Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Coherent Corp. (“Coherent”) is a global leader in materials, networking, and lasers for the industrial, communications, electronics, and instrumentation markets. Coherent is headquartered in Saxonburg, Pennsylvania and was founded in 1971 as a manufacturer of high-quality materials and optics for industrial lasers. Today, Coherent operates in more than 20 countries worldwide.

Coherent is focused on delivering innovations that fuel market megatrends while pursuing our mission of enabling the world to be safer, healthier, closer, and more efficient. Coherent empowers market innovators to define the future through breakthrough technologies, from materials to systems.

Coherent evolved from II-VI Incorporated (“II-VI”) after the acquisition of laser pioneer Coherent, Inc.

II-VI announced on 8 September 2022 that new merged corporate name as Coherent Corp.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

No

C0.3

(C0.3) Select the countries/areas in which you operate.

Australia
Belgium
China
Finland
Germany
India
Israel
Italy
Japan
Malaysia
Philippines
Republic of Korea
Singapore
Spain
Sweden
Switzerland
Taiwan, China
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	COHR

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	The Environment, Social, and Governance (ESG) Committee role includes oversight of ESG by, among other things: • providing guidance on and oversight of the company's ethical culture and sustainability vision, and its environmental, social, and governance goals; • ensuring that the governance of the company meets the requirements of applicable law; and • ensuring that the Board defines the qualifications for, and considers and appoints, qualified candidates for all Board positions, and for the CEO position. Climate-related issues fall within the ESG Committee oversight responsibilities. The charter of the ESG Committee authorizes it to select, retain and obtain, in its sole discretion, consultants, independent legal counsel, or other advisors to assist it in its responsibilities. The ESG Committee meets as often as it determines is necessary, but at least quarterly and is briefed by the Chief Sustainability Officer on strategic issues related to ESG, proposed targets and initiatives, and progress / issues against those targets. The committee supports the company's efforts by overseeing ESG strategy and alignment with the company's overall business outlook and stakeholder engagement. The ESG Committee is consists of at least three independent members of the Board.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing value chain engagement	The Board provides broad oversight of ESG issues via the ESG Committee. The Chairs of the ESG Committee and Board routinely meet (at least quarterly) to prepare the meeting agenda for the ESG Committee. The Chair of the ESG Committee makes regular reports to the Board and, from time to time, meets in executive session without management presence. Additionally, Company management, including the Chief Sustainability Officer, report to the ESG Committee and the Chief Sustainability Officer is responsible for oversight of internal employees employed to monitor, access and address climate-related issues. The Chief Sustainability officer routinely meets with the ESG Committee – providing reports on various subjects – including, to the extent necessary, climate-related issues. There are a number of other company policies which address ESG related issues to which the directors, officers and employees are subject, including policies on climate-related issues.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	As noted in our 2022 Proxy Statement (available on the SEC.GOV website – and the Coherent.com website), as of the end of FY22, seven Board members had expertise in Risk Management and ESG,

		including the ESG Committee Chair and all members of the ESG Committee. The ESG Committee and, by extension, the Board assess the competence of the member of the ESG Committee through an evaluation process – undertaken by the ESG Committee and set forth in its charter. Here is an excerpt therefrom: Nominations a. Evaluates the size, composition, and organization of the Board and its committees, determines future requirements, and makes recommendations to the Board for approval. b. Assesses and monitors the developmental requirements of Board members and provides training and development opportunities. c. Reviews and assesses and makes recommendations to the Board regarding the desired qualifications, qualities, skills and other expertise required to be a director and criteria to be considered in selecting nominees for director – which criteria shall be set forth in the Company's Corporate Governance Guidelines (the "Director Criteria"). d. Identifies and screens (including through the engagement and use of third-party search firms) individuals qualified to become members of the Board, consistent with the Director Criteria. The Committee shall consider director candidates recommended by the Company's shareholders who are validly made in accordance with applicable laws, rules and regulations and the provisions of the Company's Bylaws. e. Makes recommendations to the Board regarding the selection and approval of the nominees for director to be submitted to a shareholder vote at the annual meeting of shareholders or any special meeting of shareholders at which directors are to be elected. f. Considers the performance and suitability of incumbent directors in determining whether to nominate them for re-election.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Sustainability Officer (CSO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities

Developing a climate transition plan

Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing value chain engagement on climate-related issues
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Corporate Sustainability/CSR reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The Chief Sustainability Officer leads the cross-functional ESG team which implements our ESG program and integrates sustainability into all facets of our business. The ESG team includes representatives from ESG, Health & Safety, Human Resources, Finance, Legal & Compliance, Quality, Procurement, Facilities, and Lean Manufacturing. The Chief Sustainability Officer coordinates periodic ESG summits with participants from all of these functions and oversees individual projects and activities on an ongoing basis.

The Chief Sustainability Officer also:
• leads the development of internal and external decarbonization targets;
• is responsible for Enterprise Risk Management, including risks associated with Climate Change;
• is responsible for Mergers and Acquisitions, including any transactions related to climate;
• develops, maintains, and tracks Coherent's climate transition plan;
• manages annual budgets related to climate mitigation activities;
• initiates, drives, and monitors climate-related activities in our value chain including Scope 3 emissions; and
• updates the ESG Committee on progress at least quarterly.

The following decisions & actions have been completed under the leadership of the Chief Sustainability Officer:

Produced company's first ESG report in 2022.

Calculated and reported global scope 1 & scope 2 greenhouse gas emissions footprint, as well as data on global energy usage and renewable energy usage.

Announced June 9, 2022: Coherent announced that it has signed renewable energy contracts for powering multiple sites throughout Asia with 100% renewable electricity. These new agreements represent 35 GWh of renewable electricity per year, thereby avoiding an additional 18,000 metric tons of CO2 emissions annually. The agreement covers sites in India, the Philippines, Vietnam, China, and Japan.

Coherent has set as a top priority to reduce its carbon footprint across its global operations. Including today's announcement, Coherent has entered into renewable electricity contracts for over 40 sites around the world, including over 35 sites that now cover 100% of their annual electricity usage with renewable sources.

"[Coherent] now purchases approximately 38% of our electricity from renewable sources," said [Coherent's] Chief Sustainability Officer. "This announcement is an important next step in fulfilling our commitment to steadily reduce our carbon footprint position around the globe."

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	Internal and external decarbonization targets are under development and expected to be released in 2023. Once targets are released, employees engaged in activities related to achieving those targets will have achievement of those targets factored into their annual performance review.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment

Short-term	0	1	Within the current year
Medium-term	1	5	Within the next 5 years
Long-term	5	30	Generally within the next 30 years, but depending on the initiative this could vary

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Substantive financial impact is generally defined as potential financial impact of $10 million or more. However, amounts below this threshold may also be considered substantive if there are other qualitative factors such as reputational risk or strategic significance.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Coherent operates with an integrated enterprise risk management process. This process is led by our Vice President of Global Risk and Corporate Social Responsibility, who reports to the Chief Sustainability Officer. Our integrated risk management process is compromised of several elements to include:
-Routine assessment of risk through a variety of channels, including business leader surveys, inputs from external stakeholders such as customers and investors, formal risk

assessments from our insurance carriers, and risk assessments conducted by our supply chain team on upstream material suppliers. The time horizon for these assessments range from less than 1 year up to 30 years depending on the particular risk being evaluated.
-Recommendations to mitigate risk are considered, evaluated, and prioritized for execution, in consideration of the cost of implementation versus the relative reduction of risk and potential loss. These activities are reviewed quarterly by the Strategy, Technology, Acquisition, and Risk Committee. The risks evaluated include climate-related risks such as increased severity of storms, flooding, extreme precipitation, wildfire, drought, etc.

Climate related opportunities for addressing Coherent's own climate impact are reviewed by the ESG Committee quarterly, including our progress on decarbonization efforts such as renewable energy procurement and energy efficiency targets, as well as setting internal and external decarbonization targets.

Climate related opportunities for addressing Coherent's downstream customer needs are assessed on an ongoing basis by our business unit leadership and strategic marketing team. Business plans are updated on an at least annual basis as part of our annual strategic planning and budgeting cycle. Material investments are reviewed and approved by the Board of Directors.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Coherent's Compliance and Environmental Health and Safety teams continuously monitors all current regulations and laws in jurisdictions where we operate, to include climate related regulations. For example, China has implemented carbon trading policy on the entities which annual emission of carbon exceed 26,000 MT CO2e per year, which impacts our major sites in China in Wuxi and Fuzhou. Our Zurich, Switzerland, factory is subjected to carbon tax due to fuel combustion.
Emerging regulation	Relevant, always included	Coherent's Compliance and Environmental Health and Safety teams monitor pending regulations with an approved effective date and emerging regulations or regulatory amendments actively being considered by government entities that exercise jurisdiction where we do business. For example, China has implemented carbon trading policy on the entities which annual emission of carbon exceed 26,000 MT CO2e per

		year, which impacts our major sites in China in Wuxi and Fuzhou. Our Zurich, Switzerland, factory is subjected to carbon tax due to fuel combustion. We are actively monitoring for changes in these regulations over time. We anticipate that carbon trading limits allowances may be reduced and carbon taxes may be increased in the future, or that additional facilities will be subjected to these or similar regulations. For example, our site in Shenzhen, China, is below the 26,000 MT CO2e emissions per year current national regulation, but local authorities are considering imposing a more restrictive emissions target and have requested companies to begin carbon reporting and reduction activities even when below the current 26,000 MT CO2e threshold.
Technology	Relevant, always included	Coherent's business unit leaders constantly evaluate market trends and customer requests for opportunities that can be serviced by Coherent with current or future products, including opportunities related to climate change. For example, we are excited by the impact of our technology to reduce emissions globally. One focus of our business is the development of Silicon Carbide technology which enables the electrification of many applications. Silicon Carbide enables high-efficiency power electronics for electric vehicles, solar and wind energy, and smart grids. We are, among other strategic alternatives, seeking strategic partners to accelerate the growth and development of this technology with the goal of investing an additional $1 billion in the development of Silicon Carbide technology over the next decade. Our business plans for this opportunity also entail a risk that technology and customer needs will not develop as we currently anticipate, and that we will either over-invest or under-invest compared to the actual need, affecting our return on investment.
Legal	Relevant, always included	Currently, Coherent is not involved in any carbon related litigation. However, we actively monitor such risks. For example, our Vice President, Global Risk and Corporate Responsibility, recently conducted an internal briefing on recent shareholder lawsuits against certain companies for failure to meet their public decarbonization targets. We actively consider such risk in our target setting process.
Market	Relevant, always included	Coherent's ESG team tracks all customer related ESG requests, as well as periodically benchmarks our performance against key competitors in these areas, to include assessing whether we are satisfying customer expectations related to public decarbonization targets and establishing corporate Net Zero commitments.

Reputation	Relevant, always included	Coherent evaluates reputational risk related to our climate response , which includes assessing: (i) whether we are keeping pace in our decarbonization efforts relative to our key competitors (which could impact customer satisfaction); and (ii) our efforts to recognize the growing importance of climate action as it relates to recruiting and retaining talent, and maintaining a highly skilled workforce.
Acute physical	Relevant, always included	Each of Coherent's site leaders monitors and escalates climate related risks which include impacts based on high precipitation, extreme temperatures or similar issues that might demand investment or corrective action to protect our employees and the facilities in which they work. For example, in Fuzhou, China, due to engineering requirements, some heavy, expensive, and high precision machines must be installed on the ground floor subjecting this equipment to a flooding risk in an extreme weather event. The site has experienced flooding in the past. The risk of such events happening again, more frequently, or more severely as a result of climate change are part of our risk assessment process for this site.
Chronic physical	Relevant, always included	Climate change will cause chronic issues such as sea level rise, and elevated temperatures causing increased risk of extended heat waves and drought. Several major sites of Coherent Corp. are located in close proximity to the sea, such as Fuzhou, China; Wuxi, China; and Ipoh, Malaysia sites. These sites have increased risk of flooding under different scenarios for projected sea level rise. Additionally, we have sites that operate in water-stressed areas such as Santa Rosa, California. Sites in water stressed areas are subjected to increased risk of operations interruption or curtailment during periods of drought.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Coherent has received requests from multiple customers generally asking that Coherent: (i) achieve a Net Zero Scope 1 & Scope 2 target by 2030, 2040, or 2050; and (ii) achieve a Scope 3 upstream reduction requirement of 50% by 2030.

The risk to Coherent is potential revenue risk if we fail to meet these customer requirements in the required long term time horizon.

The task at hand is to develop a plan to decarbonize our own internal operations (Scope 1 & 2) as well as motivate our upstream suppliers to take corresponding action to reduce Coherent Scope 3 emissions.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

50,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Estimated revenue impact computed by (Approximate total Coherent annual revenue) x (% potential revenue loss)

Approximate total Coherent revenue = $5,000,000,000

% potential revenue loss = 1%

This is a rough order of magnitude estimate of potential revenue loss only. The actual revenue impact could be larger or smaller, and depends on a number of factors that can not be precisely estimated at this time.

Cost of response to risk

200,000

Description of response and explanation of cost calculation

Coherent has received requests from multiple customers outlining their supplier requirements with respect to decarbonization. The details of the request vary by customer, but in general they include a Net Zero Scope 1 & Scope 2 target by 2030, 2040, or 2050, as well as a Scope 3 upstream reduction requirement of 50% by 2030.

The risk to Coherent is potential revenue risk if we fail to meet these customer requirements in the required long term time horizon.

The task at hand is to develop a plan to decarbonize our own internal operations (Scope 1 & 2) as well as motivate our upstream suppliers to take corresponding action.

Coherent has taken action to procure renewable electricity to reduce our Scope 2 emissions, and achieved ~38% renewable electricity in CY2022. Additional renewable energy procurement is planned for future years on an ongoing basis. Activities are ongoing for energy efficiency in all of our major manufacturing facilities around the globe. We are currently developing a plan for engaging our suppliers to address Scope 3 upstream emissions and expect to launch this program in 2023.

The estimated cost of response to this risk of $200,000 is based on the cost of renewable energy procured in CY2022, based on actual contract costs..

The total future cost of response to this risk will be higher based on the need to eventually ramp up to 100% renewable energy; growth in Coherent energy demand over the long term time horizon between now and the customer target date of 2030/2040/2050; and possible increase in the cost of renewable energy per kwh. Total future cost of response to this risk is unknown, but estimates range from $5,000,000 to $50,000,000 depending on the assumptions used for the variables in the analysis.

Comment

N/A

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Market

Increased cost of raw materials

Primary potential financial impact

Increased direct costs

Company-specific description

Coherent considers ESG a “whole supply chain" issue. Decarbonizing our operations includes not only our Scope 1 & 2 emissions, but also our upstream supplier emissions (Scope 3).

The risk is that suppliers will attempt to pass on the costs of decarbonization to Coherent, resulting in increased raw material costs.

The task at hand is to develop a plan to motivate our upstream suppliers to take corresponding action to decarbonize their operations, and to mitigate or eliminate any corresponding increase in raw material costs.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

5,000,000

Potential financial impact figure – maximum (currency)

50,000,000

Explanation of financial impact figure

Estimated cost impact computed by (Approximate total Coherent spending with suppliers) x (% cost increase average supplier adds)

Approximate total Coherent spending with suppliers = $2,500,000,000
% cost increase average supplier adds = 0.2% (min) to 2% (max)

Cost of response to risk

200,000

Description of response and explanation of cost calculation

Coherent considers ESG a “whole supply chain" issue. To transition to a low carbon business, we must decarbonize our operations. That includes not only our Scope 1 & 2 emissions, but also our upstream supplier emissions (Scope 3).

The risk is that suppliers will attempt to pass on the costs of decarbonization to Coherent, resulting in increased raw material costs.

The task at hand is to develop a plan to motivate our upstream suppliers to take corresponding action to decarbonize their operations, and to mitigate or eliminate any corresponding increase in raw material costs.

Coherent has begun to analyze Scope 3 upstream emissions in 2022 and is developing a plan to engage suppliers on decarbonization plans, including strategies to minimize the cost impact to the supplier and what amount of cost suppliers attempt to pass on to Coherent.

We expect to begin supplier communications in 2023. Complete implementation will take many years, potentially 2030/2040/2050 depending on what we determine as realistic objectives for decarbonizing our supply chain.

The estimated cost of response to this risk of $200,000 based on a proposal from a management consultant to assist Coherent to develop associated processes necessary to implement a decarbonization program with our suppliers. Total future cost of response to this risk is unknown at this time.

Comment

N/A

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

One of our major manufacturing sites in Fuzhou, China, is located in high-risk flood area.

The site has experienced flooding in the past (dating back to approximately 2015), and there is a risk that flooding could occur in the future. The risk is both damage to equipment and interruption of operations.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

58,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The cost estimate is based on:

Approximately $50,000,000 in potential damage to equipment, based upon the value of production equipment situated on the ground floor that could potentially be damaged if significant flooding were to occur.

Approximately $8,000,000 in potential lost revenues from business interruption of approximately 3 months for affected operations.

These estimates are based on data from a past incident of flooding at the site in approximately 2015, updated with current projections for equipment value and potential business interruption.

Cost of response to risk

30,000

Description of response and explanation of cost calculation

One of our major manufacturing sites in Fuzhou, China, is located in high-risk flood risk area.

The site has experienced flooding in the past (~2015), and there is a risk that flooding could occur in the future. The risk is both damage to equipment and interruption of operations.

The task at hand is to mitigate the risk of flooding and potential impact of flooding should it occur. Coherent has had a flood risk mitigation plan in place at the site for several years. The mitigation plan is reviewed at least annually, and there is periodic maintenance of the tools and supplies needed to address potential flooding. These actions will continue on an ongoing basis for the short, medium, and long term.

The estimated cost of response to this risk is $30,000 based on actual expenses to date in CY2022. Total future cost of response to this risk may change based on the possibility of increased flooding risk as a result of climate change.

Comment

N/A

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Coherent uses over 700,000,000kwh per year in energy. Opportunities exist for energy efficiency projects to reduce the total amount of energy consumed, or to be able to produce more output without using additional energy. This has a direct impact on reducing both our operating costs and reducing our Scope 1 and or Scope 2 greenhouse gas emissions.

All of our major manufacturing operations globally have ongoing energy efficiency efforts. This includes various types of projects from LED lighting, reducing IT energy consumption, optimizing production processes, eliminating compressed air leaks, installing more efficient pumps and chiller units, improving production yield, recovering waste heat, and a variety of other engineering projects.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

600,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The estimated financial impact is calculated by multiplying the estimated energy savings x the approximate average cost of energy per kwh in the facilities involved.

Energy Savings: 6,000,000 kwh
Average cost: $0.10/kwh

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Coherent uses over 700,000,000kwh per year in energy. Opportunities exist for energy efficiency projects to reduce the total amount of energy consumed, or to be able to produce more output without using additional energy. This has a direct impact on reducing both our operating costs and reducing our Scope 1 and or Scope 2 greenhouse gas emissions.

Across multiple facilities in China, the total annual energy consumption is ~200,000,000kwh per year.
The task at hand was to identify possible opportunities for energy savings, prioritize those opportunities based on potential savings and return on investment, obtain necessary internal approvals, and execute the projects.
In China, 35 projects were implemented in 2022 to improve energy efficiency or reduce the waste.
This includes various types of projects from LED lighting, reducing IT energy consumption, optimizing production processes, eliminating compressed air leaks, installing more efficient pumps and chiller units, improving production yield, recovering waste heat, securing equipment when not in use, and a variety of other engineering projects.

The cumulative energy savings from these 35 projects is estimated at over 6,000,000kwh per year.

The cost of implementation of these projects was not tracked and was absorbed into business-as-usual. In several cases, such as securing equipment when not in use, the true cost of implementation was actually zero.

Additional opportunity for additional energy savings projects exists in China and in other Coherent factories around the world. Coherent intends to pursue such additional projects but the costs and benefits for future years are not yet quantified, but likely exceed $1 million dollars per year and over $10 million dollars cumulatively over the long term meeting the threshold for this to be considered a substantive issue for Coherent.

Comment

n/a

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

The global urgency to decarbonize energy consumption is accelerating the “electrification of everything” and driving a sea change in power electronics technology with the adoption of Silicon Carbide, a wide-bandgap material that enables more efficient and compact power electronics subsystems than those based on silicon.

This represents a more than one billion dollar potential revenue opportunity for existing and future Coherent Silicon Carbide products.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The cumulative potential revenue for Coherent is estimated as over one billion dollars over the long term. Specific revenue estimates within a specific timeframe are confidential and not disclosed.

We are, among other strategic alternatives for our silicon carbide business, seeking strategic partners to accelerate the growth and development of this technology with the goal of investing an additional $1 billion in the development of Silicon Carbide technology over the next decade.

Coherent expects to have a positive return on this investment resulting in the minimum

estimate of $1 billion potential financial impact.

Cost to realize opportunity

1,000,000,000

Strategy to realize opportunity and explanation of cost calculation

The global urgency to decarbonize energy consumption is accelerating the “electrification of everything” and driving a sea change in power electronics technology with the adoption of Silicon Carbide, a wide-bandgap material that enables more efficient and compact power electronics subsystems than those based on silicon.

This represents more than a billion dollar potential revenue opportunity for existing and future Coherent Silicon Carbide products.

We are, among other things, seeking strategic partners to accelerate the growth and development of this technology with the goal of investing an additional $1 billion in the development of Silicon Carbide technology over the next decade.

To meet the accelerating global demand for SiC power electronics, Coherent is considering a significantly build-out of its nearly 300,000 square foot factory in Easton, to scale up the production of its state-of-the-art 150 mm and 200 mm SiC substrates and epitaxial wafers. Easton’s 150 mm and 200 mm SiC substrate output is expected to reach the equivalent of 1 million 150 mm substrates annually by 2027, with the proportion of 200 mm substrates growing over time. The expansion of the epitaxial wafer capacity in Kista, Sweden, is aimed at serving the European market.

Comment

n/a

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

No

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

We receive feedback on our climate transition progress from our shareholders through meetings with major investors, separate from the annual general meeting.

Coherent has developed a transition plan aligned with 1.5℃ world. Currently, the plan is still internal, and the details have not been publicly disclosed. However, public information about of our transition plan progress is available, to include our June 9, 2022 press release announcing that Coherent is now purchasing approximately 38% of our electricity from renewable sources. We intend to make additional climate announcements about our climate transition plan in the future through press releases and our annual ESG report. This information is available to major investors and they have the opportunity to provide feedback through the aforementioned meetings.

Frequency of feedback collection

Annually

Attach any relevant documents which detail your climate transition plan (optional)

Coherent has developed a transition plan aligned with 1.5℃ world. At this moment, it is still an internal target, and the details of which have not been publicly disclosed. Evidence of our transition plan progress has been publicly disclosed, such as a press release on June 9, 2022, announcing that Coherent was purchasing approximately 38% of our electricity from renewable sources. We intend to make additional announcements achieving significant milestones in our climate transition plan as they occur, in press releases and in an annual ESG report. Coherent's first ESG report was published in 2022 and is attached.

4122137s-coherent-esg-report-101722.pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Customized publicly available transition scenario	Facility	1.5ºC	Coherent's insurance companies assess climate-related risks associated with our facilities and provide prioritized recommendations for actions to take to mitigate those risks. Coherent factors those recommendations into its plans and operations strategy.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

What are the increased physical risks associated to our facilities and/or operations as a result of climate change, such as flooding, extreme precipitation, and wildfire? And, what actions can be taken to mitigate those risks?

Results of the climate-related scenario analysis with respect to the focal questions

Coherent's insurance companies along with Coherent's facilities and Enterprise Risk Management staff assess climate-related risks and provide prioritized recommendations for actions to take to mitigate those risks. Coherent reviews and acts upon many of these recommendations. Coherent factors those recommendations into its plans and operations strategy.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	With the growing demand for products that offer a low carbon footprint, offering products with a low carbon footprint may have a potentially significant impact on our business. Coherent actively develops and manufactures low power

		products to meet customer's need. Examples of low energy consumption product： 1.Silicon carbide enables high-efficiency power electronics for electric vehicles, solar and wind energy, and smart grids. 2. Coherent Steelerton DSP, miniaturized and with ultralow power dissipation, typically of 2 W, was designed specifically to enable 100 Gbps digital coherent optics (DCO) in a pluggable QSFP28 format, one of the most widely deployed 100 Gbps transceiver form factors in access networks.
Supply chain and/or value chain	Yes	Multiple global customers have imposed compliance with CDP disclosure requirements and requested that Coherent decarbonize its operations by various target dates (generally 2030/2040/2050). Several of these requests include targets around Scope 3 emissions, which has influenced Coherent's strategy around the timing and pace of our supply chain decarbonization plan.
Investment in R&D	Yes	Coherent is considering strategic alternatives for its silicon carbide business, including looking for strategic partners that would enable us to invest $1 billion over the next 10 years in silicon carbide technology to help enable the electrification of many applications as silicon carbide enables high-efficiency power electronics for electric vehicles, solar and wind energy, and smart grids.
Operations	Yes	Climate risk has actively figured into our energy procurement strategy. There are 3 pillars to our energy strategy: reliability; competitive and predictable cost; and sustainability. Our operations and procurement team factors all three of these elements into energy related decisions. In particular, our renewable energy procurement efforts have resulted in us procuring ~38% of our global electricity needs from renewable energy sources as of June 2022. Several Coherent locations are also subject to a Carbon Emission Trading System in Europe and China. These regulations related to climate risk have influenced our strategy for operations in multiple locations, including increased emphasis on renewable energy procurement and energy efficiency efforts. The potential for similar regulations affecting other Coherent operations has further motivated our strategy on renewable energy procurement and energy efficiency globally in a proactive manner, even before mandatory regulations are in place in other locations.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures	Climate related risks and opportunities have been integrated into our financial planning as these risks and opportunities must be evaluated in conjunction with our overall budgeting and financial planning process, as these financial impacts are in some cases significant. There is no independent process for specifically evaluating climate-related activities in our financial planning. Examples of climate related activities in our integrated financial plan: For example, in Zurich, Switzerland, Coherent uses fossil fuels to power building heating systems. The site paid $66,000 carbon tax in 2021 and $47,400 in 2022. This tax was included in our budget and financial planning, as well as the cost of engineering projects to eliminate this fossil fuel usage over time. We currently plan to eliminate fossil fuel usage for building heat in Zurich by 2025. In Singapore, the government imposed carbon tax in electricity tariff costs, and this increased cost was factored into our overall cost of operations and financial plan. In China, we launched an energy efficiency program across multiple facilities. 35 projects were completed ranging from LED lighting, securing equipment when not in use, upgrading to more efficient pumps and refrigeration units, or optimizing production parameters for improved product yield and/or lower energy use. Cumulatively these projects saved approximately 6,000,000 KWh/yr in electricity usage. The corresponding costs of the project along with $600,000 per year in annual energy savings have been included in our integrated financial plan. Coherent is seeking strategic alternatives for our silicon carbide business, including seeking strategic partners to accelerate the growth and development of this technology which would involve the making of significant capital expenditures, we had previously announced a $1 billion dollar investment over 10 years for investment in Silicon Carbide technology. These significant capital expenditures are integrated into our financial planning. This is a climate-related opportunity. The global urgency to decarbonize energy consumption is accelerating the

		“electrification of everything” and driving a sea change in power electronics technology with the adoption of SiC, a wide-bandgap material that enables more efficient and compact power electronics subsystems than those based on silicon. To meet the accelerating global demand for SiC power electronics, Coherent is considering significantly build out its nearly 300,000 square foot factory in Easton, to scale up the production of its state-of-the-art 150 mm and 200 mm SiC substrates and epitaxial wafers. Easton’s 150 mm and 200 mm SiC substrate output is expected to reach the equivalent of 1 million 150 mm substrates annually by 2027, with the proportion of 200 mm substrates growing over time. The expansion of the epitaxial wafer capacity in Kista is aimed at serving the European market. In Zurich, we are investing approximately $200,000 to install a solar PV system for on site renewable energy generation, both for greenhouse gas emissions reduction and economic benefits. This investment is integrated into our financial planning.

C3.5

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization’s climate transition
Row 1	No, but we plan to in the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a	Coherent's energy usage and location-based emissions are forecast to	Coherent has been analyzing our energy usage and greenhouse gas footprint and assessing practical strategies and realistic targets for our

	target in the next two years	increase over the next 5 years, by approximately 50%, due to business growth. Coherent's market-based emissions are projected to decrease over the next 5 years, by approximately 10%, due to significantly increased use of renewable energy.	greenhouse gas reduction program, such that a plan for achievement of any target is defined prior to any target commitment. This evaluation included, among other things, assessing the impact of an acquisition in 2022 which significantly increased our global energy usage and greenhouse gas emissions footprint. This analysis has been largely completed. Coherent is actively discussing Scope targets internally and expects to publish Scope 1 & 2 emissions reduction targets in its 2023 ESG report.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2022

Target coverage

Company-wide

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Low-carbon energy source(s)

Base year

2021

Consumption or production of selected energy carrier in base year (MWh)

561,645,155

% share of low-carbon or renewable energy in base year

26.3

Target year

2022

% share of low-carbon or renewable energy in target year

38

% share of low-carbon or renewable energy in reporting year

38

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

Coherent is committed to increasing renewable energy usage as a significant means of reducing our carbon footprint. We are executing to an internal plan and roadmap, the details of which have not been publicly disclosed. We will, however, publicly report our progress in press releases and our annual ESG report. For CY2021, we were approximately 26% renewable electricity. For CY2022, we were approximately 38% renewable. As of April 2023, we had achieved 50% renewable electricity.

Is this target part of an overarching initiative?

RE100

Science Based Targets initiative

Please explain target coverage and identify any exclusions

Coherent is committed to increasing renewable energy usage as a significant means of reducing our carbon footprint. We are executing to an internal plan and roadmap, the details of which have not been publicly disclosed. We will, however, publicly report our progress in press releases and our annual ESG report. For CY2021, we were approximately 26% renewable electricity. For CY2022, we were approximately 38% renewable. As of April 2023, we had achieved 50% renewable electricity.

This effort includes all Coherent operations globally, with no exclusions. The figures above are based on our global total electricity usage and global renewable energy usage.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

The primary activity involved is renewable energy procurement contracts. In 2022, this included over 200,000 MWh of renewable energy.

To a lesser degree, our energy efficiency efforts help increase our % renewable energy by decreasing our total energy usage. We also have on-site solar energy systems at several locations around the world.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	92	22,180
To be implemented*	7	4,008
Implementation commenced*	68	6,817
Implemented*	46	48,571
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption

Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)

80,891

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

200,000

Payback period

No payback

Estimated lifetime of the initiative

3-5 years

Comment

Approximate additional cost of renewable energy contracts for Coherent in CY2022 compared to non-renewable energy contracts for the same amount of energy.

Initiative category & Initiative type

Energy efficiency in production processes

Waste heat recovery

Estimated annual CO2e savings (metric tonnes CO2e)

730

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

184,000

Investment required (unit currency – as specified in C0.4)

200,000

Payback period

1-3 years

Estimated lifetime of the initiative

>30 years

Comment

Our Zurich, Switzerland site implemented several engineering improvements to enable waste heat recovery from production processes to reduce fossil fuel usage for building heat. Approximately 50% fuel reduction achieved in 2022 for the site, with additional activities planned to eliminate fossil fuel usage on or about 2025.

Initiative category & Initiative type

Energy efficiency in production processes

Waste heat recovery

Estimated annual CO2e savings (metric tonnes CO2e)

470

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

60,482

Investment required (unit currency – as specified in C0.4)

17,300

Payback period

4-10 years

Estimated lifetime of the initiative

>30 years

Comment

Our Wuxi, China, site installed solar hot water system and a waste heat recovery system on the factory air compressor unit to heat domestic hot water for use in restrooms. Both projects will save 264,040 kWh and 212,140 kWh respectively annually.

Our Shanghai, China, site installed variable frequency drive air compressors, for more efficient operation and energy consumption compared to previous generation air compressors they replaced. The project led to 120,000 kWh in energy saving annually.

Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

2,050

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

378,466

Investment required (unit currency – as specified in C0.4)

79,000

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

17 projects were implemented in by optimizing production processes. The top 3 energy saving projects are:
a) Our Göttingen, Germany, site reduced building heat temperature setpoints, and optimized the heating system. The project started at Jul 2022, and estimated annual saving the electricity at 1,229,139 kWh.
b) Our Fuzhou, China, optimized temperature setpoints in manufacturing processes, savingpower consumption by 404,080 kWh annually.
c) Our Wuxi, China, site reduced burn-in cycle times for various laser products (from 84hrs to 60hrs), which will save 361,410 kWh annually, with no impact on product quality as confirmed by process engineering and reliability studies.

Initiative category & Initiative type

Energy efficiency in buildings
Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)

67

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

5,400

Investment required (unit currency – as specified in C0.4)

20,295

Payback period

1-3 years

Estimated lifetime of the initiative

>30 years

Comment

Our Wuxi, China, site installed intelligent switches to control the outdoor lighting on campus, which could detect the ambient light intensity and switch lights on/off automatically. Project can save electricity by 31,930 kWh annually. Additionally, the site installed timing controllers to switch off hot water systems during non-working hours. This project saved 12,600 kWh annually.

Several European sites installed intelligent systems which can turn off air-compressors automatically when operation is not required. We estimate that the project will produce 80,000 kWh in annual electricity savings.

Initiative category & Initiative type

Energy efficiency in buildings
Maintenance program

Estimated annual CO2e savings (metric tonnes CO2e)

1,721

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

221,462

Investment required (unit currency – as specified in C0.4)

340,000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Several projects to replace aged and inefficient facility infrastructure/support items were implemented in 2022, resulting in 2,182,986 kWh in electricity saving. For example:
a) Fuzhou, China, factory installed a high efficiency refrigeration system to replace the prior unit. We estimated that it will bring 1,000,000 kWh saving annually.
b) Our Ipoh, Malaysia, site installed 2 sets of New Turbo Centrifugal Air Compressor to

replace aged Screw Air Compressors which was due for overhaul. The projects led to 841,034 kWh on electricity saving. The site also re-engineered air piping arrangement to reduce the energy dispersion, with annual savings of 240,000 kWh on electricity.
c) Our Guangzhou, China, site improved thermal insulation across chilled water pipelines throughout the facility. The project resulted in 101,952 kWh on electricity saving.

Initiative category & Initiative type

Company policy or behavioral change

Other, please specify

Implement energy savings through all-hands awareness training

Estimated annual CO2e savings (metric tonnes CO2e)

1,125

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

149,000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

1-2 years

Comment

Multiple sites implemented an all-hands energy awareness program.

The main contents include: switch off the light in non-working hours, turn off the air-conditioner system in office areas on weekends, turn off display monitors in non-working time, etc.

By the cumulative effort of thousands of employees making small changes, our Fuzhou, China, site could save 732,050 kWh annually after we implemented turning off HVAC systems in office areas on weekends. Our Wuxi, China, site uses a large number of computer monitors, each using approximately 75W in power capacity. By turning the monitors off when not in use, approximately 3-hours off per day on average, we saved 270,190 kWh.

13 similar projects were implemented in operations across the world without capital investments or expenses.

Initiative category & Initiative type

Energy efficiency in buildings
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

74

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

9,200

Investment required (unit currency – as specified in C0.4)

16,500

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Coherent promotes use of high-efficiency lighting across the world.

For example, Fuzhou site replace fluorescent lamp with LED light as illumination source in UV inspection devices. Singapore and Zurich replaced the traditional light bulbs with LED lighting.

Similar efforts have been completed in numerous facilities across the world.

Initiative category & Initiative type

Company policy or behavioral change
Resource efficiency

Estimated annual CO2e savings (metric tonnes CO2e)

83

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
10,700

Investment required (unit currency – as specified in C0.4)
10,700

Payback period
No payback

Estimated lifetime of the initiative
3-5 years

Comment
In our Shenzhen, China, manufacturing site, the site found another company in the same building had redundant chilled water capacity, which can cover our requirements. The two companies reached an agreement to share chilled water resources, eliminating the need for a dedicated system for each company, resulting in lower combined energy usage and cost.

Initiative category & Initiative type
Company policy or behavioral change
Site consolidation/closure

Estimated annual CO2e savings (metric tonnes CO2e)
211

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
73,000

Investment required (unit currency – as specified in C0.4)
80,000

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment

To optimize our operation, several sites or production lines were integrated or relocated.

The details of such consolidation are confidential, but we estimated energy savings from the consolidation as 523,010 kWh annually.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for other emissions reduction activities	Energy procurement activities are coordinated at a corporate level, including renewable energy procurement. Approximately $200,000 was allocated and spent on renewable electricity spending in 2022, achieving 38% renewable electricity on a global basis.
Compliance with regulatory requirements/standards	Several Coherent sites are subject to Carbon Emissions Trading schemes, and each of these sites factors compliance with such regulation into their operations and financial plan. For example, Wuxi and Shenzhen sites in China are currently under such regulatory requirements. Both sites procure renewable energy and pursue energy efficiency activities in order to comply with the regulatory requirements. - Wuxi site has renewable energy contracts in place to for ~22% renewable electricity in 2022, and ramping up to ~50% in 2023, ~75% in 2024, and 100% in 2025. - Shenzhen procures 100% renewable electricity.
Dedicated budget for other emissions reduction activities	Our Zurich, Switzerland, site is subjected to carbon tax each year due to the combustion of fuel oil. We paid $66,000 as carbon tax in 2021, and $47,400 in 2022. The site has defined and partially executed projects to eliminate fuel oil usage over time, approximately 50% reduction in 2022 and full elimination planned on or about 2025. Estimated cost of these projects is $200,000.
Employee engagement	Multiple sites implemented an all-hands energy awareness program. The main contents include: switching off the lights in non-working time, turning off the air-conditioner system on weekends, turn off display monitors in non-working time, etc. By the cumulative effort of thousands of employees making small changes, our Fuzhou, China, site could save 732,050 kWh annually after we implemented HVAC off on weekend. Our Wuxi, China, site uses a large number of computer monitors, each using approximately

	75W in power capacity. By turning the monitors off when not in use, approximately 3-hours off per day on average, we saved 270,190 kWh. 13 similar projects were implemented in operations across the world without capital investments or expenses.
Dedicated budget for low-carbon product R&D	We are, among other strategic alternatives for our silicon carbide business, seeking strategic partners to accelerate the growth and development of this technology with the goal of investing an additional $1 billion in the development of Silicon Carbide technology over the next decade. The global urgency to decarbonize energy consumption is accelerating the “electrification of everything” and driving a sea change in power electronics technology with the adoption of SiC, a wide-bandgap material that enables more efficient and compact power electronics subsystems than those based on silicon.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Yes, other structural change, please specify

In previous reporting year (CY2021), we only disclosed sites with headcount >=50, and excluded 2 business units. In CY2022 disclosure, we extend the scope to all sites globally with no exclusions.

Name of organization(s) acquired, divested from, or merged with

II-VI Inc. acquired Coherent Inc.

Details of structural change(s), including completion dates

II-VI Inc. acquired Coherent, Inc. on July 1, 2022.

On Sept 8, 2022, we announced a corporate name change to Coherent Corp. (Nasdaq: COHR) and a new brand identity, following the successful completion of II-VI's acquisition of Coherent, Inc., on July 1, 2022.

This disclosure includes consumption and emissions spanning Jan 1 – Dec 31, 2022, for legacy II-VI Incorporated and July 1 – Dec 31, 2022 for legacy Coherent, Inc.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	In previous reporting year (CY2021), we only disclosed sites with headcount >=50, and excluded 2 business units. In CY2022 disclosure, we extend the scope to all sites globally with no exclusions. Sites acquired during the reporting period are included from the date of acquisition forward. II-VI Incorporated acquired Coherent, Inc on July 1, 2022. On Sept 8, 2022, we announced:II-VI Incorporated (Nasdaq: IIVI), a leader in engineered materials and optoelectronic components, today announced a corporate name change to Coherent Corp. (Nasdaq: COHR) and a new brand identity, following the successful completion of II-VI's acquisition of Coherent, Inc., on July 1, 2022. This disclosure includes consumption and emission in for the entirety of Jan 1 – Dec 31, 2022, for legacy II-VI Incorporated and

		from July 1 – Dec 31, 2022 for legacy Coherent, Inc., based on the date of acquisition.

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	No, because the operations acquired or divested did not exist in the base year	As Coherent Corp. has not yet issued a public decarbonization target with respect to any given base year, there is no reason to restate a base year after the change in boundary or structural changes.	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

35,266

Comment

N/A

Scope 2 (location-based)

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

277,926

Comment

N/A

Scope 2 (market-based)

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

236,402

Comment

N/A

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

55,254

Comment

Consistent with the reporting boundary defined, these figures include emissions from all Coherent operations globally with no exclusions. For sites/operations acquired during the reporting year, emissions figures are included from the date of acquisition forward.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Consistent with the reporting boundary defined, these figures include emissions from all Coherent operations globally with no exclusions. For sites/operations acquired during the reporting year, emissions figures are included from the date of acquisition forward.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

304,709

Scope 2, market-based (if applicable)

223,817

Comment

Consistent with the reporting boundary defined, these figures include emissions from all Coherent operations globally with no exclusions. For sites/operations acquired during the reporting year, emissions figures are included from the date of acquisition forward.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Please explain

Coherent believes our emissions in this category are relevant but has not yet estimated them. Efforts to estimate this category are underway and expected to be published in a future disclosure.

Capital goods

Evaluation status

Relevant, not yet calculated

Please explain

Coherent believes our emissions in this category are relevant but has not yet estimated them. Efforts to estimate this category are underway and expected to be published in a future disclosure.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

90,773

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

FERA estimated by a third party agency based on Coherent's energy usage of each type in each location, multiplied by relevant location-specific factors to determine FERA contribution for transportation, line loss, etc. Latest available factors from WTT and US EPA were used. Third party agency used data from energy providers in their calculations.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

Coherent believes our emissions in this category are relevant but has not yet estimated them.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Please explain

Coherent believes our emissions in this category are relevant but has not yet estimated them.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

22,252

Emissions calculation methodology

Average data method

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

12

Please explain

Coherent business travellers use multiple different booking agencies and travel management companies.

Business travel emissions estimated from emissions report from our largest travel management company, and extrapolated by multiplying this figure x (total travel

spending / travel spending with the reporting travel management company)

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

38,973

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Employee commuting emissions estimated by a third party using a report of Coherent employee headcount by location, multiplied by location specific factors for commuting impact, based on latest available data on estimated distribution of modes of transportation, commuting distance, and emissions impact of each.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Coherent does not have significant upstream leased assets.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

Coherent believes our emissions in this category are relevant but has not yet estimated them.

Processing of sold products

Evaluation status

Relevant, not yet calculated

Please explain

Coherent believes our emissions in this category are relevant but has not yet estimated them.

Use of sold products

Evaluation status

Relevant, not yet calculated

Please explain

Coherent believes our emissions in this category are relevant but has not yet estimated them.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Please explain

Coherent believes our emissions in this category are relevant but has not yet estimated them.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Coherent does not have significant downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Coherent does not have franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Coherent does not have significant investments that are not included in our Scope 1 & 2 reporting boundary

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

To our knowledge, we have no other significant type of CO2e emissions.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

To our knowledge, we have no other significant type of CO2e emissions.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000063

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

279,071

Metric denominator

unit total revenue

Metric denominator: Unit total

4,429,600,000

Scope 2 figure used

Market-based

% change from previous year

26

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption
Other emissions reduction activities
Acquisitions
Change in revenue

Please explain

In CY2021, Coherent Scope 1 & 2 market-based emissions were ~ 272,000 MT CO2e, and revenues of $3.194 billion.

In this reporting period, CY2022, Coherent revenues increased to $4.430 billion, a 39% increase. This was due in part to a significant acquisition that closed on July 1, 2022. Our Scope 1 & 2 market-based emissions were slightly increased at ~279,000 MT CO2e.

Our emissions intensity, in MT CO2e per $ of revenue, therefore decreased by 26%. Our significant efforts in renewable energy procurement and energy efficiency allowed us to keep overall market based emissions roughly flat despite significant year over year revenue increase. Our renewable energy % increased from 26% in CY2021 to 38% in CY2022.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	19,148	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	2.44	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	270.86	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	5,826.63	IPCC Fourth Assessment Report (AR4 - 100 year)
PFCs	14,378.7	IPCC Fourth Assessment Report (AR4 - 100 year)
SF6	15,763.96	IPCC Fourth Assessment Report (AR4 - 100 year)

NF3	0	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
United States of America	31,836
China	4,447
Other, please specify Asia (excluding China)	3,632
Europe	15,339

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Stationary combustion by gas (natural gas or LPG)	17,280
Stationary combustion by fuel oil	699
Mobile Combustion by fuel oil	491
Process Chemical	36,784

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	99,199	61,255
China	140,363	120,337
Other, please specify Asia(excluding China)	53,810	41,482
Europe	11,337	743

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Purchased Electricity	303,388	222,496
Purchased Steam and Heat	1,295	1,295
Purchased Chilled Water	26	26

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	39,500	Decreased	14	Coherent purchased ~148,000,000kwh of renewable electricity in CY2021, for a savings of ~41,500 MT CO2e compared to our location-based emissions. This was ~26% of our total electricity usage.

				Coherent increased renewable energy purchases approximately 69% year over year to ~250,000,000 kwh in CY2022. This was a savings of ~81,000 MT CO2e compared to our location-based emissions. Thus, we reduced an incremental ~39,500 MT CO2e due to our increased renewable energy usage. Comparing to our total market-based CO2e emission in Scope 1+2 at 278,980 MT, we reduced by 17% by increasing the ratio of renewable energy.
Other emissions reduction activities	5,000	Decreased	1.8	Coherent sites around the world completed numerous energy efficiency projects, including installation of heat recovery systems, optimization of process settings, intelligent power monitoring systems, LED lighting, and upgrading pumps and refrigeration units. The cumulative emissions savings from these projects is over 5,000 MT CO2e in 2022. Comparing to our total market-based CO2e emission in Scope 1+2, we reduced emissions by ~1.8% by energy saving projects.
Divestment	0	No change	0	
Acquisitions	15,500	Increased	5.6	Coherent Corp. completed a significant acquisition of Coherent, Inc. on July 1, 2022. Emissions related to the acquired operations have been included this disclosure from the date of acquisition forward. This was approximately: 2,300 MT CO2e emission in Scope 1 13,200 MT CO2e emission in Scope 2 Total, we increased 15,500 MT CO2e emission due to acquisition. Comparing to our total market-based

				CO2e emission in Scope 1+2, we increased ~5.6% by business acquisition.
Mergers	0	No change	0	
Change in output	36,200	Increased	13	Change in emissions from 2021 to 2022 was a net increase of ~7,000 MT CO2e, from 272,000 MT CO2e to 279,000 MT CO2e. After adjusting for increased renewable energy purchases (-39,500 MT), energy efficiency savings (-5,000 MT), and acquisition (+15,500 MT), the remaining difference of ~36,000 MT CO2e is attributed to increased output across multiple Coherent product lines and facilities. This is consistent with our increase in total energy usage of ~100,000 MWh. Comparing to our total market-based CO2e emission in Scope 1+2, we increase by 13% for increased output.
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	503	95,522	96,025
Consumption of purchased or acquired electricity		250,429	380,414	630,843

Consumption of purchased or acquired heat		0	1,476	1,476
Consumption of purchased or acquired steam		0	6,109	6,109
Consumption of purchased or acquired cooling		0	143	143
Consumption of self-generated non-fuel renewable energy		390		390
Total energy consumption		251,322	483,663	734,956

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

LHV

Total fuel MWh consumed by the organization

232

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

232

MWh fuel consumed for self-generation of steam

0

Comment

One of our sites in German consume biomass energy for heat.

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

Comment

No other biomass utilized in 2022.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

Comment

No other renewable fuels utilized in 2022.

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

Comment

No coal utilized in 2022.

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

1,688

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

1,688

Comment

We consumed fuel oil for steam in some locations as stationary combustion. Coherent does not have a significant vehicle fleet and mobile combustion sources are not tracked.

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

91,728

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

82,781

MWh fuel consumed for self-generation of steam

8,947

Comment

Numerous locations use natural gas for stationary combustion.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

3,075

MWh fuel consumed for self-generation of electricity

2,587

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

488

Comment

We had some sites consumed LPG and diesel oil for producing energy.

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

96,723

MWh fuel consumed for self-generation of electricity

2,587

MWh fuel consumed for self-generation of heat

83,012

MWh fuel consumed for self-generation of steam

11,124

Comment

This total usage of fuel include all natural gas, LPG, diesel oil and fuel oil consumption by stationary combustion. Coherent does not have a significant vehicle fleet and mobile combustion is not tracked.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1,525.93	0	1,525.93	1,525.93
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

China

Sourcing method

Project-specific contract with an electricity supplier

Energy carrier

Electricity

Low-carbon technology type

Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

15,202

Tracking instrument used

GEC

Country/area of origin (generation) of the low-carbon energy or energy attribute

China

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Wuxi site started with 22% renewable energy purchasing from solar power plant with GEC since 2022.

Country/area of low-carbon energy consumption

China

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

10,000

Tracking instrument used

I-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

China

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Cover 3 sites in Shanghai, Suzhou and Shenzhen on China.

Country/area of low-carbon energy consumption

India

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

241

Tracking instrument used

I-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

India

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Coherent's primary operations in India is an IT center.

Country/area of low-carbon energy consumption

Philippines

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

9,471

Tracking instrument used

I-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

Philippines

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Covers 2 sites in the Philippines.

Country/area of low-carbon energy consumption

Thailand

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

27

Tracking instrument used

I-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

Thailand

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Covers one site in Thailand.

Country/area of low-carbon energy consumption

Viet Nam

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

200,000

Tracking instrument used

I-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

Viet Nam

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Cover 1 site in Vietnam with 97% from renewable resource.

Country/area of low-carbon energy consumption

Japan

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

25

Tracking instrument used

J-Credit (Renewable)

Country/area of origin (generation) of the low-carbon energy or energy attribute

Japan

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Cover 2 office sites in Japan.

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

45,000

Tracking instrument used

US-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Allocated to multiple sites across US

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

20,000

Tracking instrument used

US-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Allocated to multiple sites across the US

Country/area of low-carbon energy consumption

Belgium

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

8

Tracking instrument used

GO

Country/area of origin (generation) of the low-carbon energy or energy attribute

Belgium

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Cover 1 office site in Belgium

Country/area of low-carbon energy consumption

Italy

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

8

Tracking instrument used

GO

Country/area of origin (generation) of the low-carbon energy or energy attribute

Italy

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Cover 1 office site in Italy.

Country/area of low-carbon energy consumption

Sweden

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

382

Tracking instrument used

GO

Country/area of origin (generation) of the low-carbon energy or energy attribute

Sweden

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Covers 2 locations in Sweden

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

11

Tracking instrument used

GO

Country/area of origin (generation) of the low-carbon energy or energy attribute

United Kingdom of Great Britain and Northern Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

n/a

Country/area of low-carbon energy consumption
Spain

Sourcing method
Unbundled procurement of energy attribute certificates (EACs)

Energy carrier
Electricity

Low-carbon technology type
Renewable energy mix, please specify
Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
25

Tracking instrument used
GO

Country/area of origin (generation) of the low-carbon energy or energy attribute
Spain

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment
n/a

Country/area of low-carbon energy consumption
Finland

Sourcing method
Unbundled procurement of energy attribute certificates (EACs)

Energy carrier
Electricity

Low-carbon technology type
Renewable energy mix, please specify
Various sources in unbundled REC purchase

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

566

Tracking instrument used

GO

Country/area of origin (generation) of the low-carbon energy or energy attribute

Finland

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

n/a

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier

Electricity

Low-carbon technology type

Wind

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

13,450

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Allocated to multiple sites across the US

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier

Electricity

Low-carbon technology type

Wind

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

5,437

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Cover 1 site in US with 100% renewable electricity.

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier
Electricity

Low-carbon technology type
Wind

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
49,728

Tracking instrument used
Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute
United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?
No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment
Covers 3 sites in US

Country/area of low-carbon energy consumption
Switzerland

Sourcing method
Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier
Electricity

Low-carbon technology type
Hydropower (capacity unknown)

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
12,018

Tracking instrument used
Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

Switzerland

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

n/a

Country/area of low-carbon energy consumption

Germany

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources, not specified in contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

13,926

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

Germany

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Covers multiple with 100% renewable electricity.

Country/area of low-carbon energy consumption

Sweden

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources, not specified in contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

9,808

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

Sweden

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Covers 1 site in Sweden with 100% renewable electricity.

Country/area of low-carbon energy consumption

United Kingdom of Great Britain and Northern Ireland

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

Various sources, not specified in contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

22,611

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

United Kingdom of Great Britain and Northern Ireland

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Allocated to multiple sites in the UK

Country/area of low-carbon energy consumption

United States of America

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier

Electricity

Low-carbon technology type

Wind

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2,486

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Supply electricity to 2 sites since Oct -2022.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

United States of America

Consumption of purchased electricity (MWh)

281,721.21

Consumption of self-generated electricity (MWh)

610.6

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

282,331.81

Country/area

China

Consumption of purchased electricity (MWh)

176,769.44

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

6,108.79

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

182,878.23

Country/area
Israel

Consumption of purchased electricity (MWh)
0.37

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

0.37

Country/area
India

Consumption of purchased electricity (MWh)
241.39

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

241.39

Country/area

Japan

Consumption of purchased electricity (MWh)

205.18

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

205.18

Country/area

Republic of Korea

Consumption of purchased electricity (MWh)

4,158.93

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

4,158.93

Country/area

Malaysia

Consumption of purchased electricity (MWh)

66,402.68

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

66,402.68

Country/area

Philippines

Consumption of purchased electricity (MWh)

9,471.44

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

9,471.44

Country/area

Singapore

Consumption of purchased electricity (MWh)

6,947.21

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

6,947.21

Country/area
Thailand

Consumption of purchased electricity (MWh)
26.6

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

26.6

Country/area
Viet Nam

Consumption of purchased electricity (MWh)
20,612.26

Consumption of self-generated electricity (MWh)
635.33

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

21,247.59

Country/area
Belgium

Consumption of purchased electricity (MWh)
8

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

8

Country/area

Switzerland

Consumption of purchased electricity (MWh)

12,017.52

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

700

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

12,717.52

Country/area

Germany

Consumption of purchased electricity (MWh)

13,980.83

Consumption of self-generated electricity (MWh)

212

Consumption of purchased heat, steam, and cooling (MWh)

243.24

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

14,436.07

Country/area

Spain

Consumption of purchased electricity (MWh)

25.3

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

25.3

Country/area

Finland

Consumption of purchased electricity (MWh)

566.43

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

674.91

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1,241.34

Country/area

France

Consumption of purchased electricity (MWh)

19.9

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

19.9

Country/area

Italy

Consumption of purchased electricity (MWh)

420.31

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

420.31

Country/area

Netherlands

Consumption of purchased electricity (MWh)

111.59

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

111.59

Country/area
Sweden

Consumption of purchased electricity (MWh)
10,753.57

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
159.72

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

10,913.29

Country/area
United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)
22,725.34

Consumption of self-generated electricity (MWh)
68

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

22,793.34

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Not applicable

Attach the statement

Energy Data Quality Carbon Accounting Methologies_Documentation_063023v2.docx

Page/ section reference

pages 1~3

Coherent uses a third-party for energy management on a global basis. The third-party tracks all energy usage from utility invoices, and calculates the associated emissions. This process covers ~72% of our Scope 1 emissions.

For other chemicals, data is provided by Coherent to the third party for inclusion in

emissions calculations. The third party validates the emissions calculation but not the underlying chemical usage. This process covers the remaining Scope 1 emissions.

Relevant standard

Other, please specify

WRI GHG Protocol /WBCSD GHG Protocol

Proportion of reported emissions verified (%)

72

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Not applicable

Attach the statement

Energy Data Quality Carbon Accounting Methologies_Documentation_063023v2.docx

Page/ section reference

pages 1-3

Coherent uses a third-party for energy management on a global basis. The third-party tracks all electricity usage from utility invoices, and calculates the associated emissions. This process covers ~99% of our Scope 2 emissions.

Coherent uses a small amount of purchased steam and purchased chill water. This information is tracked by Coherent and information is provided to the third party for inclusion in overall Scope 2 tracking.

Relevant standard

Other, please specify

WRI GHG Protocol /WBCSD GHG Protocol

Proportion of reported emissions verified (%)

99

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Not applicable

Attach the statement

Energy Data Quality Carbon Accounting Methologies_Documentation_063023v2.docx

Page/ section reference

Pages 1-3

Coherent uses a third-party for energy management on a global basis. The third-party tracks all electricity usage from utility invoices, and calculates the associated emissions; as well as all voluntary renewable energy contracts. This process covers ~99% of our Scope 2 emissions.

Coherent uses a small amount of purchased steam and purchased chill water. This information is tracked by Coherent and information is provided to the third party for inclusion in overall Scope 2 tracking.

Relevant standard

Other, please specify

WRI GHG Protocol /WBCSD GHG Protocol

Proportion of reported emissions verified (%)

99

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Not applicable

Attach the statement

Energy Data Quality Carbon Accounting Methologies_Documentation_063023v2.docx

Page/section reference

1-3

FERA calculation as discussed in supporting statement.

Relevant standard

Other, please specify

See attached statement for explanation of methodology. FERA calculated based on energy use in each location and established factors for FERA from UK DEFRA and US EPA. Calculations performed by third party.

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Not applicable

Attach the statement

Energy Data Quality Carbon Accounting Methologies_Documentation_063023v2.docx

Page/section reference

1-3

Business Travel emissions calculation as discussed in supporting statement

Relevant standard

Other, please specify

See attached statement for explanation of methodology. Estimated emissions provided by Coherent's primary travel management company. These figures were extrapolated based on total travel spending compared to spending with that travel company.

Proportion of reported emissions verified (%)

12

Scope 3 category

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Not applicable

Attach the statement

Energy Data Quality Carbon Accounting Methologies_Documentation_063023v2.docx

Page/section reference

1-3

Employee Commuting emissions calculation as discussed in supporting statement

Relevant standard

Other, please specify

See attached statement for explanation of methodology. Coherent headcount by location was multiplied by assumed values for number of days per week commuting and relevant factors for assumed commuting distance and mode of transportation for each site

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	WRI/WBCSD GHG Protocol	Energy consumption is part of the third-party verification process 1
C8. Energy	Renewable energy products	WRI/WBCSD GHG Protocol	Energy consumption is part of the third-party verification process, including tracking and validation of all renewable energy contracts. 1

[1]Energy Data Quality Carbon Accounting Methologies_Documentation_063023v2.docx

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Shenzhen pilot ETS

Switzerland carbon tax

Zurich, Switzerland site : CO2 tax on heating oil

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Shenzhen pilot ETS

% of Scope 1 emissions covered by the ETS

0

% of Scope 2 emissions covered by the ETS

2.6

Period start date

January 1, 2022

Period end date

December 31, 2022

Allowances allocated

7,674

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

0

Verified Scope 2 emissions in metric tons CO2e

5,685

Details of ownership

Facilities we operate but do not own

Comment

Coherent's Shenzhen, China, location was included in Shenzhen ETS. The government allocates a carbon allowance based on the site's emissions and productivity in 2018~2020 as a baseline. With various energy efficiency improvements, the site saved 1,989 MT CO2e in 2022 compared to the baseline. Coherent Shenzhen site's emissions were decreased by 12.8% compared to the prior year, for similar level of production output. Shenzhen ETS has not finalized the carbon allowance for 2022, which is estimated to be released after the deadline of CDP disclosure.

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Switzerland carbon tax

Period start date

January 1, 2022

Period end date

December 31, 2022

% of total Scope 1 emissions covered by tax

0.66

Total cost of tax paid

47,400

Comment

The site paid carbon tax for natural gas usage in 2022.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Coherent complies with all laws and regulations that apply to us. With regards to carbon taxes and carbon trading schemes / limits, we have robust internal processes for understanding our energy usage and carbon emissions per site. We have internal efforts to drive energy efficiency and renewable energy procurement to reduce our emissions consistent with our internal transition plan to become a low-carbon operation, which in general is more aggressive than any legal requirements for emissions reduction we are currently subjected to. These combined efforts will ensure that we meet any regulatory requirements on carbon emissions.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Climate change performance is featured in supplier awards scheme

% of suppliers by number

1

% total procurement spend (direct and indirect)

1

% of supplier-related Scope 3 emissions as reported in C6.5

1

Rationale for the coverage of your engagement

Coherent awards supplier-of-the-year awards each year in multiple categories, including Quality, Safety, Technology, etc., including an award category specifically for ESG performance. While 100% of suppliers are potentially considered, only approximately 1% of all suppliers will be selected for an award.

Impact of engagement, including measures of success

Since receiving the supplier of the year award for the ESG category for the reporting period, the recipient has significantly increased engagement on multiple fronts, including executive meetings, joint projects on energy efficiency, increased collaboration on decarbonization efforts for Coherent, and collaboration on new product offerings for the supplier. The level of engagement is disproportional to the actual Coherent spending with the supplier, and is direct result of the incentivization and recognition stemming from the ESG supplier of the year award.

Comment

Coherent awards supplier-of-the-year awards each year in multiple categories, including Quality, Safety, Technology, etc., including an award category specifically for ESG performance. While 100% suppliers are potentially considered, only approximately 1% of all suppliers will be selected for an award.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

22

% of customer - related Scope 3 emissions as reported in C6.5

22

Please explain the rationale for selecting this group of customers and scope of engagement

A number of Coherent customers actively engage with us as part of their own Scope 3 emissions programs, to seek information from Coherent on our emissions and climate changes performance. This comes through several different channels, including CDP supply chain membership and requests for CDP disclosure by Coherent, other ESG surveys, and direct engagement. Coherent provides disclosure on our emissions and climate change performance in response to these requests, as well as discussions around targets, progress towards targets, best practice sharing, and possible collaboration to advance the decarbonization ambitions both of the customers and of Coherent.

Impact of engagement, including measures of success

Participation in providing the requested information on Coherent's emissions and climate action is a requirement of these particular customers. The measure of success is derived from our revenues with these customers. The exact details of our revenue and the revenue trend with specific customers is confidential. However, Coherent is able to state that we have not lost any revenue opportunities due to customers being dissatisfied with our emissions reduction and climate action progress. $0 revenue lost = success.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

No, we have assessed our activities, and none could either directly or indirectly influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, and we do not plan to have one in the next two years

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

The Coherent Chief Sustainability Officer is responsible for ESG and climate action, and also for Risk Management, Mergers and Acquisition, and Government Affairs. As such,

the CSO would be aware of any action to influence policy, regulation, or law related to climate action, and ensure consistency with our climate commitments and transition plan.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Judged to be unimportant

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

We do not believe Coherent has sufficient influence to have a meaningful impact on policy, regulation, or law on climate action.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

1

4122137s-coherent-esg-report-101722.pdf

Page/Section reference

Page 8: ESG oversight
Page 9: ESG program pillars
Page 10: our products
Page 13: supplier engagement
Page 14: climate and energy management in our operations
Page 15: energy efficiency, renewable energy, on-site renewable energy

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures

Comment

Coherent published its first ESG report in 2022, and intends to provide annual updates.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment
Row 1	We are not a signatory/member of any collaborative framework, initiative and/or commitment related to environmental issues

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, board-level oversight	Board level oversight exists for all ESG related issues through the ESG Committee of the Board of Directors. This oversight includes biodiversity in general; however, no specific Coherent biodiversity objectives exist at this time.

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, and we do not plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Tools and methods to assess impacts and/or dependencies on biodiversity

Other, please specify

World Database on Protected Areas (WDPA)/WWF Biodiversity assessment tool

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

Coherent contracted a third party (Siemens) to complete a biodiversity risk screening analysis for Coherent's global facility portfolio. The World Wildlife Fund (WWF) Biodiversity Risk Filter (launched January 2023) was used to identify biodiversity risks and prioritize locations for further analysis. The WWF biodiversity risk tools are recommended by the Taskforce on Nature-related Financial Disclosures (TNFD). Siemens entered Coherent locations within the WWF Biodiversity Risk Filter and summarized potential risk types (physical, reputational), risk categories (i.e., provisioning services, regulating & supporting services - Enabling, regulating services - mitigating, cultural services, pressures on biodiversity, environmental factors, socioeconomic factors, additional reputational factors), as well as indicators.

As a result of this analysis, two Coherent locations were identified as being within close proximity (<50 miles) of biodiversity sensitive areas. The risk of impact of Coherent operations was assessed both quantitatively through the WWF tool, and qualitatively by the Coherent ESG team and site leader. Coherent's assessment is that our operations in these locations do not have significant impact or risk of impact to the nearby biodiversity sensitive areas.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No and we don't plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area

Key Biodiversity Area (KBAs)

Country/area

Philippines

Name of the biodiversity-sensitive area

Mount Makiling Forest Reserve, Taal Volcano Protected Landscape, and Mts. Banahaw-San Cristobal Protected Landscape.

Proximity

Up to 50 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

We have a manufacturing locating in Calamba, Laguna, Philippines. The site performs light assembly operations in a clean-room environment.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

No

Mitigation measures implemented within the selected area

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

The site performs light assembly operations in a clean-room environment.

The risk of impact of Coherent operations was assessed both quantitatively through the WWF Biodiversity Risk Filter tool, and qualitatively by the Coherent ESG team and site leader. Coherent's assessment is that our operations in these locations do not have significant impact or risk of impact to the nearby biodiversity sensitive areas. The area in the immediate vicinity of our location is fully developed, and Coherent operations have no significant impact compared to other companies' operations in the same industrial park. Coherent mitigates its impact through a comprehensive EHS program at the site. Additionally, this site in particular procured 100% renewable electricity for the reporting period.

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify

Protected Areas within 50 km of the site based on the WDPA

Country/area

United States of America

Name of the biodiversity-sensitive area

There are 801 Protected Areas within 50 km of the site based on the WDPA.

1）A number of small parks within a few miles of the site are designated protected areas (e.g., Roger's Grove, Imel, Jackson- Mckinster, Suitts, Oasis Direct Seven).

2） The largest protected areas within the 50 km radius are Rocky Mountain National Park, Indian Peaks, Rocky Flats National Wildlife Refuge, and North St. Vrain.

Proximity

Up to 50 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

Light assembly operations of optical components and systems.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

No

Mitigation measures implemented within the selected area

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

The site performs light assembly operations of optical components and systems.

The risk of impact of Coherent operations was assessed both quantitatively through the WWF Biodiversity Risk Filter tool, and qualitatively by the Coherent ESG team and site leader. Coherent's assessment is that our operations in these locations do not have significant impact or risk of impact to the nearby biodiversity sensitive areas. Coherent mitigates its impact through a comprehensive EHS program at the site. Industrial waste generated at the site is low enough to dispose of it quarterly at the regional waste center and does not require any special handling. The site Scope 1 & 2 emissions are < 200 MT CO2e for the reporting period. The site did not procure renewable electricity in the reporting period, but is included in our climate transition to move to renewable electricity supply in a future year.

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?
Row 1	No, and we do not plan to undertake any biodiversity-related actions

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
No publications		

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms