

## **Modern Slavery and Human Trafficking Statement (FY 2018)**

This statement is made on behalf of Coherent Scotland Limited (“**Coherent Scotland**”), pursuant to section 54(1) of the Modern Slavery Act 2015, and constitutes our modern slavery and human trafficking statement for the financial year ending 29 September 2018. It sets out steps Coherent Scotland has taken and is taking to ensure that slavery and human trafficking are not taking place in its supply chain or in any part of its business.

### **About Coherent and Its Supply Chains**

Coherent Scotland is a subsidiary of Coherent, Inc. (“**Coherent**”), which is a global provider of lasers, laser-based technologies and laser-based system solutions in a broad range of commercial, industrial and scientific applications. Coherent designs, manufactures, services and markets lasers and related accessories for a diverse group of customers. Coherent has worldwide operations including research and development, manufacturing, sales, service and support capabilities.

Due to Coherent’s worldwide operations and varied product offerings, its global supply chains include suppliers across a broad range of industries and geographies.

### **Coherent Scotland’s Efforts to Prevent Slavery and Human Trafficking**

Coherent and Coherent Scotland are focused on ensuring that modern slavery and human trafficking are not taking place their business or supply chains. Coherent views these as zero-tolerance issues and has implemented worldwide polices and established due diligence processes to prevent them.

#### **1. Internal Policies Against Forced Labor and Human Trafficking**

All Coherent Scotland employees must follow and comply with the Coherent [Business Conduct Policy](#), which requires compliance with all applicable laws, rules, regulations and Coherent internal policies and procedures. Among these internal policies and procedures, Coherent has worldwide policies entitled “Combatting Trafficking in Persons Policy” and “Forced Labor”, which prohibit any form of forced labor, including slavery and human trafficking, in its business or supply chains. Coherent and Coherent Scotland have instituted internal complaint procedures to allow for reporting and immediate investigation of any suspected violations of these policies. The policies also prohibit punishment or retaliation for reporting good-faith concerns related to these topics.

#### **2. Supplier Code of Conduct**

Coherent maintains a [Supplier Code of Conduct](#) that is incorporated by reference into Coherent Scotland’s purchase orders, supply agreements and terms and conditions. The code requires Coherent’s and Coherent Scotland’s suppliers to comply with all applicable laws, including, but not limited to, laws relating to voluntary employment, child labor, maximum work hours, wage, the control of hazards in the

workplace, the humane treatment of employees, non-discrimination and freedom of association with respect to work councils, labor unions and employee representation.

### **3. Conflict Minerals**

Coherent supports ending the violence and human rights violations, including forced and child labor, that are associated with the mining of certain minerals in conflict regions. Coherent publicly posts a [statement](#) of this commitment describing the program covering its suppliers, including the suppliers of Coherent Scotland, on its website.

### **4. Supplier Audits**

Coherent periodically conducts supplier audits on an as-needed basis, based on the level of business or strategic relationship of the supplier. These audits focus on quality management systems and performance against Coherent's business requirements.

This Modern Slavery and Human Trafficking Statement for the 2018 fiscal year has been adopted on behalf of the Board of Directors of Coherent Scotland.



Dr. Christopher Dorman  
General Manager and Director, Coherent Scotland Limited  
March 29, 2019