2021 Integrated annual report

Report on planet - people - communities
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This is the planet - people - communities section of Barco’s 2021 Integrated annual report. Other sections are available via the download center at [ir.barco.com/2021](http://ir.barco.com/2021).
Our sustainability ambition statement

In line with our ambition to fully integrate sustainability into our corporate DNA, Barco designs and acts towards sustainable outcomes for our planet, people and communities.

1. We will lower our own environmental footprint and those of our customers.

2. We invest in sustainable employability by creating the right conditions for our employees to have an engaging, enriching and healthy career at Barco. We do this by encouraging our people to learn and develop themselves and by ensuring a healthy working environment – both physically and mentally. We engage in building an inclusive workplace that embraces the diversity of our people.

3. We will play an active role in the communities we operate in by upholding the highest ethical and quality standards and expecting the same from our business partners. We always aim to deliver added value to our customers through our solutions, services and capabilities. In addition, we help ensure more people can participate in and benefit from the innovation society.

Barco is ready to gear up and move forward towards a more sustainable future.

An Steegen & Charles Beauduin
CEOs Barco
Our sustainability strategy
Our sustainability strategy ‘Go for Sustainable Impact’ is an integral part of our corporate strategy, ‘Enabling bright outcomes’. Because we believe growing our company goes hand in hand with helping our people and the communities around us thrive, while safeguarding our planet.

That’s why Barco’s Sustainable Impact strategy is focused on three pillars: planet, people and communities. For each pillar, we defined an overall ambition statement and linked it to the areas that matter most to our stakeholders and where we can achieve the greatest impact: our material topics. The material topics are defined in the 2020 materiality assessment.

We translated our sustainability ambitions in measurable targets, so that we can track our progress year over year.

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**Planet**

- Climate change & energy*
- Product stewardship*
- Waste management

**People**

- Employee engagement*
- Learning & development
- Employee health, safety & wellbeing
- Diversity & inclusion*
- Labor practices & human rights

**Communities**

- Customer engagement*
- Product quality, safety & security*
- Information security & data protection*
- Business ethics*
- Responsible supply chain management
- Corporate governance
- Community engagement

* Highly material topics
Our sustainable impact (primary) targets and progress

1. Take science-based climate action

By 2023, reduce energy consumption in own operations by 15% (vs 2015)

-15%

By 2023, reduce greenhouse gas emissions from own operations by 35% (vs 2015)

-35%

By 2025, reduce absolute greenhouse gas emissions by 45% (vs 2015)*

-45%

2. Enable our customers to lower their environmental footprint

By 2023, ensure that at least 70% of our revenues comes from products with the Barco ECO label**

70%

By 2023, reduce the energy footprint of our products by 25% (vs 2015)

-25%

* Target approved by Science Based Targets initiative, in line with the IPCC 1.5°C scenario, covering Scope 1, 2 and 3 emissions. As SBTi requires targets to cover a minimum of 5 years from the date the target is submitted to the SBTi for validation, the target year has been set to 2025.

** As of reporting year 2021 total revenues from products correspond to total product and project revenues (see note 1 on p. 35) as reported in the financial chapter of our integrated report, which corresponds to the EU taxonomy eligible turnover in 2021. For comparison reasons 2020 total revenues from products were updated, corresponding to total product and project revenues in 2020. The % revenues from products with Barco ECO label were recalculated using the updated turnover.
Our sustainable impact (primary) targets and progress

1. Empower all our colleagues to have an engaging, enriching and healthy career

Each year, aim for an employee Net Promoter Score of at least 30

Employee net promoter score

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>13.2</td>
<td>11.3</td>
<td>10.5</td>
</tr>
</tbody>
</table>

Invest in learning and development

Average training hours/employee

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours</td>
<td>24</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

Internal mobility

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>% filled internally</td>
<td>15</td>
<td>17</td>
<td>16</td>
</tr>
</tbody>
</table>

Step up our efforts in diversity

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>% women overall</td>
<td>28</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td>% women in senior management</td>
<td>15</td>
<td>17</td>
<td>16</td>
</tr>
</tbody>
</table>
1. Always act lawfully, ethically and with integrity wherever we operate
   Each year, train all our employees in Standards@Work
   % employees trained in Standards@Work % of heads (white collar)
   99% 98% 99%
   2019 2020 2021
   100%

2. Deliver great customer experience
   Measure and drive customer Net Promoter Score to an above market average score
   Customer Net Promoter Score
   47 47
   2020 2021

3. Proactively manage information security risks
   By 2025, obtain an average cybersecurity maturity score of at least 3.4
   Average cybersecurity maturity score NIST CSF
   2.19 2.23
   2020 2021
   3.4

4. Engage our suppliers in adopting sustainable business practices
   By 2023, have suppliers covering at least 70% of our production spend scored on their sustainability performance
   % of production spend covered by supplier sustainability score
   44% 58%
   2020 2021
   70%

Each year, add at least one new product line to the scope of the ISO 27001 certificate
   ISO 27001 certification (security)
   1 2 2
   2019 2020 2021
   +1 yearly
Materiality

Continuous monitoring of material issues is critical to stay on top of emerging risks and opportunities. A materiality assessment helps organizations understand what topics matter most to their business and stakeholders. Every three to four years, Barco conducts a comprehensive materiality assessment to make sure it reflects the latest developments in its business and external environment.

Our last assessment, which was done in 2020, was based upon and aligned with our integrated reporting approach, considering the six capitals. 111 stakeholders participated in the surveys and interviews. The resulting materiality matrix has three categories: low, medium and highly material topics. The illustration on the next page reflects our medium and highly material topics. The materiality analysis of 2020 is still valid as stakeholder interactions in 2021 did not reveal major changes, except for the topic 'Diversity and inclusion'.

In the meeting of September 2021, our Board of Directors underlined the importance of diversity and inclusion as a catalyst for creativity and innovation. Diversity and inclusion will therefore be treated as a highly material topic.
In 2021, the strategic intelligence company Trensition performed a dynamic analysis of our materiality matrix. Based on AI and big data, the technology automatically scans and analyzes millions of data points from diverse sources to identify and predict business trends and industry dynamics. This analysis provides a thorough understanding of how our material topics will most likely evolve in the coming years.

The most significant increases expected for the next year are:

- Learning & development
- Diversity & inclusion
- Climate change & energy

The rise in the importance of the people-related materiality topics could be explained as a result of the covid-19 pandemic. Next to that, the UN Climate Change Conference in Glasgow, COP26, was a catalyst for the climate change topic to keep growing in importance.

To win in the coming decade, investors and companies must equip themselves with forward-looking and proactive approaches to materiality.

Source: Embracing the new age of materiality: harnessing the pace of change in ESG, World Economic Forum.

Barco’s 2020 materiality matrix - linked to the six capitals of integrated reporting

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Source: Embracing the new age of materiality: harnessing the pace of change in ESG, World Economic Forum.
How the UN Sustainable Development Goals guide Barco’s strategy

We use the United Nations Sustainable Development Goals (SDGs) as a guideline to shape our strategy and ambitions. Defined in 2015, the SDGs consist of 17 global goals with a 2030 deadline. All 193 countries in the UN General Assembly adopted this resolution.

We realize these goals cannot be met without support from the global business community. Our approach to supporting the SDGs is to focus on the goals where we can have the most impact, while screening and implementing actions that contribute to the other goals as well. To identify the SDGs where Barco can make the most impactful difference, we start from Barco’s strategy and material topics. As a result, we have selected six SDGs that are closely linked to Barco’s highly material topics and the overall Barco strategy:

- SDG 3: Good health & well-being: Ensure healthy lives and promote wellbeing for all at all ages
- SDG 7: Affordable and clean energy: Ensure access to affordable, reliable, sustainable and modern energy for all
- SDG 8: Decent work and economic growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- SDG 9: Industry, innovation and infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- SDG 12: Responsible consumption and production: Ensure sustainable consumption and production patterns
- SDG 13: Climate action: Take urgent action to combat climate change and its impacts
Our sustainability performance
## Planet

### Our ambition

We will lower our environmental footprint and those of our customers.

### Our targets

#### 1. Take science-based climate action

<table>
<thead>
<tr>
<th>Primary targets*</th>
<th>Supporting targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>By 2023, reduce energy consumption in own operations by 15% (vs 2015)</td>
<td>By 2023, send zero waste from own operations to landfill</td>
</tr>
<tr>
<td>By 2023, reduce greenhouse gas emissions from own operations by 35% (vs 2015)</td>
<td>By 2023, recycle 80% of solid waste in own operations</td>
</tr>
<tr>
<td>By 2025, reduce absolute greenhouse gas emissions by 45% (vs 2015)**</td>
<td></td>
</tr>
</tbody>
</table>

#### 2. Enable our customers to lower their environmental footprint

<table>
<thead>
<tr>
<th>Primary targets*</th>
<th>Supporting targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>By 2023, ensure that at least 70% of our revenues come from products with the Barco ECO label</td>
<td>By 2023, 75% of new products released have a Barco ECO label</td>
</tr>
<tr>
<td>By 2023, reduce the energy footprint of our products by 25% (vs 2015)</td>
<td></td>
</tr>
</tbody>
</table>

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* The baseline of greenhouse gas emissions and energy footprint refer is 2015, as this is the year where we started measuring these indicators.

** Absolute reduction of scope 1, 2, and 3 emissions. Target approved by Science Based Targets initiative, in line with the IPCC 1.5°C scenario. As SBTi requires targets to cover a minimum of 5 years from the date the target is submitted to the SBTi for validation, the target year has been set to 2025.

In 2021, a first limited assurance has been obtained on a selected number of KPIs from two planet key initiatives (see PwC assurance report). KPIs that obtained a limited assurance are indicated with a checkmark in the key initiatives disclosure in the planet chapter of the PPC report and in the Core report. This process was a first step towards expected limited assurance obligations as of financial year 2023, as proposed by the non-financial reporting directive.
# Our scope and methodology

## MEASURING CARBON FOOTPRINT OF OUR OWN OPERATIONS

| Methodology | • Bilan Carbone® methodology  
• Compliant with ISO 14064 standard  
• Sources of emission factors: emission factors from internationally recognized emission factor databases, ADEME, GHG Protocol, IEA, suppliers specific for electricity |
| Scope | • **Technical:** all greenhouse gases such as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), refrigerants (HFCs, PFCs, CFCs) are converted into CO₂ equivalents using Intergovernmental Panel on Climate Change (IPCC) 100-year global warming potential (GWP) coefficients  
• **Geographical scope:** all manufacturing and research & development sites (in Belgium, China, Italy, Germany, India, Norway, Taiwan and US) covering in total minimum 85% of the group’s total FTEs  
• **Boundaries:** operational (vs. equity) approach, as it better defines the boundaries of influence |
| Calculation assumptions | • CO₂ emissions are calculated by the external party CO2Logic  
• Extrapolation of October and November data was applied to the main components of infrastructure & logistics CO₂ emissions calculation of full year 2021 and 2020 results  
• CO₂ emissions from logistics are only covering Barco paid transport  
• Emissions from own vehicles only cover Belgium and Germany as the other sites in scope have very few own vehicles and are therefore immaterial in view of the full scope |
| Baseline | • For targets and performance comparison, Barco selects FY 2015 as a baseline |

## MEASURING OUR CARBON FOOTPRINT RELATED TO PRODUCT USE EMISSIONS

| Methodology | • Greenhouse Gas Protocol Methodology  
Formula to be used: \[ \text{Total lifetime expected uses of product} \times \text{number sold in reporting period} \times \text{electricity consumed per use (kWh)} \times \text{emission factor for electricity (kg CO₂ e/kWh)} \] |
| Scope | • Emissions based solely on the energy consumption of the product (excluding the embodied energy of components, end-of-life emissions, etc.)  
• Approx. 99% of the products covered (in terms of sales volume) in 2021 |
In 2020, Barco committed to setting science-based targets to further solidify its ambitious climate action. We commit to aligning our business with the most ambitious goals of the Paris Agreement: to limit the global temperature rise to 1.5°C above pre-industrial levels. Our absolute target is to reduce scope 1, 2 and 3 greenhouse gas emissions by 45% by 2025 from a 2015 base year. This target was approved by the Science Based Targets initiative in March 2021.

In 2021, we achieved a 65% reduction compared to 2015, exceeding the -45% target already. However, the drop is mainly a result of the pandemic and supply chain constraints, which led to lower sales volumes. With markets expected to recover, the 2025 target will be a challenge. In the next paragraphs, we zoom in on relative results, which give a better picture of our actual emission reduction efforts.

As climate urgency is more and more tangible it is great to see companies like Barco really engage in a clear and transparent climate journey in line with science. The Paris agreement, the Science Based Targets and our very constructive collaboration offer the right framework for credible climate action.

Antoine Geerinckx
founder & impact development
CO2logic (Part of South Pole)
1.1 Lowering energy consumption in our own operations

Energy is consumed in our facilities and by our company fleet. At the end of 2021, energy consumption amounted to 39 MWh/mio € revenues – a 12% decrease against the 2015 baseline (44.2 MWh/mio € revenues) but an increase compared to previous years as we needed more energy to ventilate our headquarters to avoid the spread of the covid-19 virus (100% fresh air against 50% in previous years). Our target for 2023 is to reduce 15% compared to the 2015 base year, so we are still on track to meet that target.

The main action to reduce energy consumption in our facilities is cutting the overall footprint of our facilities. In Sacramento, for example, moving to a smaller campus helped us cut energy use. In addition, we share tips on saving energy through our internal communication channels, to boost awareness among employees. Energy is also a topic in the mandatory Sustainability Standards@work training and the Compliance Challenge.

As working from home was still often the practice in the covid-19 context, our fleet used less fuel in 2021 compared to pre-covid times. While fuel use is expected to increase, hybrid working – and meeting – will keep fuel use lower than it was before. In addition, we now actively promote the use of electric vehicles (EVs), which are more energy efficient.

When looking at Barco’s total energy consumption (electricity and fuel use) in 2021, 52% is from renewable sources, mainly thanks to the worldwide switch to renewable electricity already in 2020. We expect the share of renewables in our energy mix to further increase in the future, as the company fleet will gradually become fully electric and EV charging stations at the headquarters are powered by 100% renewable energy.
1.2 Better waste management in our own operations

First and foremost, we aim to keep waste from operations to a minimum, especially non-sorted waste. We work hard to reduce the amount of packaging waste of incoming components and products by guiding suppliers on how to reduce packaging. By the end of 2021, total solid waste was 1.41 tonnes/mio € revenues – a 44% decrease compared to last year which is largely due to effective waste volume reductions, mainly in the US sites.

In addition, we aim to have 80% of solid waste recycled by 2023 by raising awareness amongst suppliers (use recyclable packaging materials) and employees (efficient and correct sorting of waste). Waste recycling is part of our 5S audit system, where the presence of the different waste recycling bins is checked. The recycling rate went up to 58%, partly due to the selection of better waste recycling partners in the US (as of the second half of 2021).

In 2021, our target was to reduce landfilling by 50% compared to previous years. We reached that target as the percentage of waste sent to landfill dropped to 15%, down 14 percentage points from 2020. Our next horizon is 2023, where we aim for zero waste sent to landfill.
1.3 Reducing greenhouse gas emissions from our own operations

There are three main sources of greenhouse gas emissions in our own operations: logistics, mobility and infrastructure.

The greenhouse gas emissions of our own operations amounted to 53.6 tonnes CO₂ e/ mio € revenues – numbers which reflect the impact of the covid pandemic (see the following pages). The relative reduction in greenhouse gas emissions from our own operations is -33% compared to the 2015 baseline (80.5 tonnes CO₂ e/ mio € revenues). Our target is to achieve -35% by 2023 vs 2015.

### 1. Logistics

Logistics i.e. the transport of incoming goods and outgoing finished products, was responsible for 80% of Barco’s own CO₂ emissions in 2021. Overall logistics-related greenhouse gas emissions dropped by 18% between the 2015 base year (52.2 tonnes CO₂ e/ mio € revenues) and 2021. Our target is to reduce 35% by 2023 vs 2015.

Large supply chain disruptions, capacity constraints in ocean transport and unreliable logistical planning made 2020 and 2021 particularly challenging in the field of logistics. As a result, we were not able to further progress on the modal shift from air to ocean. Yet, we did continue to invest in shortening our supply chains, by moving production to China for Chinese markets. We also connected our Chinese and Belgian production bases through railway transport.

As in the previous years, we continued working in 2021 on:

- **Re-designing packaging for logistics**: when designing new products, we aim to design smaller and lighter packaging, in order to reduce the volume and/or the weight of high-running appliances. Packaging/logistics is one of the four domains in our ecodesign program.
- **Modular product design**: as more new Barco products are built on existing platforms, only the final customization has to be done in a local warehouse. In this way, we can ship larger volumes to overseas destinations up front by sea.
- **Transport and warehousing tenders include a sustainability clause**: articulating that logistics suppliers are expected to inform Barco about their sustainability plans and initiatives. This information is considered in the overall decision matrix and in our supplier selection procedure. In addition, we add sustainability clauses to contracts, driving our suppliers to advance their efforts to cut carbon emissions.

### Greenhouse gas emissions of our own operations

<table>
<thead>
<tr>
<th>Greenhouse gas emissions of our own operations</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>tonnes CO₂ e/ mio € revenues</td>
<td>64.3</td>
<td>53.4</td>
<td>53.6</td>
</tr>
</tbody>
</table>

**TARGET 2023**: 52.3 (-35% vs 2015)

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<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>4.0</td>
<td>3.8</td>
<td>7.5</td>
</tr>
<tr>
<td>Mobility</td>
<td>7.0</td>
<td>8.3</td>
<td>15.4</td>
</tr>
<tr>
<td>Logistics</td>
<td>42.7</td>
<td>41.3</td>
<td>41.4</td>
</tr>
<tr>
<td>Total</td>
<td>53.6</td>
<td>53.4</td>
<td>64.3</td>
</tr>
</tbody>
</table>
2. Mobility
The second-largest source of greenhouse gas emissions from our own operations is mobility: business travel, company cars and commuting. In 2021, the share of mobility in Barco’s CO₂ emissions from own operations was 13%.

Overall mobility-related greenhouse gas emissions dropped by 63% between the 2015 base year (19.1 tonnes CO₂ e/mio € revenues) and 2021. With this reduction we have amply achieved the 2023 target of -23% vs 2015. Both 2020 and 2021 were, of course, exceptional years with severe travel restrictions. We realize that the mobility-related emissions will rise as soon as business travel and commuting pick up again. Nevertheless, we have invested in hybrid working capabilities by, for example, installing Clickshare Conference in many of our meeting rooms, over the past two years. That may result in reduced commuting and related fuel use in the future. Next to that, the electrification of our fleet, which took off in 2020 and will continue in the coming years, will further reduce mobility-related CO₂ emissions.

In 2021, 50% of new company cars leased at the headquarters were fully electric. It’s great to see that many colleagues choose EVs. Their conscious choice will help us realize our 2023 target.

Johan Heyman
VP HR Operations

3. Infrastructure
The third source of greenhouse gas emissions from our own operations is infrastructure: emissions from the use of electricity, fossil fuels (excl. company cars), waste treatment and the leakage of refrigerant gases from cooling equipment. In 2021, the share of infrastructure in Barco’s own CO₂ emissions was 7%, which was mainly attributable to the use of fossil fuels.

Overall infrastructure-related greenhouse gas emissions dropped by 57% between 2015 (9.2 tonnes CO₂ e/mio € revenues) and 2021 - largely thanks to the switch to renewable electricity in all our R&D and manufacturing sites in 2020. Our target is to achieve a 66% reduction by 2023 vs 2015.
1.4 Reducing greenhouse gas emissions from our products (product use emissions)

Product use emissions are emissions resulting from the energy that Barco products use on our customers’ premises. They are by far the largest source of emissions for Barco. In 2021, total product use emissions amounted to 297 tonnes CO₂e/mio € revenues. The largest portion of product use emissions is generated by our projectors (Entertainment division). Product use emissions decreased by 58% between 2015 (698.6 tonnes CO₂e/mio € revenues) and 2021. The pandemic had the largest impact on sales of projectors in 2021, therefore changing the product mix in overall sales. We expect product use emissions to increase again when projector sales grow as of 2022.
2. Lowering the environmental footprint of our customers

2.1 Embedding ecodesign in R&D

Barco’s Planet ambition is not only to reduce our own environmental footprint but also that of our customers by fully embedding ecodesign in our New Product Introduction (NPI) process. Kicked off in 2015, our ecodesign program came at cruising speed in 2017 when we developed an objective tool to determine the environmental performance of new products. The ecoscoring tool, as it is called, assesses products on four domains: energy performance, materials use, packaging, and end-of-life optimization (i.e., the way it can be maintained, refurbished, upgraded and eventually recycled). To improve the value of our tool for external stakeholders, we submit it to an external audit under the framework of the ISO 14021:2006 standard (limited assurance) every year. The audit ensures that the methodology is complete, reliable, objective and based on relevant product aspects.

Find more about the ecoscoring tool on our website

We kept finetuning our ecoscoring tool, raising awareness about it and releasing more and more products with the ECO label in 2021. Achievements included:

- The ecoscoring tool was updated to a more stringent version. The new version includes: life cycle assessment and benchmarking, maximum power budget for displays according to green procurement standards, product reliability, product recallability rate and expected lifetime calculation. A cornerstone in the new version is the link with the upcoming EU taxonomy regulation and the overall commitment of Barco to meet the 1.5°C IPCC science-based targets. The 2021 external audit confirmed that the technical screening criteria defined in the Delegated Act Climate Change Mitigation, activity ‘Manufacture of other low carbon technologies’ and the Do No Significant Harm criteria have been correctly embedded in the updated ecoscoring methodology. Read more on the EU taxonomy in the next chapter.

- We evaluated dedicated tooling to conduct life cycle assessments and performed pilots on eight products. Our objective is that, as part of Barco’s ecodesign program, new products launched will have a standardized environmental declaration based on life cycle assessment by 2023.

- We trained multiple stakeholders on our ecoscoring methodology: dedicated online training for suppliers, as well as internal training for procurement and R&D colleagues took place in 2021.

- We successfully ecscored 100% of newly developed platforms across all Barco R&D development centers worldwide. 65% of new products bore the Barco ECO label (Ecoscore A or higher) upon launch, none had a D score. This means that, thanks to a strong engagement of our R&D teams, we are well on track to achieve our 2023 target: at least 75% of new Barco products launched carry the ECO label.
As we want to focus most on our bestselling products, we have set an even stronger target, articulating that by 2023, at least 70% of revenues should come from ECO labelled products. In 2021, 31% of revenues came from ECO labelled products.

Ecoscoring our medical product portfolio

How does the ecoscoring system work in practice? What challenges does it bring for our medical products? And how do we at Barco feel about the first years of ecoscoring medical products? We asked our Environmental Compliance Officer Jan Daem and Stijn Vancoillie, R&D Manager for Medical Display Systems. Stijn explains how ecoscoring is a truly iterative process: “You start with the design, which is assessed with a questionnaire. Based on the feedback, the design gets a score and the ecoscoring team gives recommendations for improvement. That’s the beginning of a back-and-forth process between the project team and the ecoscoring team – an approach that works really well.”

“In 2018 we set up a few pilot projects to test the first version of the ecoscore. Some products needed some additional actions after the first evaluation, but these all have an A ecoscore now. That was the idea: the ecoscore is no walk in the park, but it should actually make a difference, for us as a company but also for our customers,” says Jan Daem.

“The entire interview is available on the Barco website

* As of reporting year 2021 total revenues from products correspond to total product and project revenues (see note 3 on p. 35) as reported in the financial chapter of our integrated report, which corresponds to the EU taxonomy eligible turnover in 2021. For comparison reasons 2020 total revenues from products were updated, corresponding to total product and project revenues in 2020. The % revenues from products with Barco ECO label were recalculated using the updated turnover.
2.2 Improving energy efficiency of our products

One of the four domains of Barco’s ecodesign program is energy performance. As the energy our products consume on our customers’ premises has a major impact on the environment, improving their energy performance is a high attention topic.

At the same time, market trends and customer preferences are shifting towards ever-higher performance (brightness, resolution, etc.), which requires higher energy consumption. We therefore measure energy consumption relative to brightness, resolution, luminance, etc. as watt/delivered capability and have set the target for 2023 to reduce the energy footprint of our products by 25% versus base year 2015.

In 2021 the average energy efficiency of sold products was 0.7, which is lower than the 0.75 target (i.e., a 25% reduction versus baseline 2015). The drop in energy efficiency was mainly driven by the growing adoption of laser projectors, which consume far less power (~50% to ~150%) than traditional lamp-based systems while producing more light, higher brightness levels and a better image quality. Smart and balanced innovation in both video wall and projection technology will be needed to further drive the reduction of energy consumption.

Energy efficiency index of sold products* (relative vs 2015 base year)
TARGET 2023: 0.75 (-25% vs 2015)

* For definition of energy efficiency index: see glossary.
The circular economy is a focus area in Barco’s sustainability strategy. We want to help our customers with innovative products and services to provide an increasingly circular experience. Through smart design and services, we aim to reduce waste and retain the highest utility and value of products and components.

### Circular product design

To enable circular solutions for our customers, we engage in circular design. Several criteria are embedded in the ecodesign program to improve the circularity of our products, such as increasing the use of recyclable and recycled materials, both in the product and its packaging. In 2021, we ramped up the use of post-consumer recycled (PCR) plastics in products. 35% of new products launched contained PCR plastics, and we aim to boost that figure in the coming years.

The ecodesign program also focuses on improving material efficiency. We work to shift our portfolio toward more materials-efficient products and packaging, for example by reducing product weight or digitization. In 2021, material use intensity was 4,441 kg/mio € revenues.

Next to our internal circular design efforts, we fully support the development of clear, objective criteria that drive the industry toward more circular products. As an active member of the CEN-CENELEC Joint Technical Committee 10 on energy-related products, which aims to establish an objective measuring methodology for repairability and recyclability of products, we contribute to future standards that will improve the circularity performance of products.

### Product recycling services

As e-waste is one of the fastest growing waste streams, it is crucial for our products to be recycled at end-of-life. This is the very basic first step in a circular economy. For every product, we provide a user manual that includes information for customers on how to handle the end-of-life stage, and a recycling passport that offers recycling information to recyclers.

We allow customers to return used products to recycling partners free of charge. In 2021, 25% of our revenues were sold in countries where we participate in and offer product return and recycling programs. Where no structured program is in place yet, we offer ad-hoc recycling and collection services. We demand that all our recycling partners are ISO 14001 certified and comply with legislation regarding the prohibition of e-waste export.

> Read more on our website

To increase transparency into product composition and to improve waste treatment operations, the European Chemicals Agency (ECHA) has deployed a publicly accessible database: the SCIP (Substances of Concern in articles as such or in complex objects (Products)) database. Containing information on substances of very high concern present in articles placed on the EU market, the database ensures that the information on the articles is available throughout the entire lifecycle of products and materials, including at the waste stage. This database informs recyclers on which substances are used.
In 2021 Barco registered all its active end-products in the ECHA SCIP database. We were able to do that prior to the deadline thanks to our large coverage of Full Material Disclosures (FMDs) (82% of active components in 2021) and RoHS certificates with the applicable exemptions. That makes us a pioneering company when it comes to providing transparent and up-to-date information.

Extending circular service offerings
We realize that before products are recycled, more valuable circular opportunities should be grasped. That’s why we explore opportunities to extend the lifetime of our product, including upgrades and predictive maintenance options. In addition, we start exploring offerings where customers get access to – rather than ownership of – products. This opens new opportunities for the circular economy.

Circularity in action: Barco’s rear-projection cube video wall upgrades

Rear-projection video walls consist of multiple cubes stacked in a matrix structure. Each cube contains a projector, a mirror reflecting the image, and a projection screen integrated in a mechanical structure. While electronic parts, cooling units and light sources (although they can be separately replaced) age, the mechanical structure, mirror and screens can last a lot longer. That is why we offer an upgrade solution: customers can equip their existing video wall structures with a new projection module. In this way, they get access to the latest RGB laser projection technology quickly, while significantly extending the lifetime of their overall system and minimizing waste. This fast, easy and low-cost operation is offered in both CapEx and OpEx models.

In 2021, 35% of rear-projection video wall installations were upgrades of existing rear-projection cubes. What’s more, the legacy projection engine and lenses are, under certain conditions, also being refurbished. For example, in 2021, 136 lenses were refurbished.
**People**

**Our ambition**

We invest in sustainable employability by creating the right conditions for our employees to have an engaging, enriching and healthy career at Barco. We do this by encouraging our people to learn and develop themselves and by ensuring a healthy working environment – both physically and mentally. We engage in building an inclusive workplace that embraces the diversity of our people.

**Our targets**

1. Empower all our colleagues to have an engaging, enriching and healthy career

   **Primary targets**
   
   - Each year, aim for an employee Net Promoter Score of at least 30
   
   - Step up our efforts in diversity
   
   - Invest in learning and development

   **Supporting targets**
   
   - Each year, aim for zero work accidents

---

**The people of Barco**

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>2019</th>
<th>3,636</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>3,303</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>3,141</td>
</tr>
</tbody>
</table>

**Gender**

- 73% male
- 27% female

**Geographical**

- 12% The Americas
- 33% Asia-Pacific
- 55% EMEA

**Per functional group**

- 41% Operations
- 30% Research & development
- 21% Sales & Marketing
- 7% General & Administration

Figures reported are in heads (not FTE). For definitions on indicators: see glossary. We refer to note 4 in the financial chapter and to our remuneration report for more explanation on the headcount evolution.
Despite all difficulties and hard times linked to the corona pandemic, I have always felt and continue to feel that my colleagues on all levels are really caring: for the work they do, for the results, for the satisfaction of the customer and for each other. I look around me and I see a working environment full of highly skilled and willing professionals, keen to learn from each other, providing each other with honest feedback and growing together, day after day.

Argentina Margaret Iezzi
Inside Sales Coordinator, Italy
1. Employee engagement

Upholding employee engagement was again a priority in 2021. Both in times of mandatory working from home and return to the office, we put several initiatives and mechanisms in place to keep employee engagement on the high level we are used to.

1.1 Pulse surveys measuring employee engagement

Since 2020, Barco has been measuring employee wellbeing, engagement and satisfaction through so-called ‘pulse surveys’. These short polls allow us to gauge satisfaction multiple times a year and have proven to be a very valuable tool during the times of mandatory working from home. They provide us with real-time insights on how employees are feeling, allowing us to take action quickly in order to keep everyone motivated.

In 2021, we took the surveys in February and in July. On average 70% of the Barco employees responded and the outcome was positive. In July, 85% of employees indicated they were doing OK or great (versus 78% in February) – the same percentage as in the first worldwide survey during the first covid-19 outbreak (April 2020). Overall engagement in 2021 was 8.3/10.

Based on this engagement score, we calculated an employee Net Promoter Score (E-NPS) of 38.5: a great result according to industry expert literature and well above our target (at least 30).
1.2 Focus on connection

The July 2021 pulse survey confirmed that our biggest challenge is to stay connected. Connected to our colleagues, team and manager, connected with our customer, but also connected with our role and purpose in the broader Barco context. To reinforce that connection, we launched a variety of initiatives for employees and team leaders, from which they learn and benefit, as individuals and as a team: from workshops on team dynamics (using Insights Discovery), workshops on giving and receiving feedback, keynotes and recordings on resilience and re-energizing teams (by e.g., Streetwize) to keynotes from customers and external partners.

During the Streetwize connect session, we explored the skills proven crucial to succeed on the streets. When studying children who live in the street there is a connection of their need to be ever changing and savvy, in the same way we need to be agile in business. The more we are open to change and able to share our ideas, the more we feel connected and a part of the corporation.*

Despite these efforts, we faced an increase in voluntary turnover in 2021 compared to 2020. This trend is in line with the higher resignation rates observed in the overall (tech) industry.

For the 11th year in a row, we encouraged operators to share their improvement ideas via the iGemba program. iGemba’s goal has remained unaltered since the launch of the program: to establish a culture of continuous improvement. Improvement ideas can be in many domains: quality, safety, ergonomics, environment, ... every suggestion that moves the organization forward is welcomed.

In 2021, on average 5.5 suggestions were made per operator. This is a clear rebound from the dip in 2020 when the focus on crisis management and the severe lockdowns clearly hampered the iGemba initiative.

---

* Melanie Foster
Executive assistant

2. Employee safety, health & wellbeing

Caring about people is in our company’s DNA. We aim to establish a culture that places top priority on safety and on health, as we state in our Environment, Health, Safety and Security Pledge. The covid-19 pandemic did not stop when 2021 started, and the focus of the year was again on mitigating the impact of the pandemic. But even in this context, we pursued or launched additional initiatives to structurally improve the safety and the wellbeing of our people.

2.1 Making all workplaces safe during the covid-19 pandemic

Ensuring health and safety in the working environment has been a top priority in 2021. Learning from 2020, we were able to prepare and respond to the covid-19-related challenges in an agile and proactive way. A global response team reviewed the worldwide pandemic impact and the legal obligations and communicated on measures taken at Barco. This team focused on:

- Ensuring compliance with the (constantly changing) legal requirements in the different countries, e.g., working from home;
- Contact tracing in the company;
- Supplying protective equipment (e.g., hand gels, face masks);
- Organizing on premise-work aligned with social distancing rules;
- Updating travel advice in function of the applicable legislation;
- Frequent communication with employees.

A wide range of contingency measures were set in place, including warning employees in the case of an infection, ensuring social distancing, ventilation, homeworking, and many others. While these measures were largely successful and at most sites globally almost continuously operational, the Barco Noida site (India) had to close in May 2021 when covid-19 infections in the country reached a peak.
How we put our ‘We care’ pledge into practice during the covid-19 crisis in India

In April and May 2021, India was hit by a devastating wave of covid-19 cases. Over 100 out of the 500 Barco India employees were impacted. As the country ran out of hospital beds, oxygen cylinders, medicines and testing capacity, Barco immediately lent help.

“We set up a helpdesk where our employees and their families could reach us 24/7 and ensured they had access to testing and medical care, from a doctor, oxygen and other medical supplies through to, in the worst cases, an ambulance and hospitalization. In addition, colleagues who struggled with the impact of the crisis were encouraged to talk about their concerns via an employee assistance program,” says Jayati Roy, HR director Barco India. Barco Noida also ensured the health and safety of their people by offering continuous testing services and setting up a temporary vaccination center.

“Our colleagues around the globe helped us with financial support, oxygen concentrators and with moral support too. Everyone really expressed their concern and checked how they could help,” Jayati continues. “That sincere support was a great help to all of us. It highlighted that Barco is a warm company that really cares for its people.”

The sincere support of the entire Barco community was a great help to all of us. Barco really is a warm company that cares for its people.

Jayati Roy
HR Director, Barco India
2.2 Continuous improvement

In line with our ambition to reach zero work accidents, each Barco site creates a Plan-Do-Check-Act cycle based on the group’s requirements for safety and health management. This includes, among other relevant activities, developing a management framework governed by a safety and health supervisor, and implementing risk assessments. Some important actions are:

- The launch of an initiative regarding internal transport in the production site at our headquarters.
- Continued efforts to ensure chemicals safety – which remains a top priority for Barco – around the globe. While all existing actions and initiatives remained in place, a new updated procedure for chemicals was rolled out.
- Ensuring laser safety: the laser safety committee makes sure that the strict laser safety procedures are respected, and that laser technology is always handled in dedicated rooms only.
- Placing the safety of Barco operators at the heart of improvement ideas through the iGemba program: which encourages Barco operators around the globe to continuously improve processes. iGemba promotes a safety culture as one of the most important values.

In 2021, the worldwide lost time injury frequency rate was 1.59, which is a significant improvement compared to previous years. Lost time injury severity rate was 0.07.

2.3 Training and communication

Employees and the subcontractors working on Barco premises are properly informed and trained for the tasks they are performing – not only on a technical level, but also when it comes to health, safety and wellbeing. We also actively communicate on the subject with employees through meetings with labor unions and the joint management-worker Health and Safety Committee at the headquarters. In 2021, a specific mandatory Standards@Work e-learning course on safety was rolled out globally. 100% of white-collar employees followed the course.

2.4 Promoting mental health and wellbeing

Barco undertakes multiple actions to promote the health and wellbeing of all our employees, which are listed on the corporate website. In 2021, in the midst of the covid times, we launched several extra initiatives. One example: in our headquarters, a group of volunteers – the so-called CeOs (Chief energizing Officers) – set up different targeted initiatives to boost the morale of our workforce.
3. Employee learning & development

At Barco, we are dedicated to promoting and supporting employee development, through training programs and development opportunities. Driven by the continued pandemic and subsequent restrictions in social contacts and travel, trainings in 2021 were mainly digital. As employees were enthusiastic about this approach – and digital learning offers obvious benefits in terms of costs and environmental footprint – we will maintain a set of virtual courses in the future portfolio.

3.1 Adapting training programs to strategic needs

For some time now, Barco has been organizing ‘Governance Boards’ charged with identifying the strategic training needs of the company and developing a relevant learning and development program. In 2021 a new ‘Governance Board’ focusing on digital transformation was installed – led by Marc Spenlé, Chief Digital Information Officer.

Despite the ongoing pandemic, with periods of mandatory remote working, we managed to keep providing courses. Thanks to our own weConnect platform, we could offer employees an engaging learning environment. 89% of Barco employees enrolled into a course in 2021, either offline or online.

Agoria awards Barco as ‘Employer ready for the future of work’

At the end of 2019, Barco signed the ‘Be The Change’ charter of Agoria, the Belgian federation of the tech industry, committing ourselves to apply tech innovations on the work floor. Achieving all four targets yielded us the Agoria award of ‘Employer ready for the future of work’.

» Read more
The training courses on Barco’s Standards@Work were again very successful, reaching no less than 99% of white-collar employees. New were the online learnings provided via LinkedIn Learning to a selection of employees worldwide.

In 2021, Barco employees received on average 10.5 hours of training. That is lower than previous years, mainly due to the difficulties with organizing training in the covid context.

### Average training hours per employee

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<th># hours</th>
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<th>2021</th>
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### Internal mobility

<table>
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<th>% vacancies filled internally</th>
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<tbody>
<tr>
<td>25</td>
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<tr>
<td>20</td>
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<tr>
<td>15</td>
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<td>10</td>
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#### 3.2 Promoting internal mobility

Whenever there is a job opening at Barco, the job is posted internally. In addition and whenever possible, Barco’s internal mobility forum actively looks for an internal candidate with the needed skillset – in line with our internal recruitment policy. In this way, we strive to keep talent in-house and stimulate people to further develop themselves. In 2021, one out of five vacancies were filled internally.
3.3 Leadership development

Annual talent development reviews, assessing the performance and future potential of our employees, are an important instrument to identify the development actions or career moves people need in order to move and grow further in the organization. The Barco Leadership Compass provides the worldwide framework for this review by outlining clear expectations in three domains: thought leadership, result leadership and people leadership. As a result the Barco leaders know what is expected and can develop their leadership skills based on a set of well-defined competences. In 2021, 31% of leaders went through a formal review.

The Emerging Leader Program was organized for the third time in 2021. 30 employees, who are not yet in a leadership position, but with strong leadership talent and marked ambition were selected to participate in this program. Throughout this program they developed their skills in various aspects of business and leadership, creating a strong foundation for them to develop into the leaders of tomorrow.

Next to the corporate initiatives, many local or team-specific leadership training programs were set up. An initiative worth highlighting is the training program in the Belgian operations department on ‘Communicating with impact’ (for line supervisors and line responsibles) and ‘Leadership skills’ (for managers).

In the ‘Communicating with impact’ training, we got a very practical insight in people leadership skills. The interactive role play was a great way to learn how to give feedback to colleagues.

Vital Cracco
Warehouse supervisor
4. Diversity & inclusion

Barco’s open and inclusive culture was further supported and strengthened in 2021. We keep on striving for more diverse teams in terms of culture, nationality, gender, etc. In the meeting of September 2021, our Board of Directors underlined the importance of diversity and inclusion as a catalyst for creativity and innovation. As a result, diversity and inclusion will be treated as a highly material topic. In the fourth quarter of 2021 a workstream lead and executive sponsor have been assigned to accelerate on this topic. They will set out a roadmap and action plan in the course of 2022.

![Diversity by gender](image)

![Diversity by age in 2021](image)

![Diversity by nationality in 2021](image)
4.1. Diversifying teams

In 2021, we offered training to promote team diversification. In a dedicated training course, people learned about optimal conduct when working together in multicultural teams, in an international environment. The training greatly contributed to a better in-team spirit. An “Insights” workshop made employees look at preferred behavior, better collaboration, and optimal understanding. We also kicked off a monthly ‘worldwide onboarding’ initiative in 2021. Next to guiding our new employees in and around Barco, this is also a good platform to experience the diversity of the Barco teams and get to know international talent from different cultures in our organization.

We steer actively towards diversity within the highest governance bodies. We monitor, assess and evaluate gaps and areas for improvement in the composition of our Board of Directors and of the Core Leadership Team in terms of gender, age, capabilities, expertise, educational and professional experience as well as nationality. In April 2021, Lieve Creten was appointed as member of the Board of Directors, resulting in an equal board composition in terms of gender.

4.2 Equal pay monitoring

Barco values equality between men and women and believes this should be reflected in rewards. Our Job Grading Policy dictates that the salaries be based on a functional level and not assigned individually, ensuring that there is no material wage gap between women and men. Furthermore, promotions and new hires are a shared responsibility between the HR department and the managers. This extra pair of eyes watching over all processes is another sanity check for equal payment.

In Belgium, an annual sanity check is done on the salaries of men and women, monitoring the equal pay strategy per function level. In 2021, the results of this analysis were discussed with the Belgian workers council, and they concluded there was no significant gap and no further action was needed.
5. Labor practices & human rights

Respect for human rights has always been a fundamental value for Barco. That is why we increasingly approach this topic in a more structured and elaborate way.

5.1 Formulating our human rights pledge

We look at human rights from three different angles: Barco as an employer, Barco as a customer and Barco as a supplier. Our human rights pledge covers these three angles. As the guiding principles for the pledge, we used the Universal Declaration of Human Rights, the International Labor Organization (ILO), the Declaration on Fundamental Principles and Rights at Work, The UN Guiding Principles on Business and Human Rights and The OECD Guidelines for Multinational Enterprises. The pledge, approved by our CEOs in 2021, complements the already existing Environment, Health, Safety and Security pledge. These two documents form the cornerstone of our vision, commitment and actions on how we deal with human rights in our own organization.

5.2 Identifying salient human rights risks in own operations

In 2021, we defined the salient human right risks in Barco’s own operations, using the RBA Code of Conduct (Responsible Business Alliance, version 7.0 2021) as input. This code gives clear guidance to cover all possible risks related to human rights. We asked representatives of different organizations (HR, Legal, Compliance, Communication) to score the likelihood and potential impact of the human rights topics mentioned in the RBA code. Based on the consolidated results of their inputs, we defined the three salient risks for Barco’s own operations: discrimination, protection of identity and non-retaliation, and emergency preparedness. For each of these salient risks we have identified the Barco team or department that is accountable for tracking our performance on these topics, and how to measure and report progress. In 2022, we will set up a governance structure to audit these results.

5.3 Grievance mechanism

Our employees can report any case of human rights violation to ethics@barco.com. Every case is investigated diligently. A remediation procedure in line with national legislation is foreseen, if applicable. The grievance mechanism will be adjusted to ensure compliance with the EU directive nr. 2019/1937 on the protection of persons who report breaches of Union law ('Whistleblowers Directive') upon its implementation in the EU member states. More information can be found in the Ethics & compliance chapter of this report.
Communities

Our ambition

We will play an active role in the communities we operate in by upholding the highest ethical and quality standards and expecting the same from our business partners. We always aim to deliver added value to our customers through our solutions, services and capabilities. In addition, we help ensure more people can participate in and benefit from the innovation society.

Our targets

<table>
<thead>
<tr>
<th>Primary targets</th>
<th>Supporting targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Always act lawfully, ethically and with integrity wherever we operate</td>
<td>Each year, train all our employees in Standards@Work</td>
</tr>
<tr>
<td>2. Deliver great customer experience</td>
<td>Measure and drive customer Net Promoter Score to an above market average score</td>
</tr>
<tr>
<td>3. Proactively manage information security risks</td>
<td>By 2025, obtain an average cybersecurity maturity (NIST CSF) score of at least 3.4</td>
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<td></td>
<td>Each year, add at least one new product line to the scope of the ISO 27001 certificate</td>
</tr>
<tr>
<td>4. Engage our suppliers in adopting sustainable business practices</td>
<td>By 2023, have suppliers covering at least 70% of our production spend scored on their sustainability performance</td>
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<tr>
<td></td>
<td>By 2023, enroll all suppliers with sustainability score &lt; 70% in improvement plan</td>
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<tr>
<td></td>
<td>Each year, at least 75% of our production spend is covered by suppliers undersigning Barco’s supplier Code of Conduct</td>
</tr>
<tr>
<td></td>
<td>Each year, 100% of new production suppliers are screened on sustainability by self-assessment</td>
</tr>
</tbody>
</table>
Our roadmap towards sustainable impact: key initiatives and action plans

1. Customer engagement

“We think with the customer” is one of Barco’s core culture building blocks. Every Barco team works hard to put that value into practice. Through a mix of business unit-specific initiatives and cross-Barco customer satisfaction measurements, we aim to become a truly customer-centric organization.

1.1 Cross-Barco customer satisfaction measurements

In 2018, a customer satisfaction measurement program was kicked off, which has now been rolled out across the entire Barco organization. Today, we have embedded three initiatives in our standard way of working, which all feed back into each other to make sure we keep monitoring the most relevant KPIs and have the insights and take action on what matters most for the customer:

- **Monthly customer journey dashboards** per business unit, based on a mix of both internal and external KPIs, help us monitor the key touchpoints that matter for the customer and take action;
- The **NPS** is now our standard methodology for measuring customer satisfaction. **NPS surveys** are sent out on a quarterly basis to measure overall satisfaction. In addition, we send out transactional-based NPS surveys that measure the performance of individual transactions with Barco;
- **Customer journey mapping** helps us identify critical touchpoints for the customer.

In the course of 2021, we continuously improved processes and looked at further leveraging insights into action:
- We adapted our follow-up processes from period efforts to always-on follow up;
- We improved database quality and managed to increase response rate;
- We defined and implemented the processes to leverage customer insights throughout the organization: product quality feedback and feature requests are fed back to product management and quality issues are circled back to the quality department and product management.

Our efforts resulted in a growing number of responses to our NPS surveys, making the outcome of the surveys more reliable and insightful.

At the end of 2021, Barco achieved an NPS of 47, which equals the NPS score at the end of 2020. While the score for Healthcare remained stable, we saw fluctuations over the year with a lower score for the Meeting Experience business compared to peak 2020 outcomes. That drop was, however, offset by solid rise in the results for our Immersive Experience business. A score above 50 is considered excellent and that is also where we want to steer the company’s rating.
1.2 Business unit-specific initiatives

In addition to the organization-wide approach to measure and improve customer engagement, our business units – as well as Barco sites around the globe – also take action to strengthen the bonds with their clients. You’ll find more examples of business unit-specific initiatives in the ‘Entertainment’, ‘Enterprise’ and ‘Healthcare’ chapters in the core of our Integrated report. Because ‘customer engagement’ is so pivotal in everything that we at Barco do, we’ve also included a summary of our approach in the general ‘market’ section of our integrated report.

Improving the customer experience guided by NPS: how the Americas Project Management Office team is embracing feedback and taking actions

Our Project Management Office (PMO) in Atlanta manages installations, handles shipments, oversees production and makes sure everything is installed on schedule. As they have continuous and intense contact with customers and partners, customer engagement is key. In 2020, they started measuring their performance in that field.

“Our first NPS survey yielded a score of 44. Not bad, but not good enough for us,” said Marcos Oliveira, Director Project Management Office Americas. “From the feedback we learned that our clients didn’t really feel involved, which led to frustration.”

To put customers really at the heart of what they’re doing, Marcos and his team have adapted several processes. Today, they communicate more frequently and more openly than before. “We have increased the number of contact moments with customers, created a template to ensure a smooth project handover from sales to the project office and built an internal web portal that enables the team to learn from previous experiences and stay motivated. The results: happier customers and a happier Barco team.”

We are now thinking more from a customer mindset, rather than from an engineer’s mindset. It is our job to make our customers shine. And this approach has clearly paid off. At the time of writing, we have reached an NPS of 77, which is a great joint effort from the PMO team and Field Services team.

Marcos Oliveira
Director Project Office Americas
2. Product quality, safety & security

2.1 Product quality

In line with our mission to enable bright outcomes, Barco aims to offer products and solutions that ensure top quality over their entire lifetimes. Barco has always been considered an A brand that delivers quality, yet we want to continuously raise the bar in order to consistently meet and even exceed customers’ quality expectations. That commitment is strongly expressed in our global quality policy.

Quality management system

The drive to realize our quality policy and ensure that every product – hardware and software – that we launch is of the highest quality, is ingrained in a company-wide quality management system. This system defines the standard Barco processes – from product planning, design and development, manufacturing and sales all the way to customer service. One of the key aspects of the system is the definition of clear roles and responsibilities and the authority of those responsible for product quality throughout the entire product life cycle.

Barco’s quality management system is audited annually and certified according to international certification standards:

- ISO 9001 quality management system (for Barco sites in US, Germany, India, Italy, China, Norway, Taiwan and Belgium);
- ISO 13485 quality management system specifically for the medical device industry (for Barco sites in US, China, Belgium, Italy and South Korea).

Quality organization

Our commitment to quality and customer satisfaction is also reflected in Barco’s quality organizational structure. Each business unit has dedicated quality assurance responsibilities who supervise process and product quality. In close collaboration with the business unit management teams, they monitor quality-related indicators and spearhead improvement initiatives. Together with the quality responsibilities assigned to each manufacturing plant and the supplier quality responsibilities, they form a team that is committed to continuously improving product quality for all our customers.

Quality by design

The sustained product quality levels are a result of Barco’s standardized product design processes, focusing on:

- Compliance with the applicable standards, laws and regulations, even exceeding them;
- Security by design principle to ensure protection against the rising number of cyberattacks;
- Agile software development principles to ensure that high-quality software is delivered at the right cadence;
- Close monitoring of key product quality indicators during the different design stages;
- Early and automated product integration and validation;
- Reliable and mature supplier management and manufacturing processes.

Closing the loop

The quality journey continues after product launch through a set of different processes and initiatives to integrate feedback into existing and new products, including:

- iGemba initiatives initiated by employees to raise product quality;
- The monitoring of customer feedback and satisfaction by the divisional and regional service team;
- Regular cross-functional quality meetings between quality, R&D, procurement and service to monitor and assess product quality indicators. When needed, improvement activities are initiated in response to quality-related issues;
- A monthly quality dashboard visualizing overall quality performance and customer feedback.

Main achievements of 2021

- Extending the Barco-wide multisite ISO 9001 certificate to the Taiwan site;
- Successful completion of ISO 13485 certification in the new manufacturing site in Suzhou;
- IEC 62304 certification in Noida, ensuring compliance with medical device regulations for software development;
- Transition of the medical devices to the new EU medical device regulation (MDR).
2.2 Product safety

A worldwide focus on product safety

In the past few years, Barco has set up a major program to ensure that our complete active product database complies with the hazard-based safety standard, which covers an integrated way of assessing joint functionalities and risks of existing and innovative technologies. This resulted in timely certification for the European and North American markets in 2021. Various countries in the far East and near East regions now started transitioning to this product safety standard. Testing and recertification for those regions is done to provide our overseas customers with the required country-specific product safety marks.

Also Brexit has impact on Barco’s product safety and certification approach as the CE marking, which is seen as the gold standard for quality in all EU countries, will no longer be accepted in the UK from 2023 onward. EU product regulations have been translated to UK specific regulations and all products and spare parts are in an update program for compliance with UKCA, the UK product safety certification marks.

Safety throughout the product lifecycle

As early as the concept and prototyping phase, we review the applicable safety standards. The result of this review is a list of requirements for critical components, suppliers, product design, use cases, and manufacturing, obsolescence, and component change management.

Throughout all product lifecycle stages, our product safety engineers provide necessary input and execute tests against the applicable standards in our company lab, according to the ISO 17025 standard for test laboratories. The assessment is successful only when the product passes on each requirement and the test reports are approved by our external certification partners. As a consequence, we CE-label our products with the support of a third-party certification mark such as CEBEC1 or DEMKO.2

As long as our products are manufactured and/or sold, we ensure compliance with updated and applicable standards and requirements. During that time, reports and certification marks serve as proof that our products adhere to the latest iterations of continuously evolving safety standards.

Production process safety

The activities of our in-house safety lab also support product safety protocols regarding production processes. Procedures concerning the control of nonconformity and corrective and preventive actions are in place, thus meeting one of the requirements of the ISO 9001 certification that Barco holds. Our employees are continuously trained on safety aspects of the new technologies that Barco uses in its products, as well as on changing regulatory requirements.

Number of incidents of non-compliance regarding the health and safety impacts of products and services

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0</td>
</tr>
<tr>
<td>2020</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>0</td>
</tr>
</tbody>
</table>

1 CEBEC: The CEBEC-mark is a Belgian safety certification mark for low voltage electrical products.
2 DEMKO: Initially established as Denmark’s Electrical Equipment Control and one of the founding members of the CENELEC Certification Agreement (CCA) Scheme, for the mutual acceptance of test results between European countries.
2.3 Product security

With the risk of cybersecurity attacks increasing, organizations need strict information security governance processes. Barco has a clear commitment to deliver secure products and services to its customers.

Deploying Barco products and services at customers’ premises poses a series of cybersecurity risks, including:

- Exposing Barco’s intellectual property, which is embedded in the product/service;
- If connected to the customer’s network, the product/service can be used as a pivot point to further penetrate the network;
- Exposure of (personal) data which is processed by the product/service.

Product security is managed by the product security architects and experts, who are operating in the business units.

In 2021, we took the following actions to strengthen the security of our products:

- ISO 27001 recertification audit
  XMS, the cloud management platform to manage and monitor ClickShare devices, was added to the scope of the ISO 27001 certification.
- Drafting a product security roadmap
  In close cooperation with our Security Office, all our product security architects and experts drafted a product security roadmap that governs the different domains where security is crucial: compliance, development lifecycle, operational security, sales support, tooling, training. ... Given the positive experience, this roadmap will remain in place and kept-up-to-date going forward.
- Building a ‘security and privacy’ champions community
  By empowering a member of every development team to act as the security and privacy conscience of the team, we managed to raise the awareness within the development teams to critically identify issues as early as possible. When needed, ‘security and privacy’ champions can escalate issues towards security experts for extra guidance and they share best practices amongst each other to boost the ownership in every team.
- Extending security testing tools
  The security scanning tools used in product development were extended and additional focus was put on integration in an automated way in our development and deployment processes.
- Training
  The R&D community was trained on the importance of secure software development to ensure adoption of security controls in all phases of our development lifecycle.

Our corporate website includes a responsible disclosure policy, which provides security researchers with clear guidelines on how to reach out to us about security vulnerabilities detected in our products. The feedback is carefully handled using a risk-based approach by our product security incident response team (PSIRT). In 2021, we received 267 notifications about potential vulnerabilities (including duplicates) in products or services, reported by customers, ethical hackers and third-party pen-testers contracted by Barco.
3. Corporate security and data protection

3.1 Corporate security

As we are fully aware of the growing importance of corporate security, we have a clear leadership commitment to cybersecurity, which translates into a Security Organization that operates along three lines of defense. The cybersecurity program is managed by Barco’s Security Office, the second line of defense.

Highlights in 2021 included:

- ISO 27001 recertification audit at Barco sites across the globe.
- Applying a shift-left security approach, e.g. when introducing our new CRM cloud application (i.e. mobile security)
- Including data governance in the new global employee offboarding process
- Introducing a security and privacy business impact assessment for third parties
- Raising cybersecurity awareness among employees, with new e-learnings and a phishing simulation exercise
- Continuously increasing our security maturity level, by investing in people, processes and technology

Our security maturity score increased from 2.19 to 2.23 in 2021 (NIST CSF), thanks to all the initiatives described above. By the end of 2025 we aim to improve that score to 3.4.

The main actions to improve the NIST CSF security maturity score in 2022 are:

- Refining cybersecurity incident response
- Increasing management controls on privileged access
- Improving network segmentation
- Revisiting backup and recovery strategies
- Monitoring, preventing, detecting, analyzing, and responding to cybersecurity treats and incidents
- Enhancing overall patch management

*NIST: National Institute of Standards and Technology; CSF: Cybersecurity Framework*
3.2 Data governance and privacy

Barco prioritizes the protection and management of personal data in accordance with GDPR and similar data privacy legislation outside the EU, e.g., the US HIPAA* regulations. Our data protection officer (DPO) is in charge of managing our data privacy compliance program, which is governed by several procedures and instructions. She is supported by a team of privacy liaison officers (the legal & compliance responsible, security & privacy champions and regional knowledge owners) who oversee and ensure compliance with the GDPR on a day-to-day basis at a local level. Our internal audit department supports the DPO to facilitate GDPR compliance with independent assessments and reporting on the effectiveness of implemented measures through the testing of controls as defined in the internal audit plan.

Highlights in 2021 included:

- Including data governance in the new global employee offboarding process;
- Updating the existing instruction related to personal data breaches with guidelines for responding to a breach of protected health information under the US HIPAA regulations;
- Introducing a security and privacy business impact assessment for third parties, carried out by the Security Office and the DPO;
- Signing data processing agreements with third party cloud service providers that are involved in the processing of personal data on behalf of Barco;
- Launching a new data protection e-learning under Standards@Work;

| Number of data / GDPR / privacy incidents reported to data protection authorities |
|---------------------------------|-----|
| 2019                            | 0   |
| 2020                            | 0   |
| 2021                            | 0   |

*US HIPAA: is the Health Insurance Portability and Accountability Act of 1996*
4. Ethics and compliance

Good financial performance does not conflict with high ethical standards. The DNA that drives business efficiency and compliance is the same: 100% say-do ratio, focus on solving issues rather than pushing them out or cutting corners, and a relentless drive for process improvement. Barco’s reputation and continued success depend on the conduct of our employees as well as our business partners. That’s why we put great emphasis on building a company culture in which ethical conduct and compliance with Barco’s policies and the applicable regulations are at the core of how we do business.

4.1 Building a true ethics and compliance culture

We continuously invest in building a structured, company-wide compliance program, based on our Code of Ethics, which outlines the basic principles of compliant and ethical behavior when dealing with colleagues, business partners, company assets, information, infrastructure, etc. Every manager is required to sign off on the Code of Ethics annually.

4.2 Compliance Awareness Month

To raise awareness about the Code of Ethics, we organize a series of activities each year in the month of June – which is called ‘Compliance Awareness Month’: from distributing posters, sharing blog posts covering ethical topics and publishing our compliance officer’s ‘Compliance Year in Review’ letter to organizing the Compliance Challenge live quiz.

4.3 Global compliance manager role

In 2021, the global compliance manager launched a broad range of initiatives to strengthen compliance in each of the pillars of our compliance management system. Great effort was put in updating and finalizing company policies and procedures in domains such as document retention, employee offboarding or data privacy, and familiarizing employees therewith.

In 2021, the Barco Labs team proudly took home the Compliance Cup.
4.4 Company-wide Standards@Work training

To boost awareness and know-how on compliance-related issues among Barco employees, we set up Standards@Work, a company-wide training program hosted by Barco University, our in-house training and development centre. The program includes a growing amount of e-learning courses covering cybersecurity, data protection, sustainability, quality, safety, ethics and continuous improvement, which employees are expected to take within the deadlines set. We strive for a 100% participation rate and actively follow up on employees with overdue learning assignments. In addition, we organize in-depth Standards@Work² trainings on topics like anti-corruption and healthcare regulatory compliance for designated employees.

In 2021, we prepared a new e-learning course on confidentiality and an in-depth training on competition law. Both will be launched in 2022.

4.5 Promoting a ‘speak up’ culture

Barco wants to actively promote a genuine ‘speak up’ culture where ethical questions or dilemmas can be raised without fear of retaliation. Employees who have questions or want to raise concerns or issues can do so via several channels. Their direct supervisor or HR business partner is the first line of contact. In addition, any employee can reach out to a member of the Legal, Risk & Compliance team or the Internal Audit team. Questions and/or concerns can also be communicated via the Ethics mailbox (ethics@barco.com), to then be reviewed and followed up by the Ethics Committee.

<table>
<thead>
<tr>
<th>Overview and breakdown of the matters addressed via the Ethics mailbox in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Data privacy</strong></td>
</tr>
<tr>
<td><strong>Inappropriate behavior</strong></td>
</tr>
<tr>
<td><strong>Conflicts of interest</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Resolved: 4
Unresolved: 2
Closed: 2
4.6 Governmental investigations

Since Barco conducts business across the world, our operations are scrutinized by governmental authorities in different countries from time to time. Below we indicate pending and ongoing investigations to the best of our knowledge.

- In India, the Directorate of Revenue Intelligence is investigating the export of components from Barco’s factory in India, which allegedly fall under the scope of Indian SCOMET export regulations and would require an export license. Barco contests the applicability of SCOMET export regulations and filed a writ with the High Court of Delhi. Due to the covid-19 epidemic, the hearing has been repeatedly delayed.

4.7 Membership of associations

Barco is strongly integrated into local and professional initiatives as well as communities that are relevant for its activities. We support these initiatives and communities in various ways – as a founding partner, through directorship, delegation of employees to work groups, membership fees, etc. Below is a non-exhaustive list of the various organizations and associations we are a member of:

- Industry and trade associations and professional networks: Agoria, Belgisch Elektrotechnisch Comité (BEC), COCIR, Laser Illuminated Projector Association (LIPA), BELIR, Belrim, Beltug, IBJ, VONK, Executive Global Network, Communication Community, Vlaams Economisch Verbond (VEV), EIT Health, ...

- Non-profit organizations supporting:
  - local entrepreneurship, like Hangar K start-up incubator, a joint initiative of education institutions and the city of Kortrijk that supports start-ups and young entrepreneurs in the educational and gaming technology domains;
  - innovative research within the technology or sustainability sectors, such as Flanders Make, Flanders healthTech and The Shift;
  - international exchange and trade including Flemish-Chinese, American, Belgo-Indian, Belgian American Chambers of Commerce, Belgian Luxembourg Chamber of Commerce for Russia & Belarus and CanCham Belux.

- Advocacy organizations, like Voka.

The annual membership fees for most of the above organizations and associations range from 250 to 5,000 euro. Only a few require membership fees ranging between 20,000 and 30,000 euro.

Barco does not make donations or other contributions of any kind to political parties.
5. Supply chain responsibility

In order to meet our customers’ expectations for high-quality, innovative products, we rely on service and manufacturing partners from around the world. Sustainability is an inherent part of our global procurement mission and strategy: together with our partners, we continue to drive responsible and ethical behavior and high standards across our supply chain.

5.1 Procurement sustainability policy

Barco has outlined its sustainability commitments in a procurement sustainability policy, which describes how we want to collaborate with our suppliers in a responsible way: respect international Human Rights and Labor regulations, meet product compliance requirements, select and evaluate suppliers in a fair way, raising awareness on the importance of sustainability. The policy will be made available on our website and shared with all our suppliers.

5.2 Barco’s supply base

At Barco, we buy a wide range of components, from plastics, electronic components and sheet metal to finished products, from many different suppliers located in many different countries. As we deal with many suppliers, we have categorized them into four categories (key, key+, core and other) based upon supply risk and cost relevance to Barco. The categorization enables us to define a targeted scope and supplier management activities for each category. For each category, we have established different levels of engagement. “Major suppliers” cover the key, key+ and core categories.

2021: a continued test for supply chain resilience

2020 proved to be a real test for Barco’s supply chain resilience, given the trade wars and regional/global lockdowns resulting from the covid-19 pandemic. While business regained momentum in 2021, on- and off- lockdowns kept disrupting the supply chain, resulting in shortages in different commodities which further stress-tested our supply chain resilience. We have been able to largely mitigate the impact, in part thanks to our strong, long-term supplier relationships and our agile, proactive approach.

In 2021 Barco had 144 major suppliers, covering 84% of our total production spend. The regional spread of that spend was 64% in APAC, 26% in EU and 10% in the rest of the world.
5.3 Setting clear standards for our suppliers

The key to a high-standard supply chain is ensuring that our suppliers know our expectations, including those in the field of sustainability. We adhere to three important sustainability standards: the Barco Code of Conduct for suppliers, the Product Compliance requirements and the Responsible Minerals Sourcing policy.

Barco Code of Conduct for suppliers

We require all our suppliers to comply with the Barco Code of Conduct for suppliers, which is fully aligned with the RBA Code of Conduct (Responsible Business Alliance).

The share of major suppliers who have committed to the Barco Code of Conduct for suppliers or have a similar code, is tracked as a monthly KPI in the Global Procurement dashboard. At the end of 2021, 83% of our production spend was covered by a signed declaration of compliance with the Barco Code of Conduct for suppliers.

In 2021, we updated the code to ensure that it’s fully in line with the RBA Code of Conduct Version 7.0. We have renewed the commitment of our suppliers for the updated code.

Product Compliance requirements

Every component that our suppliers deliver to Barco must comply with the Barco Product Compliance requirements, which includes compliance with different worldwide regulations (such as RoHS10 and REACH, ecodesign requirements, WEEE), industry standards and additional criteria that we have defined. Within the Barco product compliance requirements, we also ask compliance with the Barco substance list, in which we restrict the use of specific chemicals or require declaration of specific substances. With the implementation of this list, we go beyond current legislation. We urge our suppliers to provide Full Material Disclosures (FMDs) of chemical substances contained in products. In 2021, 82.5% of active components were covered by FMDs.

Responsible Minerals Sourcing policy

Managing conflict minerals is part of Barco’s corporate responsibility. Just like many of our stakeholders, we are concerned about human rights violations in different forms (child labor, human-trafficking, forced labor etc.) as well as armed conflicts causing extreme violence across so-called “Conflict-Affected and High-Risk Areas” (CAHRAs). We recognize the risk related to illegal extraction and trade of materials such as tin, tungsten, tantalum, gold and cobalt.

Our Responsible Minerals Sourcing policy is aligned with the ‘OECD Due Diligence Guidance for Responsible Chains of Minerals from Conflict-Affected and High-Risk Areas’. Our in-scope suppliers (i.e. suppliers of products containing tin, tungsten, tantalum, gold or cobalt) are expected to complete the Conflict Minerals Reporting Template (CMRT) and submit it to Barco. In 2021, 100% of in-scope suppliers responded to the CMRT. We perform a detailed responsible minerals risk analysis on the data received through cross referencing and close collaboration with members of the Responsible Minerals Initiative (RMI).

In 2021, we also proceeded mapping the transparency of our supply chain regarding cobalt in anticipation of future regulation and customer expectations.
5.4 Further embedding sustainability in the procurement process

We encourage our suppliers to share our values and expect them to meet our mandatory ethical, labor and environmental standards. In order to ensure the level of engagement required, we have further integrated sustainability into every step of the procurement process.

A. Supplier scouting
The supplier self-assessment document includes sustainability-related questions, which are reviewed and form the basis for open discussions when a gap between supplier behavior and our expectations is detected at first glance. In 2021, 100% of new production suppliers were screened using the supplier self-assessment.

B. Supplier onboarding
In 2020, more sustainability criteria were added to the new supplier selection report for new component suppliers. We continued to use these criteria to increase awareness on sustainability during the onboarding process.

C. Purchase contracts
Sustainability clauses are part of Barco’s terms and conditions (T&Cs) for purchase as well as our master supply agreements (MSAs) (i.e. contracts with major suppliers). In 2021, 89% of production spend was covered by signed contracts with a sustainability clause, i.e. signed MSAs or T&Cs.
Sustainability is a fixed topic in every business review meeting. In that meeting we discuss one-on-one with our suppliers how they performed in the last year. We review topics such as quality, cost, (cyber-) security and sustainability. A scorecard that blends quantitative and qualitative data into a score provides a clear measure of that performance and is a perfect starting point to launch remediation actions where needed.

D. Supplier performance monitoring

In the annual performance review, suppliers are scored on their performance in sustainability domains such as product compliance requirements, adherence to Barco’s Code of Conduct and transparency (the provision of CMRTs and FMDs). Suppliers are encouraged to proactively share their progress regarding sustainability in their operations and supply chains, and to share innovations that could help us improve the sustainability impact of our products. In 2021, suppliers covering 58% of our production spend were scored on their sustainability performance. This is 14 percentage points more than in 2020 and on track towards our 2023 target of 70%.

Barco also performs audits at existing as well as new suppliers. These audits currently focus on quality, checking for quality compliance and predominantly focused to assess process risks that could result in quality defects. In 2021, 41 supplier audits were performed, an increase against 2020 partly due to the growing supply base to support our local manufacturing mainly in APAC.
E. Capacity building
To ensure that our suppliers understand our sustainability standards and learn how to act upon them, we train them and inform them about developments in several sustainability domains, such as environmental compliance, ecodesign and conflict minerals.

5.4 Training our staff
In 2021, we organized a dedicated training course for all commodity procurement executives, focusing on how to coach suppliers to improve environmental compliance data.

5.5 Plans for 2022 and beyond
In 2022, we will continue our journey from awareness to cooperative improvement of our suppliers’ sustainability performance. The new Barco Code of Conduct will facilitate the discussion with our suppliers. By engaging with suppliers who got a score lower than 70% in the annual performance reviews, we expect to understand the roadblocks and set up improvement plans, in order to boost their performance.

Our ambition for 2022 and beyond is to upgrade our supplier sustainability program to an advanced level, as defined in our sustainability roadmap. We will also tune our actions in order to be compliant with the European Due Diligence Act and provide further information to our suppliers.

Proud to create an intelligent and sustainable planet – together

Embedded computing manufacturer Advantech has been a trusted Barco supplier for over 10 years now. They co-create high-quality solutions for, among others, the Large Video Wall business, taking into account our ecodescoring methodology. Did our tool change their view to and approach of new product design? We asked the team!

“Still, we soon started taking into account all four criteria of the ecodescoring system in the earliest stage of new product development. The tool now acts as a guideline for us to continuously optimize our products. That has led to some great results already.”

“We soon started taking into account all four criteria of the ecodescoring system in the earliest stage of new product development. The tool now acts as a guideline for us to continuously optimize our products.”

“In the meantime, Advantech has established a corporate ESG strategy including similar ecodesign goals,” says Jaap Breepoel, customer program manager at Advantech. The company has worked hard, in the past few years, to plant the seeds of corporate sustainability into its system: “Barco’s ecodescoring methodology and all the initiatives that they take in the field of sustainability truly inspire us. We consider them a pioneer in the field and are proud to enable an intelligent and sustainable planet together with them.”

Dirk Finstel
Associate Vice President
Embedded IoT Europe at Advantech
6. Community engagement

At Barco, it is our ambition to help ensure more people can participate in and benefit from a prospering society, regardless of their backgrounds. We focus our support on the areas of education and entrepreneurship. We therefore connect our employees with purpose, leveraging their engagement, expertise and skills, and partner with non-profits and social enterprises, targeting long-lasting impact. Beneficiary groups are young and underserved people, with the prime focus on the communities where we live and work. In 2021, Barco invested 198 k€ in community initiatives around the world.

6.1 2021: the covid-19 health crisis kept impacting our communities

After a particularly challenging 2020, the covid-19 pandemic kept impacting communities worldwide in 2021. Especially India was hit hard in April and May 2021, which led to a heartwarming wave of support from Barco teams in every corner of the world. Colleagues from Belgium, China and Taiwan, for example, donated money to purchase oxygenerators, which were then shipped to India.

At our Indian offices in Noida, multiple initiatives were taken to ensure the health and safety of the local Barco teams and their families: from setting up a helpdesk and providing access to testing, medical care, oxygen and medical supplies through to vaccination and an employee assistance program.

Read the testimony of Jayati, HR Director of Barco India

6.2 Closing the education gap around the world

Education is one of the keys to escaping poverty. Over the past decade, Barco took several initiatives to increase access to education and school enrollment rates around the globe. In 2021, the covid-19 crisis urged us to slightly reshuffle our focus, especially in India, to deliver more emergency support.

• We continued to support the Indian NGO Sakshi, which founded the Barco Sakshi Education Center for underprivileged children in Noida, where our site is located. After supporting the construction in 2017, we keep helping the school through various initiatives.

• For several years now, we have been partnering with Close the Gap – a social enterprise that aims to bridge the digital divide in developing countries by offering IT devices donated by companies to projects. Since the start of our partnership with Close the Gap, Barco has donated 2,831 pieces of IT equipment. In 2021, we donated 535 devices of which a part has been used by Digital for Youth, a Close the Gap organization that collects laptops from companies, refurbishes them and distributes them to vulnerable young people in Belgium.
For our emerging leadership program, Barco kept partnering with StreetwiZe, a unique talent development provider that develops high-impact learning products to companies, inspired by the complex and competitive reality of street communities. StreetwiZe invests 100% of their profits in Mobile School, an organization that provides non-formal education to street youth and helps them grow into positive contributors to society.

6.3 Ensuring healthy lives and promoting wellbeing

“Ensure the best possible health outcomes to as many people as possible” is the mission of our Healthcare division. More than developing solutions to achieve that aim, we also support organizations that provide access to good healthcare services around the world. Initiatives taken in 2021 include:

- Like in previous years, we helped CanSupport, India’s largest free home-based palliative care program. Besides donating money to fund mobile teams, volunteering at CanSupport daycare centers or organizing activities with young cancer patients, we also ran sessions on mental health for CanSupport staff.
- Employees at the Belgian headquartered donated blood to the Red Cross in August.
- In October – Breast Cancer Awareness Month – we launched the ‘Illuminating the breast health journey’ campaign to highlight the importance of early detection and inform and support people suffering from breast cancer. In addition, we sold Pink ribbons and encouraged employees to ‘wear pink’ on Wednesdays.
- We donated medical displays to help improve diagnosis in a hospital in North-Nigeria, via Belgian NGO Kitanda, and to a local hospital in Croatia that had been severely damaged by an earthquake.

6.4 Employee-driven charity initiatives

The ‘we care’ value so typical of the Barco culture is also reflected in the charity initiatives set up by our own people. Just a few examples:

- In Taiwan, biscuit boxes were sold from Children Are Us bakery, a group of parents that provides children with intellectual development disorders access to education.
- The Barco team in Norway supported a range of different initiatives, raising money for the rehabilitation of prisoners and for vocational rehabilitation, for the delivery of Christmas dinners to poor or lonely people and to support people facing mental health disorders and substance use problems.
- In line with the mission of our Entertainment division, Barco also wants to promote cultural participation among the underprivileged. In 2021, we teamed up with Film Fest Ghent and local charity Enchanté in Belgium, donating 2,000 cinema tickets to people in poverty.
- In Belgium, we collected toys at our headquarters in Kortrijk, which were then donated to underprivileged children.
Reporting on EU taxonomy
1. Background

A key objective of the European Commission’s (‘Commission’) action plan on financing sustainable growth is to reorient capital flows towards sustainable investment and ensure market transparency. To achieve this objective, the Commission called for the creation of an EU classification system for sustainable activities, i.e. an EU taxonomy.

Regulation (EU) 2020/852 (the ‘Taxonomy Regulation’) was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. It aims to define environmentally sustainable activities. The Taxonomy Regulation is an important piece of legislation for enabling and scaling up sustainable investment and thus implementing the European Green Deal, including an economy that works for people and ensures a just transition that creates employment and leaves nobody behind. Notably, by providing companies, investors and policymakers with the definitions of which economic activities can be considered as environmentally sustainable, it is expected to help shift investments where they are most needed.

Article 8(2) of Regulation (EU) 2020/852 requires non-financial undertakings to disclose information on the key performance indicators related to the proportion in their turnover of environmentally sustainable economic activities (‘Taxonomy-aligned activities’) and the proportion of their capital expenditure (‘CapEx’) and their operating expenditure (‘OpEx’) related to assets or processes associated with environmentally sustainable economic activities.

As indicated in the Delegated Regulation of (EU) 2021/2178, non-financial undertakings shall only disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in their total turnover, capital and operational expenditure and the qualitative information for reporting year 2021. Barco considers its economic activities to have the potential to significantly contribute to the Environmental’s objectives (Eligible) as stated in the EU Taxonomy Climate Delegated Act. Barco’s turnover is linked to most of the economic sectors listed in the TEG technical report. Evaluating the Barco scope 3 CDP reporting (representing the scope 2 emissions of our customer) and Barco SBTi commitment, further supported by discussions with peers and industry associations lead to the following conclusion: Barco products potentially substantially contribute to climate mitigation by enabling other activities to achieve GHS emission reductions e.g. our (laser) cinema projectors play an important role in making buildings and fixed installed products more energy efficient, our Clickshare product enables remote collaboration hence less travel, the Company’s computer servers are covered by the ICT economical activity.

Applying the NACE codes and the freedom provided in the different TSC and DNSH criteria to compare product LCA performance to the market benchmarks support this conclusion. Further elaboration on the economic sectors and technical criteria supporting those sectors in the future might change our current conclusion. If this would be the case Barco will update the results reported over 2021 accordingly.

This reporting year should be considered as a transitional year preparing Barco for detailed alignment reporting over FY2022.
2. Taxonomy-eligible

2.1 Economic activity - turnover

Article 1 of the EU Taxonomy Regulation defines a taxonomy-eligible economic activity as an economic activity that is listed under the applicable technical screening criteria irrespective of whether that economic activity meets any or all of the technical screening criteria.

The EU Taxonomy Regulation article 10 qualifies an economic activity as contributing to climate change mitigation if that activity contributes substantially to the stabilization of greenhouse gas concentrations consistent with the long-term temperature goal of the Paris Agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals, including through process innovations or product innovations, for instance in low carbon technologies.

Barco offers products that have the potential to qualify as contributing to climate change mitigation, where these products support the transition to a climate-neutral economy consistent with the IPCC pathway to limit the temperature increase to 1.5°C above pre-industrial levels of our customers.

For turnover reporting purposes, the following parameters were applied:
1. Turnover in accordance with International Financial Reporting Standards (IFRS), as adopted for use by the EU. We refer to note ‘Significant accounting principles 1.11. Revenue recognition’ for the accounting principles applied.
2. Turnover related eligible activities: turnover linked to Barco solutions that have a direct footprint impact during the usage stage and are covered by NACE code C26 or C27. These are defined as: turnover generated by hardware products consuming electricity and project revenues (see note 3 of the financial report).
3. Turnover related non-eligible activities: turnover linked to Barco solutions that have no direct footprint impact during the usage stage. These solutions are turnover from software, licenses, or services.

This results in the following quantitative data:

<table>
<thead>
<tr>
<th>Economic activity</th>
<th>Activity description</th>
<th>Absolute Turnover 2021 (in thousands of euro)</th>
<th>Proportion 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI 1 – eligible activities</td>
<td>Manufacture of other low carbon technologies¹ eg. Hardware products</td>
<td>Product &amp; project sales: 728,521</td>
<td>91%</td>
</tr>
<tr>
<td>KPI 2 – non-eligible activities</td>
<td>Other out of scope solutions eg. Software, service</td>
<td>Service sales: 75,767</td>
<td>9%</td>
</tr>
<tr>
<td>Total turnover</td>
<td></td>
<td>804,288</td>
<td>100%</td>
</tr>
</tbody>
</table>

   ¹ EU taxonomy regulation defining substantial contribution to climate change adaptation is currently not applicable to Barco solution portfolio.
   ² Projects are system installations that consist of multiple hardware products and related system installation, technical support based on end customer specifications.
   ³ Activity that places hardware products on the market that has specific climate impact throughout the product lifetime (CO₂ footprint).
### 2.2 CapEx and OpEx related to eligible activities

**CapEx**
The definition of KPI CapEx is available in Annex I 1.1.2 of DA C(2021) 4987 and is fully in line with the reporting framework defined in the financial note on Significant accounting principles’ 5. Property, plant and equipment’ and ‘6. Leases’. The total amount of CapEx is reported in note 9.2. ‘Tangible fixed assets’. The total amount equals the eligible CapEx as the total amount of CapEx relates solely to assets or processes associated with Barco economic activities defined in section ‘Taxonomy-eligible economic activity - Turnover’.

Capital expenditure for tangible assets in 2021, excluding the impact of leased buildings, amount to 18 million euro. Major investments in 2021 concern the new factory in China, Suzou, both facility and production related (8 million euro) and machinery and tooling linked to new development projects (2.5 million euro).

**OpEx**
The definition of KPI OpEx is available in Annex I 1.1.3 of DA C(2021) 4987. At this moment of time there is no clear definition of OpEx under the IFRS framework, hence definition referred to in the EU Taxonomy is applied. Nevertheless for eligibility reporting one shall consider OpEx to cover direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Translated to Barco expenses only the cost related to research and development is considered material and therefore included in the table below as eligible OpEx.

Research and development expenses include all internal and external costs related to research and development projects and investments linked to the Company’s product roadmap. We refer to note 3. (a) Research and development expenses on p. 38

<table>
<thead>
<tr>
<th>KPI</th>
<th>Absolute value 2021 (in thousands of euro)</th>
<th>Proportion 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI related to capital expenditure (CapEx) – Eligibility denominator</td>
<td>17,993</td>
<td>100%</td>
</tr>
<tr>
<td>KPI related to operating expenditure (OpEx) – limited to R&amp;D expenses, Eligibility denominator</td>
<td>101,338</td>
<td>100%</td>
</tr>
<tr>
<td>Total turnover</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

General note: as not all EU Taxonomy environmental objectives have been assigned technical screening criteria, Barco will proactively follow up on the new EU taxonomy development and will adapt its disclosure accordingly.
3. Towards taxonomy alignment reporting

EU taxonomy expects alignment with the technical screening criteria and compliance with the minimum, primarily social, safeguards. Barco has already processes in place to ensure alignment compliance of products and allow reporting.

3.1 Barco’s ecoscore – our response to the technical screening criteria assessment

Barco ecoscore framework is annually updated to keep pace with evolving regulatory evolutions. Version 6 of the tool incorporates the technical screening criteria related to Climate mitigation. Next to this the corresponding DNSH (Do Not Significant Harm) criteria are also embedded in the framework. The ensures all future product developments are evaluated in a standardized and auditable way linking Barco ECO labeled products one to one to EU Taxonomy alignment. The future circularity criteria will also be implemented in the ecoscore framework ones published

3.2 Minimum safeguards

Barco carries out economic activities across the globe in a responsible and respectful way. In doing so, it is committed to comply with the minimum safeguards referred to in article 18 of the EU regulation nr. 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

It has therefore implemented and will continue to implement procedures to ensure the alignment of its activities with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights ("the Guidelines").

These procedures seek to incorporate into Barco’s activities the principles and standards for responsible business conduct, laid down in the Guidelines’ chapter General Policies as well the specific chapters covering domains such as human rights, environment, consumer interests, competition or taxation.

The Integrated report, and in particular the PPC report explains how Barco promotes responsible business conduct in all its operations:

- For the environment: the section ‘Planet’ is dedicated to Barco’s efforts to protect the environment by continuously reducing our environmental impact in our own operations but also during customer use of products and at the end of life.
- For our employees: the section ‘People’ describes how Barco fosters authentic and respectful employment and industrial relations, safeguards the human rights of Barco’s own employees, promotes inclusion and protects individuals’ health and safety.
- For our suppliers, our customers and the communities in which we operate: the ‘Communities’ section details actions Barco has undertaken in the current year(s) to live up to the expectations of the external stakeholders: engaging with customers to serve them with top products, in quality, safety and security, ensuring proper data security, taking up responsibility to ensure transparency and sustainability in its supply chain, and acting with integrity and ethics.
- The section ‘Ethics and Compliance’ summarises the measures implemented to combat bribery, bribe solicitation and extortion in the activities in which Barco is involved, and to ensure fair competition on the marketplace. The company’s compliance management system aims to ensure compliance of its activities with all applicable laws, including the tax laws of the countries in which it operates.

Barco is committed to living up to its ambitions and to creating transparency towards all its stakeholders. Actual performance is reported externally at least annually in the Integrated annual report and internally managed in monthly and quarterly management meetings thriving for continuous improvement.
Managing sustainability
1. Sustainability governance and responsibility

Governance keeps our corporate sustainability strategy on track. It ensures that our strategy remains effective, and that accountability for our results sits right at the top of our company. Our sustainability governance model is explained on the Barco website.

In 2021, we further optimized the functioning of the Executive sustainability steering committee. We now work with a permanent team (Chief Executive Officer, Chief Human Resources Officer, Chief Financial Officer, Senior Vice President Operations) and, depending on the topic, other executive members are invited (Business unit heads, Chief Technology Officer, Chief Digital & Information Officer, Group General Counsel). The meeting frequency increased from four to six times per year.
2. Stakeholder engagement

Barco attaches great importance to stakeholder engagement. After all, outside views help us identify and prioritize emerging issues and better align our strategy, actions and policies with the interests of our key stakeholder groups: customers, employees, investors, suppliers and (non-) governmental organizations. In addition, stakeholders can provide valuable feedback on our performance and other aspects of our activities, like transparency.

At Barco, every department is responsible for identifying and engaging with its stakeholders (i.e. those they affect or are affected by). Barco’s corporate functions provide the departments with a framework for stakeholder engagement (i.e. stakeholder identification and classification, guidelines for stakeholder communication, etc.). By continuing to standardize the process of interacting with our stakeholders, we can mitigate risks, identify new business opportunities and improve financial results. Our engagement approach for each key stakeholder group is outlined on the Barco website. The different engagement activities to date indicate no real concerns with respect to our sustainability management approach and performance.

In 2020, we organized a comprehensive stakeholder engagement process, involving external stakeholders of all categories as well as internal stakeholders, as input for our materiality assessment. In total, 111 stakeholders participated in the surveys and interviews. The results have also been used to shape our activities and focus in 2021.

In June 2021, we set up a poll on the Barco corporate website, asking which sustainability topics matter most to our stakeholders when choosing a Barco product. In total 3,300 stakeholders participated in the survey. The results gave us a deeper understanding of how we can create more value for our stakeholders. These insights are being used to shape our R&D, product management and marketing activities.

<table>
<thead>
<tr>
<th>Top 5 material topics by stakeholder group (2020 assessment)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customers</strong></td>
</tr>
<tr>
<td>1 Customer engagement</td>
</tr>
<tr>
<td>2 Product quality, safety &amp; security</td>
</tr>
<tr>
<td>3 Innovation management</td>
</tr>
<tr>
<td>4 Financial resilience</td>
</tr>
<tr>
<td>5 Information &amp; data protection</td>
</tr>
</tbody>
</table>

A description of these topics can be found on the Barco website.
3. External initiatives
(platforms and commitments)

We believe **collaboration across the private sector and multi-stakeholder engagement** is required to catalyze society’s transition to a more sustainable future. Barco actively participates in several external initiatives that promote sustainability, such as the Science Based Targets initiative, The Shift and others. A description of the main initiatives and associations that we currently participate in is available on [our website](https://www.barco.com).

4. Certifications

In order to assure our stakeholders that our management systems meet international industry-specific standards, they are audited annually and certified according to international certification standards:

- ISO 9001 quality management system (for Barco sites in US, Germany, India, Italy, China, Norway, Taiwan and Belgium)
- ISO 13485 quality management system specifically for the medical device industry (for Barco sites in US, China, Belgium, Italy and South Korea)
- ISO 14001 environmental management system (for Barco sites in Belgium, China, India and Italy)
- ISO 27001 information security management system (for Barco sites in Belgium, India and Taiwan)
5. External evaluations

Barco is rated by several independent organizations on its sustainability performance. We actively participate in the following initiatives:

<table>
<thead>
<tr>
<th>Organization</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>RANKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDP</td>
<td>NA*</td>
<td>B</td>
<td>B-</td>
<td>B</td>
<td>NA</td>
</tr>
<tr>
<td>ecoVadis</td>
<td>NA*</td>
<td>GOLD</td>
<td>GOLD</td>
<td>SILVER</td>
<td>Top 5% of companies evaluated</td>
</tr>
<tr>
<td>MSCI</td>
<td>A</td>
<td>AA</td>
<td>A</td>
<td>A</td>
<td>Top 30% of the Electronic Equipment, Instruments &amp; Components industry</td>
</tr>
<tr>
<td>ISS ESG</td>
<td>C+ (Prime)</td>
<td>C+ (Prime)</td>
<td>C+ (PRIME)</td>
<td>NA</td>
<td>Top 20% of the Electronic Devices &amp; Appliances industry</td>
</tr>
<tr>
<td>Sustainalytics</td>
<td>13.2 (low risk)</td>
<td>11.2 (low risk)</td>
<td>NA</td>
<td>NA</td>
<td>28th out of 127 in the Electronics Equipment subindustry</td>
</tr>
<tr>
<td>Vigeo Eiris</td>
<td>55/100 (robust)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>Top 15% of Technology-Hardware sector</td>
</tr>
</tbody>
</table>

A description and up-to-date status of these evaluations can be found on the [Barco website](https://www.barco.com).  

* At the time of publication the rate for the reporting year was not yet disclosed.