
Regulators and government agencies	• Audits and inspections • Information sharing at forums and events • Collaboration and consultation on public policy • Required regulatory disclosures	• Environmental management and compliance • Compliance with labor, health and safety, and human rights regulations • Community and economic impact
Communities, nongovernmental organizations, and nonprofit organizations	• Philanthropic partnerships • Local site initiatives • Events and conferences	• Science, technology, engineering, and mathematics (STEM) talent pipeline • Community and economic impact • Human rights

UN SDG ALIGNMENT

We have identified alignment between our sustainability pillars
and specific UN Sustainable Development Goals (UN SDGs)
where we believe we can have the most significant effect.

PILLAR	UN SDG ALIGNMENT	
Our Products	Coherent products help our customers address climate change and their impact on the planet, as well as advance human health. We also implement Lean manufacturing to help reduce waste in our manufacturing processes.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Sustainable Procurement	Coherent is working with its suppliers to address their environmental impact, including their GHG emissions. We have a robust due diligence program to monitor and identify any noncompliance with human rights standards. We support work with diverse suppliers through our Supplier Diversity Program.	8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION
Environment	Coherent is working toward net-zero Scope 1 and Scope 2 GHG emissions by FY2040. In addition, we have assessed our global water usage, conducted a water stress analysis for every site, and are working to reduce our water intensity (gallons per $ revenue) by 5% by 2030, from a FY2024 baseline. We intend to set a waste target in the future.	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
People	Coherent fosters a safe and healthy work environment, supports employee professional development, and promotes gender equality within our workforce.	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Governance	Coherent has robust policies outlining our zero tolerance of human trafficking, bribery and corruption, and discriminatory practices.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

DATA TABLES

PRODUCT QUALITY

Summary and percentage of sites holding specific certifications and % of headcount covered

STANDARD	# OF SITES REGISTERED/CERTIFIED	% HEADCOUNT COVERED*
ISO 9001	81	99
ISO 14001	24	63
ISO 45001	12	32
ISO 50001	8	19
ISO 13485	6	15
AS 9100	6	3
IATF 16949	5	17
TL 9000	5	13
ISO 17025	3	1
TISAX	2	1
ESD S.20	1	8
FAMI QS	1	1

*Represents percentage of Coherent employees covered at sites with certification.

SUSTAINABLE PROCUREMENT

	FY2023	FY2024	FY2025
Self-assessment questionnaires (SAQs)			
Suppliers required to complete RBA online SAQ (#)*	–	100	73
Suppliers in-scope for RBA online SAQ (% by spend)	–	58	36
Suppliers who completed the RBA online SAQ (%)	–	71	77
Audits			
In-scope suppliers (#)	–	20	20
Audits completed (including social and environmental criteria) (#)**	24	23	36
Auditees engaged in corrective action follow-up (%)	–	100	100
In-scope suppliers audited (%)	–	100	100
Non-conformances			
Environmental non-conformances (#)	44	46	59
Environmental non-conformances (%)	13	16	15
Health & safety non-conformance (#)	99	68	113
Health & safety non-conformance (%)	30	24	27
Labor standards & human rights non-conformances (#)	87	81	118
Labor standards & human rights non-conformances (%)	26	28	28
Ethics and management non-conformances (#)	104	94	127
Ethics and management non-conformances (%)	31	32	30

* Each year Coherent collects SAQs from our top suppliers by spend. Due to yearly changes in our business, the number of SAQs collected may vary from one year to another.

** The number of supplier audits conducted varies by year and depends on the supplier's previous audit results and risk classification.

	FY2023	FY2024	FY2025
Corrective action plans			
Audited/assessed suppliers engaged in corrective actions or capacity building (%)	100	100	100
Environmental corrective actions (#)	40	34	46
Environmental corrective actions (%)	14	22	17
Health & safety corrective actions (#)	89	54	75
Health & safety corrective actions (%)	31	35	27
Labor standards & human rights corrective actions (#)	39	11	28
Labor standards & human rights corrective actions (%)	13	7	10
Ethics & management systems corrective actions (#)	121	54	126
Ethics & management systems corrective actions (%)	42	36	46
Corrective action closure rate (%): closed actions/total number on non-conformances	61	72	74
Supply chain personnel (buyers) training			
Supply chain personnel (buyers) trained on sustainability (#)	–	220	179
Sustainability training hours per employee (#)	–	1.5	1.5
Sustainability total training hours for supply chain personnel (buyers) (#)	–	330	268
Supply chain personnel (buyers) who received training on sustainable procurement (%)	–	92	81
Responsible minerals sourcing			
Supplier response rate (%)	81	84	90
Legitimate 3TG smelters (#)	1,052	350	371
Conflict minerals reports filed (#)	1,175	573	471
3TG SORs RMAP status (#)			
Conformant	657	225	233
Active	8	6	10
Not enrolled	364	90	96
Non-conformant	23	29	32

ENVIRONMENTAL MANAGEMENT

	FY2023	FY2024	FY2025
Sites for which a risk assessment has been conducted/audited using BAGA tool (#)	2	5	13
Corrective action plans/findings (#)	166	209	448

CLIMATE AND ENERGY MANAGEMENT [13,14]

ENERGY*	FY2023	FY2024	FY2025
Total energy usage (MWh)	**801,845**	**813,847**	**838,628**
From renewable sources	407,750	568,785	624,704
From renewable sources (%)	50.9	69.9	74.5
From nonrenewable sources	394,095	245,062	213,924
From nonrenewable sources (%)	49.1	30.1	25.5
Electricity usage (MWh)	**678,712**	**698,135**	**735,238**
Grid-purchased electricity	677,860	697,199	734,267
Self-generated electricity	4,980	3,769	2,678
From renewable sources (electricity only)	407,750	568,785	624,704
From renewable sources (electricity only) (%)	60.1	81.5	85.0
From nonrenewable sources (electricity only)	270,961	129,350	110,534
From nonrenewable sources (electricity only) (%)	39.9	18.5	15.0
Fuel usage (MWh)	**111,332**	**114,255**	**102,200**
Natural gas usage	106,834	97,713	85,873
Other	4,497	16,542	16,327
Purchased energy (MWh)	**800,993**	**800,599**	**837,657**
Energy purchased from renewable sources	406,898	567,849	623,733
Energy purchased from renewable sources (%)	50.8	70.9	74.5
Energy purchased from nonrenewable sources	394,095	232,750	213,924
Energy purchased from nonrenewable sources (%)	49.2	29.1	25.5
Total energy from renewable sources (%)	50.9	69.9	74.5
Energy conservation			
Projected energy conserved from implemented projects (MWh)	13,019	7,937	3,291
Annual estimated savings from implemented projects ($M)	1.5	1.0	0.4

* Data may not be available or may be omitted because of incomparability due to acquisitions.

SCOPE 1 AND SCOPE 2 GHG EMISSIONS	FY2023	FY2024	FY2025
Location-based (MTCO$_2$e)	346,077	331,507	348,734
Scope 1	54,370	44,903	38,146
Scope 2	291,707	286,605	310,588
Market-based (MTCO$_2$e)	185,626	102,458	84,661
Scope 1	53,646	44,196	38,146
Scope 2	131,980	58,262	46,514
Revenue ($ million)	5,160	4,708	5,810
Market-based Scope 1 and Scope 2 emissions intensity (MTCO$_2$e per $ million)	35.97	21.76	14.57
Other emissions (MTCO$_2$e)			
Total emissions from perfluorinated compounds	14,444	10,276	1,570
Biogenic CO$_2$	161	102	19
Emissions mitigated			
CO$_2$ mitigated	160,451	229,049	264,073
CO$_2$ mitigated (%)	46.4	69.1	75.7

SCOPE 3 EMISSIONS (MTCO$_2$E)	FY2023	FY2024	FY2025
Category 1 – Purchased goods and services	N/A	533,832	678,520
Category 2 – Capital goods	N/A	57,599	65,451
Category 3 – Fuel and energy-related activities	97,756	83,740	97,466
Category 4 – Upstream transportation and distribution	N/A	58,509	78,333
Category 5 – Waste generated in operations	N/A	1,864	2,181
Category 6 – Business travel	43,745	44,548	24,713
Category 7 – Employee commuting	38,973	29,401	32,466

[13] On our behalf, Siemens tracks our energy usage and Scope 1 and Scope 2 emissions from all of our operations worldwide, based on energy utility invoice data, as well as our Scope 3 upstream estimates for all categories reported. They compute our 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. We have also achieved third-party limited assurance of our Scope 1 and 2 data from UL.

[14] In FY2024, Coherent revised our carbon accounting methodology, updating historical emissions factors and improving our data collection process. Due to these changes, Coherent restated our FY2023 baseline. Self-generated electricity includes the electrical output from co-generation systems fully under Coherent's operational control. The fuel input to these systems is already included in "Purchased energy" figures, therefore totaling self-generated energy and purchased energy will result in double counting. Self-generated electricity only includes generating assets within the operational control of Coherent. Generating projects structured under power purchase agreements are considered "Purchased energy" and are not included in "Self-generated" figures. Emissions mitigated refers to the difference between "Scope 1 and 2 location-based" and "Scope 1 and 2 market-based" in the same period. Progress relative to baseline year refers to the reduction in Scope 1 and 2 market-based emissions for the period compared with the net-zero Scope 1 and 2 baseline, which was established as FY2023 Scope 1 and 2 location-based emissions total.

WATER

WATER METRICS (MILLION OF GALLONS)	FY2023	FY2024	FY2025
Withdrawals	**606**	**592**	**604**
Withdrawals for sites with high water risk/stress	19	16	16
Total withdrawals for sites with high water risk/stress (%)	3.2	2.7	2.6
Consumption	**91**	**89**	**91**
Consumption for sites with high water risk/stress (Withdrawals minus discharges)	17	2	2
Discharges	**515**	**503**	**514**
Discharges for sites with high water risk/stress	17	14	14
Withdrawal intensity (gallons per $ revenue)	**0.12**	**0.13**	**0.10**

WASTE

WASTE GENERATION & DISPOSITION (METRIC TONS)	FY2024	FY2025
Total waste generation	**6,959**	**7,044**
Hazardous	1,842	1,800
Nonhazardous	5,117	5,244
Total waste disposition	**6,959**	**7,044**
Recycled	1,260	1,243
Reused	128	124
Landfilled	2,980	3,016
Incinerated	1,871	2,021
Other	720	641
Landfill diversion rate (%)	**28.62**	**23.41**
Total hazardous waste diverted from landfill	**571**	**483**
Recycled	404	283
Reused	126	122
Other	42	78
Total hazardous waste incinerated	734	797
Total nonhazardous waste diverted from landfill	**1,537**	**1,524**
Recycled	857	959
Reused	2	2
Other	678	563
Total nonhazardous waste incinerated	1,137	1,224
Total waste directed to landfill	**2,980**	**3,016**
Nonhazardous	2,444	2,496
Hazardous	536	520
Waste intensity (metric tons per million USD revenue)	**1.48**	**1.21**

PEOPLE

WORKFORCE METRICS	FY2023	FY2024	FY2025
Total employees (#)	**26,886**	**26,526**	**30,216**
Female	11,819	11,965	13,687
Male	14,871	14,313	16,297
Not disclosed	196	248	232
APAC	17,809	18,124	22,335
EMEA	3,866	3,851	3,642
AMER	5,211	4,511	4,239
Regular employees (#)	**26,622**	**26,157**	**29,727**
Female	11,778	11,890	13,541
Male	14,775	14,166	16,035
Not disclosed	69	101	151
APAC	17,804	18,078	22,092
EMEA	3,740	3,690	3,552
AMER	5,078	4,389	4,083
Temporary employees (#)	**264**	**369**	**489**
As % of all employees	0.98	1.41	1.62
Female	41	75	146
Male	96	147	262
Not disclosed	127	147	81
APAC	5	46	243
EMEA	126	161	90
AMER	133	162	156
Full-time employees (#)	**26,396**	**26,154**	**29,480**
Female	11,645	11,790	13,395
Male	14,684	14,123	15,929
Not disclosed	67	241	156
Part-time employees (#)	**26,396**	**26,154**	**29,480**
Female	174	175	292
Male	187	190	368
Not disclosed	129	7	76
Employee engagement	**26,396**	**26,154**	**29,480**
Employee survey response rate	–	–	95

WORKFORCE METRICS (CONTINUED)	FY2023	FY2024	FY2025
INTERNAL AND EXTERNAL HIRING*			
Employee new hires (#)	**2,766**	**1,423**	**6,857**
APAC	1,739	–	5,897
EMEA	346	–	355
AMER	681	–	605
Employee rehires (#)	**81**	**120**	**423**
APAC	51	–	312
EMEA	3	–	9
AMER	27	–	102
Employee promotions (#)	**1,423**	**1,173**	**2,763**
APAC	700	–	1,515
EMEA	161	–	447
AMER	562	–	801
CHANGES IN HEADCOUNT*			
Employee new hires (#)	**2,766**	**1,423**	**6,857**
Female	1,421	834	2,932
Male	1,306	525	3,755
Not disclosed	37	64	170
<30 years	1,692	–	3,942
30–50 years	885	–	2,725
>50 years	189	–	190
Employee turnover (#)	**5,013**	**–**	**4,030**
As a % (rate)	–	–	14.4
Voluntary	3,637	–	2,988
Involuntary	1,376	–	1,042
Female	2,421	–	1,791
Male	2,559	–	2,207
Not disclosed	33	–	32
<30 years	2,417	–	1,723
30–50 years	1,993	–	1,552
>50 years	603	–	755
APAC	3,526	–	2,687
EMEA	413	–	747
AMER	1,074	–	869

*Full breakdowns for new hires and changes in headcount are not available for FY2024 due to changes in our HR information systems.

PEOPLE

TRAINING	FY2023	FY2024	FY2025
Total training hours (global) (#)	–	1,843,894	2,648,230
Average annual hours of training per employee (#)	–	59.3*	87.18
Quality training hours (#)	–	13,425	26,590
Employees who received career skills-related training (%)	–	–	31

* Training data for FY2024 has been updated to reflect a correction in our data.

HEALTH AND SAFETY*	FY2023	FY2024	FY2025
Fatalities (#)	0	0	0
Fatality rate	0	0	0
Lost-time injuries/illnesses (#)	40	56	31
Lost-time injuries/illness rate (LTIR)	0.13	0.19	0.09
Recordable injuries/illnesses (#)	115	106	73
Recordable injuries/illness rate (TRIR)	0.36	0.37	0.22
EHS concerns reported (#)	–	6,351	7,640
EHS concerns frequency rate	–	19.7	23
Lost-time cases due to work-related injuries, fatalities, and illness (#)	–	56	31
Incidents (severity level 2 and above) (#)	–	32	22
Hours worked (#)	63,629,160	64,523,401	66,369,926
Health and safety training			
Total health and safety training hours (#)	–	129,143	108,812

* Data may not be available or may be omitted because of incomparability due to acquisitions.

SASB INDEX

This report has been prepared according to the Sustainability Accounting Standards Board (SASB) standards,
now part of the IFRS Foundation, for both the Semiconductors and the Electrical & Electronic Equipment industries.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DISCLOSURE	REFERENCE
Energy Management	(1) Total energy consumed (2) Percentage grid electricity and (3) Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-EE-130a.1 TC-SC-130a.1	(1) 3,019,061 GJ (2) 77% (3) 74%	Environment, Climate and Energy Management, page 30
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions (2) Amount of total emissions from perfluorinated compounds	Quantitative	Metric tons (t) CO_2e	TC-SC-110a.1	(1) 38,146 $MTCO_2e$ (2) 1,570 $MTCO_2e$	Environment, Climate and Energy Management, page 30
	Discussion of long- 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, page 30
Hazardous Waste Management	(1) Amount of hazardous waste generated (2) Percentage recycled	Quantitative	Metric tons (t), Percentage (%)	RT-EE-150a.1 TC-SC-150a.1	(1) 1,800 MT (2) 15.7%	
	(1) Number and aggregate quantity of reportable spills (2) Quantity recovered	Quantitative	Number, Kilograms (kg)	RT-EE-150a.2	Coherent does not report at this time.	
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	(1) 2,286,389 m^3 (2) 344,472 m^3 (1) 2.6% (2) 2.2%	Environment Water Stewardship, page 34
Product Safety	(1) Number of recalls issued (2) Total units recalled	Quantitative	Number	RT-EE-250a.1	(1) 0 (2) 0	
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	USD	RT-EE-250a.2	$0	
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%) by revenue	RT-EE-410a.1 TC-SC-410a.1	Coherent does not report at this time.	
	Percentage of eligible products, by revenue, certified to an energy efficiency certification	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	USD	RT-EE-410a.3	This metric is not relevant to our business.	
	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.	

SASB INDEX

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DISCLOSURE	REFERENCE
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis (per SASB page)	n/a	RT-EE-440a.1 TC-SC-440a.1		Supply Chain Management, page 26 See Item 1A – Risk Factors as presented on Form 10-K
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behaviour	Discussion and Analysis	n/a	RT-EE-510a.1		Governance, Ethical Business Conduct and Compliance, page 52 Anti-Corruption and Anti-Bribery Policy
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	USD	RT-EE-510a.2	Coherent considers this data to be confidential.	
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	USD	RT-EE-510a.3 TC-SC-520a.1	Coherent considers this data to be confidential.	
Workforce Health & Safety	Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards	Discussion and Analysis	n/a	TC-SC-320a.1		People, Health and Safety, page 46
	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantitative	USD	TC-SC-320a.2	Coherent considers this data to be confidential.	
Recruiting & Managing a Global & Skilled Workforce	Percentage of employees that require a work visa	Quantitative	Percentage (%)	TC-SC-330a.1	Coherent does not report at this time.	

ACTIVITY METRICS	CATEGORY	UNIT OF MEASURE	CODE	DISCLOSURE	REFERENCE
Number of units produced by product category	Quantitative	Number	RT-EE-000.A	Coherent considers this data to be confidential.	
Number of employees	Quantitative	Number	RT-EE-000.B	30,216	2025 Workforce Data, page 64
Total production	Quantitative		TC-SC-000.A	Coherent considers this data to be confidential.	
Percentage of production from owned facilities	Quantitative	Percentage (%)	TC-SC-000.B	Coherent considers this data to be confidential.	

CLIMATE TRANSITION ACTION PLAN SUMMARY

Our Commitments	**We are committed to decarbonization and have set challenging long-term goals.** • Achieve 100% renewable electricity company-wide no later than FY2030. • Reduce Scope 1 and Scope 2 emissions 50% by FY2030.[15] • Achieve net-zero Scope 1 and Scope 2 emissions from our internal operations by FY2040.[15]
Our Decarbonization Road map	**We have outlined a clear road map for decarbonizing our operations by FY2040.** 1. Procure clean energy 2. Reduce energy consumption 3. Produce energy on-site 4. Transition to electrification 5. Other options: address fugitive emissions and offset unavoidable emissions
Our Progress in FY2025	**Our Operations** • **Renewable energy:** We increased our use of renewable electricity to 85%, representing over 626 million kWh of renewable electricity per year. • **Fossil Fuel Equipment Policy:** This policy prohibits the purchase of new fossil-fuel-powered equipment within Coherent operations, unless a specific exemption is approved. • **Industrial gases:** We began to develop a global policy to eliminate our emissions from SF6 (sulfur hexafluoride) gas use by FY2040. • **Internal carbon pricing:** Through a carbon price mechanism, we apply an internal shadow carbon price on business activities and track the total cost of carbon. **Supplier and Value Chain Engagement** • **Supplier engagement:** FY2025 was the third year of our supply chain decarbonization initiative, with a focus on Scope 3 Categories 1, 2, and 4. We developed a dashboard of supplier-based emissions data based on standard emission factors and supplier-specific emission factors where available for commodities, allowing us to measure emissions by supplier and supply sectors. We also continued sustainability training for our procurement team to help them discuss GHG emissions reductions with suppliers. We emphasized our sustainability expectations at our 2025 Supplier Day. • **Transportation and distribution:** We worked closely with our inbound and outbound transportation partners to identify the most sustainable, efficient, reliable, and cost-effective modes of transportation. To become a preferred Coherent transportation partner, carriers must have sustainability programs in place, including emissions reduction goals.
Our Risks & Opportunities	**We consider climate-related risks as part of our risk management.** We are in the process of evaluating how we might use scenario analysis to better assess the resilience of our business despite uncertainty.
Our Governance	• Our Chief Legal and Global Affairs Officer drives our climate strategy together with our sustainability team and colleagues across the company. • The Nominating and Corporate Governance Committee of our Board of Directors oversees key sustainability initiatives and practices, provides guidance for the company's sustainability vision, and helps to establish our sustainability goals.

[15] Against a FY2023 location-based emissions base year.

GLOSSARY

AI: artificial intelligence

ASICs: Application-specific integrated circuits

BAGA: baseline assessment gap analysis

CDP: formerly known as the Carbon Disclosure Project

CLS: Coherent Lean System

CO_2: carbon dioxide

CO_2e: carbon dioxide equivalent

COQ: Cost of Quality

CQO: Chief Quality Officer

CPO: co-packaged optics

CTAP: Climate Transition Action Plan

EAP: employee assistance program

EHS: environmental, health, and safety

ERM: enterprise risk management

ESG: Environmental, Social, and Governance

FY: fiscal year

GHG: greenhouse gas

HR: human resources

I CARE: Integrity, Collaboration, Accountability, Respect, and Enthusiasm (our I CARE values)

IMSSC: Integrated Management System Steering Committee

I/O: input/output

ISO: International Organization for Standardization

IT: information technology

kg: kilogram

kW: kilowatt

kWh: kilowatt-hour

MEMS: microelectromechanical systems

MT: metric tons

$MTCO_2e$: metric tons of carbon dioxide equivalent

MWh: megawatt-hour

NPI: new product introduction

NYSE: New York Stock Exchange

OCS: optical circuit switch

OEMs: original equipment manufacturers

PAC: political action committee

PFAS: per- and polyfluoroalkyl substances

PPE: personal protective equipment

PPM: parts per million

QMS: Quality Management System

R&D: research and development

RBA: Responsible Business Alliance

REACH: Registration, Evaluation, Authorization, and Restriction of Chemicals

RMI: Responsible Minerals Initiative

RoHS: Restriction of Hazardous Substances in Electrical and Electronic Equipment

SAQ: self-assessment questionnaire

SASB: Sustainability Accounting Standards Board

SORs: smelters or refiners

SSRM: Strategic Safety and Risk Management

STEM: science, technology, engineering, and mathematics

T&D: transportation & distribution

TRIR: Total recordable incident rate

UFLPA: Uyghur Forced Labor Prevention Act

UN SDGs: United Nations Sustainable Development Goals

WBCSD: World Business Council for Sustainable Development

WEEE: waste electrical and electronic equipment

WRI: World Resources Institute

FORWARD-LOOKING STATEMENTS

This presentation report contains forward-looking statements relating to future events and expectations, including our expectations regarding our estimates and projections for our business outlook for the second quarter of fiscal 2026, each of which is based on certain assumptions and contingencies. The forward-looking statements are made pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 and relate to the Company's performance on a going-forward basis. The forward-looking statements in this investor presentation report involve risks and uncertainties, which could cause actual results, performance, or trends to differ materially from those expressed in the forward-looking statements herein or in previous disclosures.

The Company believes that all forward-looking statements made by it in this presentation report 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 report 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) changes in demand in the Company's end markets along with the Company's ability to respond to such market changes; (iii) risks relating to future integration and/or restructuring actions; (iv) fluctuations in purchasing patterns of customers and end users; (v) the ability of the Company to retain and hire key employees; (vi) the terms of the Company's indebtedness and ability to service such debt in connection with its acquisition of Coherent, Inc.; (vii) the timely release of new products and acceptance of such new products by the market; (viii) the introduction of new products by competitors and other competitive responses; (ix) the Company's ability to assimilate other 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; (x) the risks to realizing the benefits of investments in R&D and commercialization of innovations; (xi) the risks that the Company's stock price will not trade in line with industrial technology leaders; (xii) the impact of trade protection measures, such as import tariffs by the United States or retaliatory actions taken by other countries; and/or (xiii) the risks relating to forward-looking statements and other "Risk Factors" identified from time to time in our filings with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K for the fiscal year ended June 30, 2025, and our subsequently filed Quarterly Reports on Form 10-Q, which filings are available from the SEC. 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. Unless otherwise indicated in this presentation report, all information in this presentation report is as of [November 5, 2025].

ADDITIONAL INFORMATION

The Coherent Corp. Global Impact Report provides a point-in-time overview of our organization's sustainability 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 sustainability reporting. 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 Global Impact 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 U.S. Securities and Exchange Commission (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 senior leaders 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 sec.gov, or on the Investor Relations page of our website.