

Reporting Entity - Finisar Australia Pty Ltd

ABN 45 098 184 582

Modern Slavery Statement

Reporting Year 2022

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Introduction

The Commonwealth Modern Slavery Act 2018 established Australia’s national Modern Slavery Reporting Requirement. This Modern Slavery Statement has been prepared by Finisar Australia Pty Ltd to address applicable disclosure requirements under that Act.

Managing Director’s Statement

Finisar Australia is committed to compliant and ethical business conduct and to the use of responsibly sourced materials and services.

As a wholly owned subsidiary of Coherent Corp. Finisar Australia is guided by the Coherent Code of Ethical Business Conduct.

The Coherent Ethical Business Code supports fundamental human rights – values inherent to all human beings. This means that we aim to treat all human beings with dignity, fairness, and respect. We require our suppliers and contractors do the same, to care for the health and safety of their workers, and to comply with human rights laws. Coherent does not accept forced labor, human trafficking, degrading treatment of individuals, or unsafe working conditions

Finisar Australia is opposed to any and all forms of slavery in its supply chains and operations. We adhere to a range of Coherent procedures in order to ensure that our supply chain does not include products or services which rely on the use of slave labour.

This statement is approved by the Finisar Australia Board of Directors.



Andrew Bartos
General Manager
Finisar Australia Pty Ltd

1 Reporting Entity

The reporting entity is Finisar Australia Pty Ltd (“Finisar”), ABN 45 098 184 582

2 Finisar – Structure, Operations and Supply Chains

2.1 Finisar Structure

2.1.1 Finisar

Finisar Australia Pty Ltd (“Finisar”), located at 21 Rosebery Avenue, Rosebery NSW, it is a wholly owned subsidiary of Coherent Corp (‘Coherent’), previously known as II-VI Incorporated (“II-VI”).

“On September 8th, 2022, II-VI Incorporated (Nasdaq: IIVI), announced a corporate name change to Coherent Corp. (Nasdaq: Coherent) and a new brand identity, following the successful completion of II-VI’s acquisition of Coherent, Inc., on July 1st, 2022”. Follow the link below for further details:

<https://www.Coherent.com/news/press-releases/ii-vi-changes-name-to-Coherent-and-launches-new-brand>

Finisar designs and manufactures high-technology communication products for optical fibre telecommunication networks and provides wavelength management components and subsystems, including wavelength selective switch (WSS) products, to leading networking equipment manufacturers around the world.

As of September 30th, 2022, Finisar had 278 employees, 260 of these are permanent employees.

2.1.2 Coherent Corp. (previously II-VI Incorporated)

Coherent (Nasdaq: COHR) empowers market innovators through our breakthrough products and technologies in materials, networking, and lasers. As well it is a global leader in engineered materials and opto-electronic components. It is a vertically integrated manufacturing company that develops innovative products for diversified applications in communications, industrial, aerospace & defense, semiconductor capital equipment, life sciences, consumer electronics, and automotive markets. (<https://ii-vi.com>)

Headquartered in Saxonburg, Pennsylvania, Coherent has research and development, manufacturing, sales, service, and distribution facilities worldwide. The company produces a wide variety of application-specific photonic and electronic materials and components, and deploys them in various forms, including integrated with advanced software to support our customers.

In 2019, II-VI acquired the Finisar Corporation, a US-based manufacturer of optical communication components and subsystems, consequently at that time the ownership of Finisar Australia transitioned to II-VI, which is now called Coherent Corp.

Coherent now operates in 24 Countries around the world and as of September 2022, the company had 28,000 employees.

2.2 Finisar Operations

Finisar Product Development (Engineering Design), and final assembly of modules (Production Assembly Operations) is conducted in-house in Rosebery, and the resources to do this are managed locally.

Fabrication of printed circuit boards assemblies and sub-assemblies for inclusion into the final module assembly is outsourced to specialist manufacturers or built at II-VI manufacturing sites in China.

Support functions such as Quality, Human Resources (HR), IT, Finance and Supply Chain are represented locally and underpinned by Coherent corporate support functions.

Supply Chain Management systems including Purchasing services are provided by the Coherent centralised purchasing office.

2.3 Finisar Supply Chain

2.3.1 Supply Chain

Components and materials for inclusion in printed circuit boards assemblies, sub-assemblies and final module assemblies are defined in Bills-of-Materials (BOMs) by Finisar and sourced (purchased) by the Coherent centralized purchasing office. Components and materials are obtained from suppliers globally.

Components, raw materials and products arriving in Australia for inclusion into final modules come by air freight, ocean shipping, and subsequently road transport to reach the Finisar warehouse. Final modules are provided to global customers. As of 2022 Finisar exported all its products and had no domestic customers in Australia. Final products are collected by road couriers from the warehouse and are subsequently transported by air freight to their intended destination.

3 Risks of Slavery Practices in Finisar Operations and Supply Chain

The purchasing office as part of Coherent follow a range of internal policies and processes to ensure suppliers are qualified and meet company prerequisites for quality, capability of supply and regulatory compliance of operations (including social corporate responsibility). The purchasing office administer these processes, and as such the direct exposure of our Finisar operations to modern slavery risks is low.

The Finisar business operates in a high technology industry, the operation contains of a mix of management staff, professional Engineers, business support staff including finance, and quality, highly skilled technical manufacturing staff and production assembly staff. The business complies with all state and federal industrial relations laws. The risk of slavery practices in this industry in Australia is low.

4 Actions taken to Assess and Address Risks and Remediation Processes

Finisar as part of Coherent is committed to compliant and ethical business conduct and to responsibly sourcing materials. To this end Coherent has implemented Supplier Management processes to effectively manage the supply chain and has put into place a due diligence program to ensure its contributions to upholding human rights and responsible practices across the supply chain

4.1 Risk Assessment of Suppliers

Note: *Compliance Requirements - means applicable Law, the Marketing Authorizations, the terms of the Quality Agreement, the specifications for the Product (as provided in writing by Purchaser (Coherent) to Supplier), the Purchaser's Global Supplier Quality Requirements, the Purchaser's Global Code of Conduct and Compliance Policies (includes conflict of minerals and human rights anti-slavery obligations).*

4.1.1 Supplier Assessment

Coherent has implemented an integrated system of Supplier Management processes which incorporate quality requirements, regulatory, supplier performance, business conditions, and compliance expectations for our suppliers. This system also integrates Environmental, Social, and Governance (ESG) into supplier management, as a part of the company's policies and practices related to environment, health & safety, labor rights, community involvement, and ethical behavior.

4.1.2 Evaluation against Responsible Business Alliance (RBA) / Corporate Social Responsibility (CSR)

Identified prospective suppliers are evaluated as per the risk assessment criteria in the procedure and then supplier performance is monitored using the defined tools. As per the supplier assessment procedure when suppliers are selected and qualified, compliance requirements are included as part of that assessment criteria.

The Responsible Business Alliance (RBA) Code of Conduct is adopted as the supplier CSR Code of Conduct. As outlined in the Global Supplier CSR management procedure, in-scope suppliers are required to be knowledgeable

of Coherent's supplier CSR Code of Conduct, submit the preliminary risk assessment form and Supplier CSR Self-Assessment Questionnaire. In-scope suppliers then undergo an onsite audit against RBA criteria and local laws.

Note: on-site auditing of some suppliers has been on hold due to COVID and COVID related travel restrictions, however travel has recently resumed in the last 3 months.

As well additional supplier evaluation has been undertaken as part of determining the information for Coherent's Conflict Minerals disclosure. The following extract from the Coherent Specialized Disclosure Report provides some insight into the detail of that assessment:

"The assessment program was developed to facilitate disclosure and communication of information regarding conflict of minerals into a company's supply chain. Responses were evaluated for plausibility, consistency, and gaps both in terms of which products were stated to contain or not contain necessary 3TGs (tantalum, tin and tungsten), as well as the origin of those materials.

Additional Supplier contacts were conducted to address issues including: (i) implausible statements regarding no presence of 3TGs, (ii) incomplete data on EICC-GeSI Templates, (iii) responses that did not identify smelters or refiners, (iv) responses that indicated sourcing location without complete supporting information from the supply chain, and (v) organizations identified as smelter or refiners, but not verified as such through further analysis and research."

4.2 Policies and Systems for Supply Chain Management

Key Documents to Manage Supply Chain

The following are key documents Coherent has implemented to manage and ensure its supply chain meets and continues to conform to applicable government, compliance (including human rights, anti slavery) and Coherent requirements.

4.2.1 Supplier Quality Requirements Manual

The purpose of this manual is to inform Coherent Inc. suppliers of the core expectations we have regarding the Suppliers' quality management systems, design requirements, and manufacturing process controls required for the purpose of doing business with Coherent. This manual describes what Coherent Inc. expects its suppliers to do to ensure that all Coherent requirements and expectations are met.

Further more this document includes a **Supplier Code of Conduct** section which covers

- Compliance with Laws & Regulations
- Responsible Minerals Sourcing
- Product Safety
- Substances Restriction in Materials or Components
- Business Ethics
- Code of Conduct and Policy Enforcement
- Adhere to Social, Environmental, And Business Ethics Standards

Coherent mainly adopts the latest version of the Responsible Business Alliance's (RBA) Code of Conduct as its Supplier Code of Conduct in Social & Environmental responsibility and business ethics. The specific Codes cover the following areas:

Labour, Health & Safety, Environment & Sustainability, Business Ethics and Management Systems related to the content of this Code

The RBA's latest version of Code of Conduct is publicly available at www.responsiblebusiness.org/standards/code-of-conduct/.

*As a bottom line, **suppliers are required not to have any issues that are widely recognized as the most serious Social & Environmental compliance violations.** Coherent reserves the right to assess the impacts and determine necessary actions. Examples of critical issues include:*

Underage labour, Forced labour, Severe harassment or abuse, Use detention or physical punishment to discipline employees, even if those practices are allowed by local law, Imminent threats to workers' lives and safety, Significant environmental pollutions.....

4.2.2 Procedures – i) Global Supplier Management and ii) Selection and Qualification of Suppliers

These documents define Coherent expectations for suppliers and the process for monitoring and reporting a Primary supplier's performance. Content covers supplier classification and risk scoring, compliance risk, green compliance requirement, requirement for conflict materials survey and supplier score for Corporate Social Responsibility.

4.2.3 Procedure - Supply Chain Corporate Social Responsibility (CSR) Management

This document defines a code of conduct for its suppliers based on Responsible Business Alliance (US) Code of Conduct. The Code reflects the basic tenets of responsible management agreed upon by the electronics industry or industries in which electronics is a key component.

All active suppliers are encouraged to have strong CSR programs, but the focus is on managing the CSR performance of Top inventory suppliers (by spend) and on-site service providers. New inventory suppliers being identified and involved in the CSR management scope, are sent a communication letter called "Acknowledgements of Supplier Code of Conduct" for the supplier to sign and send back.

4.2.4 Procedure - Global Conflict Minerals Due Diligence and Reporting

US Conflict Minerals laws work to remove financial support to armed militaries in central Africa who use mining profits as a source of funding. This procedure describes how Coherent meet the reporting requirements for this Act. (Conflict Minerals Disclosure Report). As some illicit sources conflict minerals may involve the use of slave labour, the application of this procedure has the additional benefit of also addressing potential situations involving slave labour.

4.2.5 FORM SD Coherent Conflict Minerals Disclosure Report.

The Coherent Conflict Minerals Disclosure Report provides information through the supply chain regarding mineral country of origin and the smelters and refiners being utilized. Coherent's Conflict Minerals Disclosure is not product-specific. Based on best-practice recommendations from the Responsible Minerals Initiative (RMI), Coherent issues a company-level declaration and smelter disclosure list representing the consolidated supply chain responses annually. This one report is provided to all customers regardless of the product(s) purchased.

4.3 Remediation, Code of Conduct and Policy Enforcement

Coherent expects suppliers to operate in accordance with laws and regulations, adhere to Environmental, Social, and Governance (ESG) principles, standards and to expect the same of their sub-tier suppliers. It is the responsibility of the supplier to verify and monitor compliance of this code at their operations and sub-tier source operations.

Systems are in place to address supplier non-compliance to Quality requirements as per the Supplier Corrective Action procedure. The Supplier and Purchaser parties are involved in the remediation process.

For RBA requirements, following an onsite audit against RBA criteria and local laws an Audit Report is sent to the Supplier. The audit report identifies what was audited including any nonconformance areas. The supplier is required to complete corresponding Corrective Action Plans. Supplier RBA improvements are tracked according to a timeframe. Additionally, a supplier may be asked to participate in a survey on social & environmental compliance topics upon request.

4.3.1 Coherent Code of Ethical Business Conduct

This Code of Ethical Business Conduct has been written using everyday language, so it is clear and understandable. It provides a framework for all employees to make good business choices.

The Code centers around the Coherent Core Values, "I CARE" which stand for

- Integrity – Create an environment of trust
- Collaboration – Innovate through the sharing of ideas
- Accountability – Own the process and the Outcome
- Respect – Recognize the Value in everyone
- Enthusiasm – Find a sense of purpose in Work

It includes and is not limited to topics such as

- Ethical decision making,
- avoiding conflicts of interest,
- treating people and the planet with respect which includes
 - i. Human rights and fair labor, and implementation of fair labor practices
 - ii. Environmental and social responsibility.

4.3.2 Internal Human Resources (HR) Policies

Coherent have a number of HR Policies available to staff that outline expected codes of conduct within the workplace. The following is a summary of the key documents that relate to and or support, respect of human rights.

- Corporate Social responsibility
- Anti Discrimination, Harassment and Bullying
- Diversity Inclusion
- Code of Conduct Policy for working with Governments
- Anti Corruption and Anti bribery
- Speaking up and Non-Retaliation (Whistleblowing)
- Code of Ethical Business Conduct

4.3.3 Employee Reporting of Violations

At Coherent Corp it is each employee's responsibility to exercise sound business judgment and to act honestly and ethically. We are required not only to "do the job," but to "do it the right way." Doing it the right way goes past complying with laws and regulations. It means conducting ourselves with ethics and integrity in all that we do.

Our Code of Ethics combines the values and standards of behavior that make Coherent a trusted and respected organization. Employees are obligated to report any known or suspected violation of the Code of Ethics and may do so anonymously through an independent compliance reporting hotline, details can be found at www.ii-vi.ethicspoint.com.

5 Effectiveness of Actions Taken

During this reporting period, our focus was to gain a better understanding of our modern slavery risks and how such risks may be present in our supply chains.

We have successfully embedded respect for human rights in our policies, processes, and supplier requirements. At this stage it is difficult to determine the effectiveness of the methods we have undertaken. However, we have commenced and will continue to work on developing frameworks and processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risks in our operations and supply chains.

6 Consultation with Entities

Finisar does not own or control any subsidiaries therefore this criterion is not applicable.

7 Other Information

7.1 Staff Training

Coherent employees are trained on relevant work procedures and a record of that training is maintained.

Furthermore Coherent employees are trained on our “I CARE” Values and Code of Conduct upon hire and undergo regular refresher training thereafter. Coherent also provides information and training to its global Procurement team directly involved with the selection of new suppliers and the ongoing management of current suppliers.

7.2 Ongoing Commitment

Coherent . recognizes the very important role our suppliers have in the value we offer our customers. As an extension of our own operations, we rely on our suppliers to provide material, products, and services which meet all of the requirements of Corp.. contracts, applicable specifications, and quality management requirements.

Coherent is committed to compliant and ethical business conduct and to responsibly sourcing materials. As such, the Company has put into place a due diligence program to ensure its contributions to upholding human rights and responsible practices across the supply chain.

Finisar Australia as part of Coherent is committed to complying with the corporate systems and processes to identify, resolve and prevent modern slavery issues within our business, operations, and supply chains.