2022 Integrated annual report

Report on planet, people & communities
Our sustainability ambition statement

Sustainability is an integral part of Barco’s DNA. It is our ambition to design and act towards sustainable outcomes for our planet, people and communities.

1. We will lower the environmental footprint of our customers by developing sustainable products and further reduce our own footprint.

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 as this boosts our innovation capacity.

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 Barco’s innovation.

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, ‘Visioneering a bright tomorrow’. 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 our materiality assessment, including the top 5 of material topics by stakeholder group.

We translated our sustainability ambitions in measurable targets, so we can track our progress year over year. An overview of all our measured KPIs can be found in the Integrated Data Pack.

### Planet
- We will lower the environmental footprint of our customers and further reduce our own footprint.

### People
- 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 as this boosts our innovation capacity.

### Communities
- 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 Barco’s innovation.

<table>
<thead>
<tr>
<th>Ambition</th>
<th>Material Topics</th>
</tr>
</thead>
</table>
| 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 |
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)**

<table>
<thead>
<tr>
<th>Year</th>
<th>% reduction vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-22%</td>
</tr>
<tr>
<td>2021</td>
<td>-12%</td>
</tr>
<tr>
<td>2022</td>
<td>-32%</td>
</tr>
</tbody>
</table>

**-15%**

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

<table>
<thead>
<tr>
<th>Year</th>
<th>% reduction vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-34%</td>
</tr>
<tr>
<td>2021</td>
<td>-33%</td>
</tr>
<tr>
<td>2022</td>
<td>-51%</td>
</tr>
</tbody>
</table>

**-35%**

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

<table>
<thead>
<tr>
<th>Year</th>
<th>% reduction vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-65%</td>
</tr>
<tr>
<td>2021</td>
<td>-65%</td>
</tr>
<tr>
<td>2022</td>
<td>-59%</td>
</tr>
</tbody>
</table>

**-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**

<table>
<thead>
<tr>
<th>Year</th>
<th>% revenues from products with Barco ECO label</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>26%</td>
</tr>
<tr>
<td>2021</td>
<td>31%</td>
</tr>
<tr>
<td>2022</td>
<td>50%</td>
</tr>
</tbody>
</table>

**70%**

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

<table>
<thead>
<tr>
<th>Year</th>
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</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-27%</td>
</tr>
<tr>
<td>2021</td>
<td>-30%</td>
</tr>
<tr>
<td>2022</td>
<td>-27%</td>
</tr>
</tbody>
</table>

**-25%**

### Greenhouse gas emissions of our own operations

<table>
<thead>
<tr>
<th>Year</th>
<th>Tonnnes CO2e</th>
<th>% reduction vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>277,335</td>
<td>-65%</td>
</tr>
<tr>
<td>2021</td>
<td>281,874</td>
<td>-65%</td>
</tr>
<tr>
<td>2022</td>
<td>330,424</td>
<td>-59%</td>
</tr>
</tbody>
</table>

**-45%**

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</tbody>
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**-45%**

* Target approved by Science Based Targets initiative, in line with the Intergovernmental panel on climate change (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.
Our sustainable impact (primary) targets and progress

**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

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>11.3</td>
<td>10.5</td>
<td>12.2</td>
</tr>
</tbody>
</table>

**Invest in learning and development**

- Average training hours/employee
- Internal mobility

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Vacancies filled internally</td>
<td>20</td>
<td>20</td>
<td>17</td>
</tr>
</tbody>
</table>

**Step up our efforts in diversity**

- % women overall
- % women in senior management

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Women overall</td>
<td>28</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>% Women in senior management</td>
<td>17</td>
<td>16</td>
<td>19</td>
</tr>
</tbody>
</table>
Our sustainable impact (primary) targets and progress

1. Always act lawfully, ethically and with integrity wherever we operate

Each year, train all our employees in Standards@Work

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>% employees trained in Standards@Work</td>
<td>98%</td>
<td>99%</td>
<td>99%</td>
</tr>
<tr>
<td>% of heads (white collar)</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Deliver great customer experience

By 2025, we aim to increase our global Net Promoter Score by 2 points per year. All business units have set individual NPS targets to achieve that global target.

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Net Promoter Score Relationship NPS</td>
<td>47</td>
<td>47</td>
<td>44</td>
</tr>
</tbody>
</table>

3. Proactively manage information security risks

By 2025, obtain an average cybersecurity maturity score of at least 3.4

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average cybersecurity maturity score NIST CSF</td>
<td>2.19</td>
<td>2.23</td>
<td>2.66</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of production spend covered by supplier sustainability score</td>
<td>44%</td>
<td>58%</td>
<td>71%</td>
</tr>
</tbody>
</table>

70%
How the UN Sustainable Development Goals and the materiality assessment 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 the material topics*, that our main stakeholders determined in the 2020 materiality assessment. That led to the following six SDGs:

- **SDG 3: Good health & well-being**: Ensure healthy lives and promote well-being 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

Barco plans to update its materiality assessment in a comprehensive way every three to four years, serving as input for the strategic levers.

Barco’s strategic levers, linked to highly material topics and the UN SDGs

<table>
<thead>
<tr>
<th>HIGHLY MATERIAL TOPICS</th>
<th>SDG 3: Good health &amp; well-being</th>
<th>SDG 7: Affordable and clean energy</th>
<th>SDG 8: Decent work and economic growth</th>
<th>SDG 9: Industry, innovation and infrastructure</th>
<th>SDG 12: Responsible consumption and production</th>
<th>SDG 13: Climate action</th>
</tr>
</thead>
</table>

* A description of the material topics can be found on our [website](#).
Our sustainability performance
## Our ambition

We will lower the environment footprint of our customers and further reduce our own footprint.

### Our targets

<table>
<thead>
<tr>
<th>1. Take science-based climate action</th>
<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>
<td></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>
<td></td>
</tr>
<tr>
<td>By 2025, reduce absolute greenhouse gas emissions by 45% (vs 2015)**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Enable our customers to lower their environmental footprint</th>
<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>
<td></td>
</tr>
<tr>
<td>By 2023, reduce the energy footprint of our products by 25% (vs 2015)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The full list of environmental KPIs can be found in the Integrated Data Pack. Scope and methodology can be found in 'Scope and methodology of carbon footprint and of measurement of products with Barco ECO label'.

* 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.

☑️ The KPIs related to these targets were subject to a limited assurance exercise. This limited assurance exercise on a selected number of Planet KPIs that we started in 2021, was continued and extended in 2022 (see assurance report). All KPIs related to CO₂ emissions have now been covered by this limited assurance exercise.

☑️ The assurance opinion on the 2021 indicators subject to limited assurance can be found in the 2021 PPC report.
Our roadmap towards sustainable impact: key initiatives and action plans

1. Take science-based climate action

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.

As expected, the rebound of our activities in 2022 after the covid-19 crisis did result in an increase of absolute greenhouse gas emissions. However, the emissions are still 59% lower compared to 2015. We are still on course to exceed the 45% reduction target by 2023.

Companies are under more pressure than ever to deliver on their carbon emission pledges. At Barco, we set SBTi-aligned ambitions and we keep working hard to reduce our own carbon footprint and that of our customers. Thanks to these efforts, The Financial Times named us a 2022 FT-Statista Climate Leader - a big honor, as the list includes only four Belgian companies.

Thomas Serbruyns
VP Strategic Initiatives
1.1 Lowering energy consumption in our own operations

Energy (electricity and fuel) is consumed in our facilities. At the end of 2022, energy consumption amounted to 29.9 MWh/mio € revenues – a 32% decrease against the 2015 baseline (44.2 MWh/mio € revenues). Covid-19 measures, such as extra ventilation, were no longer needed in 2022, which helped us decrease the 2022 results against 2021. Our target for 2023 is to reduce energy consumption by 15% compared to the 2015 base year, so we already realised this target in 2022.

The main action to reduce energy consumption in our facilities is cutting the overall footprint of our facilities. After moving to a smaller campus in Sacramento (US) in 2021, we did the same in Karlsruhe (Germany) in 2022. This helped us to reduce 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.

When looking at Barco’s total energy consumption (electricity and fuel use), 57% is from renewable sources, mainly thanks to the worldwide switch to renewable electricity in all our main sites across the globe. We expect the share of renewables in our energy mix to further increase. In particular, the wind turbine that we want to install at our One Campus site in Kortrijk would help us deliver a large amount of renewable energy. With a projected annual production of 11,290 MWh, it would cover the power consumption of the entire Kortrijk campus, while the surpluses could be stored and shared.

### Energy consumption in own operations

<table>
<thead>
<tr>
<th>Year</th>
<th>MWh / mio € revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>34.3</td>
</tr>
<tr>
<td>2021</td>
<td>39.0</td>
</tr>
<tr>
<td>2022</td>
<td>29.9</td>
</tr>
</tbody>
</table>

### Relative reduction compared to 2015

<table>
<thead>
<tr>
<th>Year</th>
<th>% relative reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>54%</td>
</tr>
<tr>
<td>2021</td>
<td>52%</td>
</tr>
<tr>
<td>2022</td>
<td>57%</td>
</tr>
</tbody>
</table>

### % renewable

<table>
<thead>
<tr>
<th>Year</th>
<th>% renewable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>54%</td>
</tr>
<tr>
<td>2021</td>
<td>52%</td>
</tr>
<tr>
<td>2022</td>
<td>57%</td>
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</table>

Our wind turbine:
waiting for the final green light

For over a decade, Barco has been investigating the construction of a wind turbine to generate its own renewable electricity. On an annual basis, a turbine on the Barco One Campus in Kortrijk would cover the power consumption of the entire plant. However, getting the permission to build such an installation isn’t a walk in the park.

As a frontrunner in cutting-edge engineering, it’s our responsibility to develop innovative systems to maximize the benefits of our renewable energy production. That’s what I call innovating for impact.

Kurt Verheggen
General Counsel
Exploding electricity need

Wind energy is an important asset in the energy transition and will become even more crucial in the years to come as the demand for carbon neutral electricity rises. That also applies to Barco’s power needs. Our fleet is being electrified exponentially, which means we’ll need a lot more charging stations, and thus a lot of electricity. And within five years, our warehouse will move from Kuurne to Kortrijk, reducing our carbon footprint in terms of transport, but further raising our electricity needs at the Campus.

An engineering office, specialized in the development of wind turbine projects, identified the south side of our parking lot as the perfect spot for our wind turbine. The location is situated in an industrial zone and is very windy. The wind turbine can be easily connected to the electricity grid and will not impact air traffic, and effects on the neighborhood are limited.

Contributing to regional sustainability goals

Yet, obtaining the environmental permit takes quite some time. After more than a decade of preparatory work, the province of West-Flanders has now granted an environmental permit, which has been appealed. We’re hopeful that the appeal procedure will turn out favorably for Barco. Both local and regional governments understand that renewable energy is indispensable for realizing their sustainability goals. The Flemish government is looking to increase renewable energy production capacity by 150 MW a year, and the city of Kortrijk needs to reduce carbon emissions by 40% before 2030.

Smart storing and sharing

As a frontrunner in cutting-edge engineering, it’s our responsibility to develop innovative systems to maximize the benefits of our renewable energy production. So, we intend to explore the possibility of sharing a portion of the renewable energy we produce with neighboring companies such as ScioTeq (Barco’s former Defense & Avionics division), Decathlon, or the AZ Groeninge hospital. Another initiative to share the benefits of our wind turbine is the option to co-invest, which Barco granted to ‘Vlaskracht’, a local cooperative promoting sustainable energy that citizens can sign up for. As you’ve probably noticed, we’re not just standing still while we’re waiting for the green light…

More info on barco.com/wind

Elke Blondeel
Facility Manager

Our wind turbine in numbers

- Tip height: 180 meters (= highest point of the rotor blade)
- Rotor diameter: 139 meters
- Maximum capacity: 4.5 MW
- Projected annual production: 11,290 MWh (= 14.7 football fields full of solar panels)
1.2 Better waste management in our own operations

The two main sources of solid waste at Barco are packaging materials (waste from operations) and waste from the renovation/refurbishment of our buildings.

By the end of 2022, total solid waste was 1.20 tonnes/mio € revenues – a 15% decrease compared to last year which is largely due to effective waste volume reductions.

First and foremost, we aim to keep waste from operations to a minimum, especially non-sorted waste. We reduce the amount of packaging waste of incoming components and products by guiding suppliers on how to reduce packaging. 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 by 5%, partly thanks to the selection of better waste recycling partners in the US.

While waste from operations is approaching the bare minimum, we did generate some extra construction waste in 2022. In our Atlanta office, for example, we improved roof insulation in order to reduce energy consumption. While largely beneficial to improve our footprint, it did cause a one-off rise in solid waste production.

Our next horizon is 2023, where we aim for zero waste sent to landfill. In 2022, we were at 10%.
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 39.8 tonnes CO₂e / mio € revenues – a 13.8 tonnes decrease compared to 2021. The relative reduction in greenhouse gas emissions from our own operations is -51% compared to the 2015 baseline (80.5 tonnes CO₂e / mio € revenues) - an impressive achievement mainly driven by the hard work of our global logistics and supply chain community. Our target is to achieve -35% by 2023 vs 2015.

As in the previous years, we continued working in 2022 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.

Despite the component shortages that impacted our sector, the modal shift from air to sea freight picked up again in the second half of 2022. As a result, 57% of our total kms was transported via deep-sea shipping in 2022, which brings us beyond 2020 levels. We actively engaged with our partners and customers on the modal shift by, e.g., proposing alternatives for air shipments.

1. Logistics

Logistics i.e. the transport of incoming goods and outgoing finished products, was responsible for 76% of Barco’s own CO₂ emissions in 2022. Overall logistics-related greenhouse gas emissions dropped by 42% between the 2015 base year (52.2 tonnes CO₂e / mio € revenues) and 2022. Our target is to reduce emissions by 35% by 2023 vs 2015.

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2. Mobility
The second-largest source of greenhouse gas emissions from our own operations is mobility: business travel, company cars and commuting. In 2022, the mobility’s share in Barco’s CO₂ emissions from own operations was 17%. Our target is to reduce emissions by 23% by 2023 vs 2015.

Overall mobility-related greenhouse gas emissions dropped by 65% between the 2015 base year (19.1 tonnes CO₂e / mio € revenues) and 2022. In the post-pandemic year 2022, work and travel behavior were different than in 2020 and 2021. The year was marked by the following trends:

1) **Business travel** increased again after a spectacular drop in 2020 and 2021 due to covid-19 restrictions. In 2022, we wanted to give our people the chance to reconnect with their colleagues and partners, but with the ‘Barco travel policy in mind’.
2) In 2022, more than 70% of all newly ordered cars were full electric – a shift that we had kicked off in 2020. Electrifying our fleet will further reduce mobility-related CO₂ emissions in the coming years. Our One Campus site in Kortrijk now features more than 100 charging stations.
3) Emissions from employee commuting remained lower than in pre-covid times, as many employees expressed the will to keep working remotely at least some of the time. Barco therefore updated the existing HR policies in many locations, allowing people to work from home for more days a week. Next to this, we continued investing in hybrid meeting rooms with ClickShare Conference, which enables us to ensure an inclusive and efficient meeting culture.

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 2022, 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 68% between 2015 (9.2 tonnes CO₂e / mio € revenues) and 2022 – 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, which are by far our largest source of emissions, are emissions resulting from the energy that Barco products use on our customers’ premises.

Product use emissions decreased by 61% between 2015 and 2022. In 2022, total product use emissions amounted to 272 tonnes CO₂e / mio € revenues - an 8% decrease against last year. That reduction was driven by the growth in turnover and our continuous focus on improving the ecoscore of our products, especially that of our high-brightness solutions that are in increasingly high demand among our customers.
2. Lowering the environmental footprint of our customers

Barco’s Planet ambition is not only to reduce our own environmental footprint but also that of our customers, by embedding ecodesign in our new products, improving their energy efficiency and offering circular solutions.

2.1 Refining our ecodesign approach

Back in 2017, we released our ecoscoring tool, an objective tool to determine the environmental performance of our products. The tool assesses our products on four domains: energy performance, use of materials, packaging and end-of-life optimization (i.e., the way products can be maintained, refurbished, upgraded and eventually recycled).

To improve the value and credibility of our tool towards 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 of our ecoscoring tool is clear, complete, reliable, objective and based on relevant product aspects.

Most important updates in 2022

We keep improving our ecodesign approach by adapting the tool to new regulations and learning from our experiences using it. These are the main changes we carried out in 2022:

- We started performing full Life Cycle Assessment (LCA) studies to go beyond the four domains that comprise our ecoscoring tool and calculate the environmental impact of our products. We aim to implement environmental impact in our ecoscoring system in the years to come.
- We added more detailed data to our scoring process (e.g. data on recycled contents, long-time battery performance) to make our ecoscoring more precise.
- We introduced a financial incentive: one of the key metrics in the employee bonus program is now on the proportion of ecolabelled revenues in the total revenues.
- The ecoscoring tool and practices became an inherent part of the onboarding training for new employees. For other colleagues, such as procurement and R&D employees, we organize refresher courses several times a year. We also continued our online supplier trainings.

Find more about the ecoscoring tool on our website.
A look at our targets
Although the strong engagement of our R&D and product teams in particular, 63% of the new hardware products released in 2022 had a Barco ECO label (ecoscore A or higher), a 2% decrease compared to 2021. Despite this slight decrease, we still believe to be on track to meet the 75% target in 2023.

Focusing on the sustainability of our best-selling products, we aim to draw 70% of our revenues from ECO labelled products by the end of 2023. It’s a strong target that we’ll dedicate a lot of effort to in 2023. In 2022, we increased our number from 31% to 50%.

ClickShare’s A++ ECO label isn’t the finish line
One of our bestselling products to improve its ECO label scoring is the ClickShare collaboration system. “Both our CX-30 and CX-50 product ranges now boast an A++ label,” says New Product Introduction Project Manager Kristof Maes. “That improvement is mainly due to the enhanced use of post-consumer recycled material and the fact that our CX-50 range has become halogen-free. Keeping our firmware available online for a longer period to support our clients also extends the lifetime of our ClickShare products.”

Madeleine Vandenabeele, Environmental Sustainability Engineer of Barco Labs, adds: “The ecoscoring tool is an essential asset in our New Product Introduction strategy. But even with our A++ labels in hand, we are still looking at what we can do to improve the sustainability of our products. Obtaining and improving our ECO labels is always a great achievement, but our real goal is to become a carbon-neutral company.” Kristof confirms: “Tools like our ecoscoring system and the Life Cycle Assessment are injecting sustainability into our DNA. I really see a change in mindset within our company walls. More than that, we also have a positive impact on our suppliers and clients. They rely on us to improve the sustainability of their activities. That’s something we can be really proud of.”
2.2 Improving energy efficiency of our products

One of the four domains of Barco’s ecodesign program is energy efficiency. As the energy our products consume on our customers’ premises has a major impact on the environment, and more particularly on climate change via Greenhouse Gas (GHG) emissions, improving their energy efficiency 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 the delivered capability, i.e., brightness, resolution, luminance, etc., in “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 2022, the average energy footprint of sold products was 0.73, which is lower than the 0.75 target (i.e. a 25% reduction versus baseline 2015). The drop in energy footprint was mainly driven by the growing adoption of laser projectors, which consume far less power (-50% to -70%) 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.

* The energy efficiency index of our products represents energy consumption/delivered capability of Barco's major groups: projectors products in the Entertainment division and large video walls & LED products in the Enterprise division. The energy performance is defined as Watt/delivered capability. This indicator is weighted on revenues from the considered products and normalized to a 2015 baseline value (with default value 1.0).
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. Our ecodesign program embeds several criteria to improve the circularity of our products: improving the upgradability and modularity of the devices, facilitating the repair and increasing the use of recyclable and recycled materials, both in the product and its packaging. In 2022, 12% of new product launches contained PCR plastics, down from last year when we were able to launch an exceptional number of new products with PCR plastics. We aim to boost that number further 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 making our products more robust/long lasting, optimizing the packaging volumetric weight, reducing the number of accessories or digitizing our manuals. In 2022, material use intensity was 3,511kg / 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 2022, 65% 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.

As part of the Extended Producer Recyclability (EPR), Barco must pay upfront for the recycling of all electronic waste, batteries and packaging placed on the different markets. In 2022, we signed several additional contracts with waste compliance schemes around the globe in order to fulfill our obligations towards EPR compliance and duly monitor our waste streams.

> Read more on our website
Keeping up our frontrunner position

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* database provides information on all the substances of very high concern present in articles placed on the EU market. In this way, it ensures that the information on the articles is available throughout the entire lifecycle of products and materials, including at the waste stage - information which is particularly interesting for recyclers, amongst others.

Since 2021 Barco has been registering 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) (83.6% of active components in 2022) and Restriction of Hazardous Substances (RoHS) certificates with the applicable exemptions. That makes us a pioneering company when it comes to providing transparent and up-to-date information. Further regulatory outlooks have triggered Barco to start a program to roll out the digital passport as intended by the draft EU Ecodesign for Sustainable Products initiative.

How our Control Room team takes circularity to the next level

Reuse, repair and upgrade

Why buy new components for a rear-projection video wall – or buy an entirely new wall – if the existing parts can be refurbished or replaced by an update? Our Control Room team has been offering refurbishment and upgrading services for a while now...

It all started with repairing worn-out lenses of rear-projection video walls in our labs. Now Barco engineers also travel to customers’ locations to refurbish the lenses on-site, which is more cost-efficient and better for the environment. More than that, it’s become easy to replace the projection module of video wall installations by an updated version. Year after year, we extend the coverage of our upgrading services to include more rear-projection video wall types, both Barco and non-Barco branded. In 2023, we’ll offer upgrading for our modular UniSee video walls – a service that is unprecedented in the world of LCD.

800+ lenses were refurbished in 2022, 5x more than in 2021
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, as this significantly boosts our innovation capacity.

Our targets

Empower all our colleagues to have an engaging, enriching and healthier 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

Number of employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
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<tbody>
<tr>
<td>2020</td>
<td>3,303</td>
</tr>
<tr>
<td>2021</td>
<td>3,141</td>
</tr>
<tr>
<td>2022</td>
<td>3,302</td>
</tr>
</tbody>
</table>

Gender

- 71% male
- 29% female

Geographical

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

Per functional group

- 40% Operations
- 30% Research & development
- 21% Sales & Marketing
- 8% General & Administration

The full list of employee related KPIs can be found in the Integrated Data Pack.
After two challenging years, during which covid-19 impacted Barco and its employees, 2022 was the year of rebuilding and reconnecting with growth. More than our business, our organization grew too, in several aspects. We welcomed more new employees, took our organizational structure to the next level and supported our employees on their personal growth paths.

The new organizational structure that our CEOs had introduced at the end of 2021 took root in 2022. By the end of the year, the Barco organization was fully aligned with our business strategies and with one of our core culture building blocks: we team up to win globally.

Reconnecting with growth also meant growing our organization. Recruiting the people with the right competences was, and still is, high on our agenda. In 2022, we took major steps to build a globally structured and professional recruitment organization, with more focus on diversity than ever before.

Another key action was the design and deployment of a manager development program to improve and strengthen the skills of all of our people managers. Kicked off in 2022, this program will continue to run over the next two years. We are convinced that it will increase the maturity of our people leaders, as well as the engagement of our employees.

### Stepping up our culture journey in 2022

In 2019, Barco kicked off a culture journey aimed at rejuvenating its core values. In 2022, we took the next step in this journey, further bridging the gap between the theory and practice in a three-step approach:

- In the exploration phase, we dig deeper into the meaning of a specific building block. We do this in close cooperation with our CEOs, the management and employees, across the different business units, functions and regions. In addition, we bring in the external view of customers, other companies, etc., making sure to capture the outside-in perspective.
- In the education phase, we seek to upskill our employees in specific competencies, through keynotes, training sessions, workshops, etc.
- In the final phase, the energizing phase, we celebrate what we have learned and share success stories with each other.

At the specific request of our employees, we kicked off this exercise with the culture building block ‘We team up to win globally’.

In 2023, we will start working on the ‘We look for the better way’ building block, which addresses the need for entrepreneurship, continuous improvement and a continuous focus on innovation.

A corporate culture is a collection of values and beliefs that characterizes an organization. It is, however, only successful if everyone truly lives and breathes that culture in their daily activities. A focused approach helps us align on the initiatives and ensure implementation throughout the regions.

Anthony Huyghebaert
Chief HR Officer
1. Employee engagement

Engaged employees are involved in, enthusiastic about and committed to their work and their workplace – which drives the success of a business. That’s why Barco has always made big investments in employee engagement. During the 2020 and 2021 pandemic, the mandatory working from home regime made engagement a challenge. When employees returned to the workplace in 2022, we were all facing a new workplace reality.

1.1 Measuring employee engagement using the Employee Net Promotor Score (E-NPS)

In 2022, Barco launched an enhanced employee survey, including a specific E-NPS (Employee Net Promotor Score) question. Due to the different methodology, this score cannot be compared with previous surveys. The E-NPS survey resulted in a score of 16, which breeds into the category ‘good engagement’. With continued focus and actions on our employee engagement, our target is to bring this score above 30 ‘great engagement’.

What is a good NPS score?

-100 0 30 70
NEEDS IMPROVEMENT ( -100 - 0 )  GOOD ( 0 - 30 )  GREAT ( 30 - 70 )  EXCELLENT ( 70 - 100 )

Employee Net Promoter Score in 2022
1.2 Increasing focus on top-down and bottom-up communications

We were happy to read that most colleagues feel respected in their jobs and praise our learning and development approach. There was, however, room for improvement in the fields of communications and strategy. People explicitly stated they wanted a clearer view on where Barco is going.

These insights immediately led to a series of actions taken to make sure strategic information is cascaded down through the organization and ensure that our leaders are more visible, at all levels:

- The quarterly townhall meetings, which we had been organizing for a while, remain a great way to inform our employees. It provides a stage for people from different regions and business units to share their vision and strategy and tell their stories.
- All BUs now set up quarterly hands-on meetings to share their strategic objectives, priorities, contract wins, etc.
- Blue-collar workers are invited to local team meetings to get a view on what’s happening at Barco.
- A lot of local initiatives crop up to discuss particular topics. From ‘lean coffee sessions’ and ‘world cafés’ to ‘engagement focus groups’, they all have the same objective: to inform our people so that they feel involved.

1.3 Fostering recognition and development

More than strengthening communications, we introduced online LinkedIn Learning courses in 2022, on explicit request of the survey respondents. In addition, the portfolio of leadership training courses was expanded to make sure every Barco people manager knows how to inspire engagement. In the meantime, we are upgrading our performance review sessions in order to meet employees’ needs for more frequent feedback on their work.
Engaging operators through iGemba: operator-focused initiatives

In 2010, Barco introduced the iGemba program: a unique initiative that encourages employees to suggest improvement ideas in many domains, from quality and safety through to ergonomics and the environment. More than highlighting our commitment to continuous improvement, iGemba is also a great way to spur employee engagement in our factories and offices.

While the covid-19 pandemic had slowed the pace of new improvement suggestions and operator-focused initiatives in 2020 and 2021, we saw a strong rebound in all our plants in 2022. A short overview:

- **In Noida (India)**, we re-introduced the reward & recognition ceremony and the iGemba scholarship. By honoring the most valuable employee-driven improvements (EDIs) during a ceremony and offering our employees scholarships for their children to thank them for the EDIs they propose, we managed to considerably raise the number of new improvement ideas. In addition, we initiated a closed-loop feedback process with the employees about their EDIs, explaining why we reject or select a particular idea and communicating about the progress. This way of working, which has already been implemented at other Barco sites, leads to more transparency and accountability.

- **In Suzhou (China)**, we focused on operator training in 2022. Training programs were developed for both new and existing operators and the acquired competences were summarized in a competence matrix. Every month, operators are invited to a meeting where they learn improvement methods and are encouraged to share improvement ideas within the group. The groundwork was laid in 2022 and the first fruits will be reaped in 2023.

- **In Belgium**, too, we focused on engaging and involving operators. Here, we launched a pilot project with MTM-UAS, a tool to improve the workflows in the factory and, as such, operator working conditions. After an initial training, operators were asked to use the tool in their daily work so that it could map the processes and the average time needed for every operation. The insights are discussed with the operators during Gemba walks and will lead to improved workstations and processes. Operator involvement will help boost adoption of the new workstations and, as such, engagement of the entire teams.
2. Employee safety, health & wellbeing

At Barco, we care about people. That’s why employee health, safety and wellbeing are part of our daily priorities and something we want to propagate on every level and at every site of our company. The Environment, Health, Safety and Security Pledge, which we launched many years ago and is signed by each of our VPs, is our guide on our journey towards a safer and healthier workspace.

2.1 Continuously improving employee safety

As covid-19 was still around in most countries where we are active, we continued to mitigate its impact during 2022. In addition, each of the larger sites made an action plan to improve safety and employee wellbeing. A selection of key actions in 2022:

- Standards@Work mandatory e-learning safety training, followed by 99% of all employees.
- In our new site in Suzhou (China), June was safety month: throughout the month we organized activities on safety and hazard prevention: firefighting training, first-aid training, lectures on safety laws and regulations, etc.;
- More safety audits in our Duluth site;
- In-depth training for the emergency response teams in our Noida and Kortrijk sites.

Beijing team pioneers with ISO 45001 certificate

Our Beijing (China) team took a major ‘safety’ step forward by achieving ISO 45001 certification. Beijing Tai Yang Gong and Beijing Chang Ping are the very first Barco sites ever to achieve certification to the Occupational Health and Safety management system of ISO.

The road to get there was long, yet successful. The team kicked off the preparations early 2022 and the entire organization worked diligently to get ready for the audit in July 2022. Their efforts paid off: the auditors found zero major non-conformances, confirming that the health and safety procedures and work instructions are fully in line with the ISO 45001 standard.
2.2 Mental health and wellbeing

The mental health of our employees is getting increasing attention, and rightly so. We took various actions to promote mental health and wellbeing around the globe in 2022.

Barco Noida (India) organized two sessions on stress management and a session on the impact of orthopedic problems on a person’s wellbeing. In Belgium, employees now have access to a psychosocial consult through our external medical office. Every Barco employee can make use of this new service, on site and during working hours. In this way, we want to further reduce the threshold to discussing psychosocial problems with a professionally trained person (for both work-related and personal topics).

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Lost-time injury frequency rate explained

Thanks to our continued focus on safety in the workplace, we managed to further reduce the lost-time injury frequency and severity rate in 2022.

- **Lost time injury frequency rate**
  Per 1,000,000 hours worked
  - 2020: 2.44
  - 2021: 1.59
  - 2022: 1.44

- **Lost time injury severity rate**
  Per 1,000 hours worked
  - 2020: 0.07
  - 2021: 0.07
  - 2022: 0.03
3. Employee learning & development

At Barco, we are dedicated to promoting and supporting employee development. Every year, we critically review our offering of training programs and development opportunities to continuously improve these.

3.1 Preparing for the future: L&D Governance Board

Barco has six different learning and development (L&D) governance boards: the Standards@work, Product Management & Marketing Excellence, Commercial Excellence, Innovation Excellence, Leadership & Organizational Development and Operational Excellence boards.

Each board consists of several key Barco stakeholders and an executive sponsor. Together, they identify our business’ key strategic learning needs, translate these to relevant L&D programs and follow up on the progress.

3.2 Training in 2022: sessions to meet every role

Throughout 2022, we organized general as well as more specific training sessions. In total, we provided 12.3 hours of training to 91% of our people, back to pre-pandemic levels. Specific training sessions included, amongst other:

- While our business development managers were trained in consultative selling and solution selling approaches and skills, segment marketing and product managers received pragmatic marketing training sessions.
- In Noida, we organized a local mentoring program to support our software developers to take ownership of their own development and maximize their potential.
- In Taiwan, we trained colleagues on the principles of Lean and Agile.
- We kept training our worldwide Sales & Services teams by giving them regular updates on key products as well on new products we launched into the market.

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Training Hours per Employee</th>
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<tbody>
<tr>
<td>2020</td>
<td>11.3</td>
</tr>
<tr>
<td>2021</td>
<td>10.5</td>
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<td>2022</td>
<td>12.3</td>
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3.3 Introducing new training formats: online and gamification

In our April Employee Engagement survey, employees indicated that they want more online self-paced learning opportunities. To enable our colleagues to learn anytime, anywhere, and on any device, we launched LinkedIn Learning in May 2022. Everyone can now learn on the fly, whenever and wherever it suits them best, which greatly helps foster a culture of continuous learning.

In September 2022, we launched the first module of a new series of Standards@work e-learning courses on safety in the form of a ‘gamified learning experience’. The goal is to further train our employees about all the Barco standards (ethics, cybersecurity, etc.) in a more animated, game-like environment. In 2023, new courses will be added.

3.4 Leadership development

At Barco, we believe that good leaders ensure engaged, motivated employees, good work and, as a result, good business. That’s why we invest big in leadership development.

Global programs

- The Barco Leadership Compass provides the worldwide framework of what we expect from our leaders in three domains: thought, people and results leadership. In 2022, we added one more domain: self-leadership, which is the core of our Leadership Compass.
- Also in 2022, we redesigned the Business Leader Program which targets senior leadership. The program now includes three learning modules: leading self, leading others and leading change. 30+ global leaders participated in this program via our weConnnect learning platform.
- Last but not least, a new global leadership development program kicked off in November 2022. Using a blended learning approach, the Management Enablement program aims at strengthening the people management skills of our people leaders. In a first phase, we covered the foundation, providing the participants with all the ins and outs of Barco as an organization, the ‘Barco story’, the Leadership Compass (people leader, thought leader and result leader) and the competences that go with it.

Local programs

In addition to the global programs, we also set up local or team-specific programs. STEP (Strategic Talent Empowerment Program), for example, is a China-specific talent development program for local management in the healthcare business units. In 2022, it helped 18 high-potential Chinese colleagues develop self-awareness, strategic thinking as well as leadership skills.

During the STEP program, I learnt more about the Barco Leadership Compass and culture and how we can improve on working together towards a more collaborative and result-oriented team.

Zoe Zhou
Industrialization Project Leader
4. Diversity & inclusion

Our Board of Directors set diversity and inclusion (D&I) as a priority in their meeting of September 2021. Next to the moral and social imperative to embrace diversity and inclusion, research clearly demonstrates the positive impact of D&I on a company’s financial performance, innovation and talent attraction and retention.

4.1 Integral part of our strategy

In 2022, a dedicated workstream took up the assignment to work on D&I. They conducted extensive research on the topic with internal and external stakeholders, benchmarked data and organized several workshops with an ambassador team consisting of members from different leadership roles throughout the organization. The insights were analyzed and discussed and then summarized in a clear strategy and roadmap with actionable and pragmatic initiatives.

As a starting point, it was decided to embed D&I in our organizational DNA as part of our culture, rather than introduce it as a separate program. In this way, it will become fully integrated into the way we work together on a daily basis. An integrated strategy will help us achieve this objective.

4.2 Focus areas: gender, age and nationality

The research clearly indicated the wish to concentrate our strategy on three diversity dimensions: gender, age and nationality. These three areas will be the focus of our initiatives and actions, and the areas that we will closely monitor in the coming years.

We will, of course, keep approaching diversity and inclusion in a broad sense, making sure to be as inclusive as possible from the start. Yet, a dedicated focus on specific dimensions helps to set out a pragmatic strategy.

The strategic framework itself consists of three pillars representing the employee experience and two enablers. In total, we have identified 10 leading targets and concrete initiatives to progress towards those targets between 2022 and 2025.

Diversity by gender

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<th>2021</th>
<th>2022</th>
</tr>
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<tr>
<td>% women overall</td>
<td>25%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>% women in senior management</td>
<td>17%</td>
<td>16%</td>
<td>19%</td>
</tr>
<tr>
<td>% women in Board</td>
<td>2%</td>
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Diversity by age in 2022

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<tr>
<td>10% under 30 years</td>
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<tr>
<td>61% between 30 and 50</td>
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<tr>
<td>29% above 50 years</td>
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</table>

Diversity by nationality in 2022

Number of nationalities in the global workforce: 48
4.3 D&I governance

In order to implement our strategy and roll out D&I initiatives, we appointed a dedicated workstream lead, a workstream project manager and a CLT sponsor.

Next to that, the ambassador group that helped us shape our strategy owns several initiatives and ensures that these get implemented. In addition, each leadership team includes diversity and inclusion champions to help us drive the agenda in the several BUs and functions. These champions are the D&I spokespeople. They develop specific BU or regional initiatives and follow up on the metrics.

4.4 Raising awareness as a first step

In 2022, we launched the first initiatives, which mainly aim at raising awareness. Via an expert keynote, for example, colleagues learned about unconscious bias and how to sensitize our teams to the need for an inclusive mindset and culture. A learning session taught us how to reinforce team collaboration across the regions.

We now have a clear action plan outlined for the next three years that aims to push the needle forward to become more diverse and more inclusive at Barco.

4.5 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.

At Barco, we want to welcome differences and embrace everyone’s uniqueness. It is when we start to recognize, accept and celebrate our differences that we can truly grow and thrive.

Lien Meuleman
Program Lead D&I
5. Labor practices & human rights

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

5.1 Our commitments

Human rights are the fundamental rights, freedoms and standards of treatment to which all people are entitled. Barco commits to manage and respect human rights in its own operations as well as in the value chain in accordance with the internationally recognized human rights contained in the following standards and conventions:

1. The Universal Declaration of Human Rights
2. The International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work, and the ILO eight fundamental labor conventions
3. The UN Guiding Principles on Business and Human Rights
4. The OECD Guidelines for Multinational Enterprises

Discrimination
In line with Barco’s Code of Ethics, we aim to provide challenging, meaningful, and rewarding opportunities for personal and professional growth to everyone regardless of gender, race, ethnicity, religion, sexual orientation, age, pregnancy, national origin, marital status or disability or any other characteristic unrelated to Barco’s legitimate business interests. The Compliance function is accountable for following up and reporting on the number of discrimination cases reported in the new whistleblower tool for all our stakeholders (as of 2023).

Protection of identity and non-retaliation
Employees can report requests for ethical guidance and reports of violations or suspected violations to the Ethics Committee via the Ethics Point: ethics@barco.com, knowing that all enquiries and reporting will be handled confidentially. The person who receives the report or request is responsible for keeping the identity of the reporter or requester confidential at all stages of the process. Barco will not retaliate against anyone who, in good faith, notifies us of a violation or potential violation of Barco’s Ethics Code, nor will we tolerate any intimidation of anybody who reports such a violation. The Legal Council (or delegate) is accountable for following up the number of retaliation cases reported in the new whistleblower tool and reporting.

Emergency preparedness
We are committed to providing a safe and healthy work environment wherever we do business. In addition, we provide our employees with the appropriate resources (time, tools, processes, training programs) to carry out their responsibilities in a safe and healthy way – both on company premises and on the premises of business partners, as explicitly stated in our Code of Ethics. Performance is checked in the yearly evaluation as part of the site profile risk scan done by the Corporate Risk Manager. In 2022, 87% of the sites has performed an emergency evacuation exercise.

5.2 Identifying salient risks in our own operations

In 2021, Barco identified three salient human right risks in its own operations: discrimination, protection of identity and non-retaliation, and emergency preparedness. In 2022, we continued working on this, adding performance indicators and assigning ownership for following up on these indicators.

Emergency preparedness
In 2022, 87% of the sites has performed an emergency evacuation exercise.

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.

Read the Ethics & compliance chapter of this report for more information.
# 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 Barco’s innovation.

## Our targets

<table>
<thead>
<tr>
<th>Primary targets</th>
<th>Supporting targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Always act lawfully, ethically and with integrity wherever we operate</strong></td>
<td>Each year, train all our employees in Standards@Work</td>
</tr>
<tr>
<td><strong>2. Deliver great customer experience</strong></td>
<td>By 2025, we aim to increase our global Net Promoter Score by 2 points per year.</td>
</tr>
<tr>
<td><strong>3. Proactively manage information security risks</strong></td>
<td>By 2025, obtain an average cybersecurity maturity (NIST CSF) score of at least 3.4</td>
</tr>
<tr>
<td></td>
<td>Each year, add at least one new product line to the scope of the ISO 27001 certificate</td>
</tr>
<tr>
<td><strong>4. Engage our suppliers in adopting sustainable business practices</strong></td>
<td>By 2023, have suppliers covering at least 70% of our production spend scored on their sustainability performance</td>
</tr>
<tr>
<td></td>
<td>By 2023, enroll all suppliers with sustainability score &lt; 70% in improvement plan</td>
</tr>
<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>
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</table>

The full list of community related KPIs can be found in the Integrated Data Pack.
Our roadmap towards sustainable impact:
key initiatives and action plans

1. Customer engagement

At Barco, “We think with the customer”. In order to become a truly customer-centric organization, we switched to an omni-channel listening approach in 2022: we gather feedback in every step of the customer journey, via a multitude of channels. This feedback enables us to improve our operations continuously, in a pragmatic and proactive way.

1.1 Customer focus: solid foundations

Since the first customer satisfaction measurements in 2018, Barco has been moving forward to reach a mature customer experience management model. Our core customer journey programs have enabled us to develop a series of initiatives to track customer experience:

• In our customer journey dashboard, we monitor a number of KPIs on a monthly basis. These are both internal and external ones, such as response time of our support teams, order confirmation lead times, and satisfaction of the Barco website.

• On a quarterly basis, we calculate our relational Net Promoter Score (NPS). This survey tracks how healthy the relationship with our customers and partners is, and drives strategic improvement actions.

• Since 2021, we have been mapping specific digital touchpoints. Through this exercise, we can create digital journeys that are easy to navigate for our customers.

1.2 Customer focus at Barco keeps growing: 2022 and 2023 initiatives

In 2022, we took the next step in our customer engagement initiatives:

• We launched a new omni-channel listening program, which enables us to gather customer feedback along the entire customer journey, via every possible channel. With this approach, we can track the customer experience directly as it evolves after each interaction with Barco, so we can take the necessary actions at the right time and place, by the right person and in the right way.

• The feedback from our website satisfaction measurement is extremely useful for a second big initiative in 2022: building our new corporate website to improve communications with (potential) customers. We actively involved customers and partners to test the concept of our new website. Their voice drove the decisions we made regarding the new website’s architecture. As a result, we are looking forward to a very performant website with a user-centric, simple and clear navigation. Coming soon, in the spring of 2023.

• Our after-sales service organization launched several projects to improve the overall service process flows at Barco:
  - In 2022, we launched a new service portal and conducted a pilot with a chatbot, which will provide ready answers to our website visitors. We organized trainings for customers and partners on the use of the new e-portal as well.
  - The service team worked out a series of new workflows. Their goal was to efficiently handle the number of incoming calls, ensure more first-time-right installations and follow up logistics more closely with customers.

In 2023, we will continue the initiatives started in 2022, with a focus on digital transformation and automation of our processes:

• Further expand our digital and offline listening points;

• Shorten the time between interaction and customer feedback;

• Shorten the time between feedback and action planning;

• Clearly map who is responsible for solving specific issues.
1.3 How employee engagement plays a key role in customer satisfaction

Each instance of feedback we receive through our surveys helps us to improve our operations. But we don’t leave the people that sent this feedback to us unanswered either, and developed a consistent ‘closing the loop’ process. When dissatisfied customers (detractors) reply to our survey, we investigate the situation and reach out with a communication to clarify and solve the situation. We also inform them that their message has resulted in improvement actions from our side. In this way, we strive to convert dissatisfied customers and partners into promoters again.

In 2022, Barco achieved an NPS score of 44, a decline of 3 points versus the previous year. This is mainly related to the component shortages in the market which Barco has been facing throughout the year, with longer lead times and impacting post-sales service. The NPS scores were mostly flat versus last year in Europe and China, while Americas and the rest of Asia showed a decrease. A score above 50 is considered excellent and that is also where we want to steer the company’s rating. Besides our high product quality and strong brand, our customers and partners describe our employees and their friendly, professional approach as one of Barco’s strengths.

The success of this flow is dependent on employee engagement. Therefore, we actively build awareness of the impact that the ‘customer-first’ approach has. We regularly and repeatedly train our teams across Barco on how to effectively close the loop, communicate with customers and appreciate their input as the essential factor of our growth. In 2022, we also actively praised and celebrated teams and individuals that contributed to successful customer stories.

11% of detractors were turned into promoters in Q4 of 2022, against 3% in Q4 2021.

The earliest stages of a collaboration with new customers cannot be neglected/underestimated. In fact, a customer’s first impression is a key moment of brand satisfaction. That’s why our Inside Sales team enhances engagement of brand-new customers thanks to automated feedback flows.

By integrating our marketing technologies and bringing automated listening channels to life in 2022, our Inside Sales team now gets outside-in information from our leads at the right time, so they can immediately act on the findings. By gaining feedback in the inquiry phase already, we make sure that our end users are satisfied with how our teams and partners handle their interest in Barco products.

In many cases, the first human interaction with our customers is through Inside Sales. Being able to measure the customer journey through satisfaction scores allows us to finetune our processes and strengthen our customer relationships in an ever-shifting business environment.

Erik Forrez
Inside Sales Manager, Global Marketing
In addition to the global initiatives, various projects in each of our business units also encouraged customer engagement in 2022.

The Meeting Experience team, for example, took customer engagement to the next level for their ClickShare as well as weConnect solutions:

- The ClickShare team invited customers to the beta testing of their ‘smart meeting flows’. In addition, they organized consultant councils to capture and discuss market insights. The ClickShare app includes a ‘star rating feature’, which provides us with immediate feedback from ClickShare users, and shows us where in the journey users experienced problems.

- 2022 was a breakthrough year for the weConnect experience approach. To meet – or exceed – customer expectations, the team completely rethought the customer journey for the weConnect SaaS solution. From the initial awareness presentation through to the entire sales process, site preparation, installation, tech support, training, adoption, quarterly review outreach, and most importantly, securing of ongoing renewals.

Moreover, the weConnect team reviewed their customer success management structure, in order to secure effective customer onboarding and provide guidance for leveraging weConnect features to our existing customers. Feedback from product users is now regularly fed into the weConnect product development roadmap. All customers who have ideas on how to improve the weConnect experience can join the weConnect early feedback program and participate in future developments.

In 2022, Barco and our customer iMEP/Nipro won an LTEN award for “enabling remote learning and interactivity for medical training”.

Putting the customer at the center of everything we do, in product development, marketing, sales, etc. is essential for being successful in any business, but even more in the software business. We must go beyond just selling our products and provide customers with solutions to their problems. Rethinking the customer journey from scratch and working on the customers’ KPIs (rather than Barco’s KPIs) was and still is a difficult exercise that has to get embedded in our Barco DNA... Yet, I am convinced that we are on the right track.

Simone Hammer
Global Head of Marketing, weConnect
2. Product quality, safety & security

As a high-tech company, we have a duty to ensure our customers that the products we develop and bring into the world are high-quality, safe and secure.

2.1 Product quality

Barco aims to offer products and solutions that ensure top quality over their entire lifetimes. While Barco has always been considered an A brand that delivers quality, 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, Melbourne 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 our 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. In addition, a dedicated Quality Management System team ensures that our processes remain compliant with the ISO 9001 and ISO 13485 requirements.

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.

» Read more on our innovation and product development approach in the Core section of this report.
2.2 Product safety

A continued focus on product safety
In the past few years, Barco 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. Various countries in the far East and near East regions are now 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. At the same time, the EU is adopting an upgrade of this safety standard. Again, Barco has set up a re-certification program to reflect compliance with the update.

The Brexit has impacted Barco’s certification scope as the CE marking will no longer be accepted in the UK. Although the UK announced a delay from 31.12.2022 to 31.12.2024, we are ready to ship all our products in scope of the UKCA marking with this required certification mark from 2023 onward.

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, 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 each requirement and the test reports are approved by our external certification partners. Therefore, we CE-label our products with the support of a third-party certification mark such as CEBEC\(^1\) 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.

Main achievements of 2022
- Successfully passing a global multisite ISO 9001 recertification;
- Successfully completing the transfer of the US, Belgian, Korean and Chinese sites to our first ISO 13485 multisite certificate;
- Further transition of the medical devices to the new EU medical device regulation (MDR);
- Launch of quality improvement programs to strengthen the early focus on product quality during the design phase, harmonize product certification and speed up the customer feedback loop.

Interference as a safety issue
Any product that functions thanks to electrical currents, emits and is susceptible to electromagnetic interference. While radio frequency signals that are surrounding us go up in frequency range, so is the need for our products to be immune to susceptibility in these higher frequency ranges. Proper functioning of the product and its safeguards needs to be ensured and propagation of unwanted signals should be blocked. Barco therefore started testing its newly developed products according to the relevant international immunity standard before the implementation date and we finished testing the active product list accordingly. None of the products showed susceptibility for the higher test limits of EN 55035.

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;
- Process execution monitoring through a yearly internal audit program;
- A monthly quality dashboard visualizing overall quality performance and customer feedback.

\(^1\) 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.
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 we hold. 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.

Market surveillance activities from governments
Market surveillance is the activity carried out by government agencies to ensure that products placed on their markets comply with their regulations – and are sure not to endanger consumers and/or workers. The representatives of these agencies ask for proof of compliance with the applicable regulations by means of review checks (on the TCF (Technical Construction File) in general: certificates, manuals, product and box labels, test reports, …). Non-compliance may result in actions such as product withdrawals, recalls and bans of products in a specific country or region. Barco products were selected for surveillance in three countries (Germany, China & Mexico) during 2022. None of the surveillance checks showed any non-conformities.

2.3 Product security
Cybercrime continues to increase, which forces organizations to implement strict information security governance processes. Barco has a clear commitment to delivering secure products and services to its customers.

Our product security architects and engineers manage product security. In 2022, they took the following actions to strengthen the security of our products and services:

- Maintain a product security roadmap
  In close cooperation with Barco’s Security Office, product security architects and engineers updated Barco’s product security roadmap in line with new external factors like market requirements and cybersecurity regulations. The roadmap governs different domains where security is crucial: compliance and regulation, the development lifecycle, operational security, sales support, tooling, training, … This roadmap is Barco’s internal compass to ensuring that product security focuses on the right domains.

- ISO 27001 certification
  The current ISO 27001 certification scope, which includes ClickShare and XMS, its cloud management platform, is properly maintained, which guarantees continuous improvement. Extensions to other product lines have been prepared with the aim of extending the scope in 2023, as Covid-19 caused a delay in the certification process. This demonstrates a clear commitment to continuously extending the scope of Barco’s ISO 27001 certification throughout the next years.

- Secure development
  Barco continues to focus on maturing the secure software development lifecycle (SDLC). Measuring the adoption maturity of the SDLC provides insights that help identify opportunities for improvement.

- Training
  The full R&D community followed technical cybersecurity training tailored to their day-to-day job content and domains of expertise.

- Public Key Infrastructure (PKI) for Barco devices
  Barco devices installed on customers’ premises get more and more connected. To ensure that all these devices receive a maintainable Barco identity, we updated and extended the PKI infrastructure for device certificates to enable renewal and revocation capabilities in the future.

- Cloud infrastructure
  The cloud infrastructure in which Barco’s product-related services are run was strengthened to improve application-level filtering and patching.

Our corporate website includes a responsible disclosure policy, which provides customers and 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 2022, we received 289 notifications about potential vulnerabilities (including duplicates) in products or services, reported by customers, ethical hackers and third-party pen-testers contracted by Barco.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>0</td>
</tr>
<tr>
<td>2022</td>
<td>0</td>
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</table>
3. 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.

3.1 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 in 2023.

3.2 Barco’s supply base

At Barco, we buy a wide range of components, from plastics, optical parts and assemblies, 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, we have established different levels of engagement. ‘Major suppliers’ cover the key, key+ and core categories.

2022: an ongoing effort to increase supply chain resilience

Barco continues to strengthen supplier resilience, given the current dynamics in geopolitical and economic circumstances, including ongoing lockdowns. We keep mitigating these impacts in close cooperation with our suppliers through an agile and proactive approach.

In 2022, we invested in an online, real-time risk management tool that will increase the transparency of risks in our supply chain and allow us to proactively mitigate these risks.

In 2022 Barco had 159 major suppliers, covering 87% of our total production spend compared to 144 major suppliers with a 84% coverage in 2021. The regional spread of that spend was 61% in APAC, 30% in EU and 9% in the rest of the world.
3.3 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 Responsible Business Alliance (RBA) code of Conduct, including labor, ethics and health and safety standards.

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 2022, 84% of our production spend was covered by a signed declaration of compliance with the Barco Code of Conduct for suppliers.

Product Compliance requirements
Every component that our suppliers deliver must comply with the Barco Product Compliance requirements, which includes compliance with different worldwide regulations (such as RoHS10 and REACH, ecosdesign requirements, WEEE, SCIP*), industry standards and additional criteria that we defined. Within the Barco product compliance requirements, we also demand 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 2022, 83.6% 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 2022, 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).
3.4 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 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. Also in 2022, 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 2022, 84% of production spend was covered by signed contracts with a sustainability clause, i.e., signed MSAs or T&Cs.

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Embedding sustainability in the procurement process

<table>
<thead>
<tr>
<th>SCOPING</th>
<th>ONBOARDING</th>
<th>PURCHASE</th>
<th>PERFORMANCE MONITORING</th>
<th>CAPACITY BUILDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCOPE</td>
<td>All potential production suppliers</td>
<td>New critical production suppliers</td>
<td>All suppliers</td>
<td>All key &amp; core suppliers</td>
</tr>
<tr>
<td>TOOLS</td>
<td>Supplier self assessment document including sustainability questions</td>
<td>New supplier selection report including mandatory sustainability criteria</td>
<td>Terms &amp; conditions of purchase including mandatory sustainability clause (all purchase orders)</td>
<td>Supplier Performance Review including sustainability score</td>
</tr>
</tbody>
</table>
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 2022, suppliers covering 71% of our production spend were scored on their sustainability performance. It’s a big step forward and is head start to achieve the target of 70% we set for 2023.

Barco also performs audits at existing as well as new suppliers. These audits currently focus on quality, checking quality compliance and assessing process risks that could result in quality defects. In 2022, 37 supplier audits were performed. There were less onsite audits performed compared to 2021 as we were forced to push a number of the audits due to Covid-19 restrictions set by local governments or by management of the suppliers as most audits are conducted in Asia. These audits are rescheduled to early 2023.

E. Supplier training and awareness

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.

3.5 Training our staff

Just like in 2021, we organized a dedicated training course for all commodity procurement executives worldwide in 2022. The training focused on how to coach suppliers in improving environmental compliance data and providing IPC/FMD data.

3.6 Plans for 2023 and beyond

In 2023, we will continue our journey from awareness to cooperative improvement of our suppliers’ sustainability performance.

Our ambition 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.
Getting ready for the Corporate Sustainability Due Diligence process

Keeping up with sustainability laws and regulations is all about anticipating. That’s why Barco participated in a learning network organized by employer federation Agoria and set up its own pilot project to prepare for the Corporate Sustainability Due Diligence (CSDD) process, which is expected to take place in 2025. Sophie De Smul, Supplier Quality Assurance at Barco, elaborates on our approach.

What is a Corporate Sustainability Due Diligence?
In February 2022, the European Commission adopted a proposal for a Directive on Corporate Sustainability Due Diligence. Companies will be obliged to identify, end, prevent, mitigate and account for violations of human rights and environmental impacts in their own operations, but also in those of their subsidiaries and suppliers. Whether the entire value chain or just the supply chain will be taken into account is still being discussed, but it’s obvious that the new legislation will have a serious impact on how companies shape their sustainability strategies and implement actions to reach their goals.

Valuable workshops
To map the consequences of the CSDD, Belgian employer federation Agoria invited a dozen of leading technology companies to a learning network. “In a couple of workshops, we explored which place the new legislation will take in companies’ ecosystems of sustainability initiatives,” explains Sophie De Smul. “We looked at what we’re already doing to comply to the CSDD and identified the gaps in our procedures. Barco is certainly not lagging behind compared to other companies, but there’s definitely room for improvement to be entirely ready for CSDD introduction.”

Enlightening pilot project
“After the workshops, we decided to take further action by setting up our own pilot project in cooperation with the University of Leuven,” Sophie continues. “We went through the entire due diligence cycle of identifying, addressing, monitoring and reporting risks in our supply chain. One thing we learned is that the parameter set we used isn’t reliable yet: high-risk suppliers identified by the test all operate in the same market and sector. That means we’ll have to add more parameters to the mix to get a more comprehensive view of our suppliers and perform on-site audits to see if a supplier really poses a threat.”

Concrete next steps
The learning network and pilot project left us with some concrete next steps for 2023. Sophie: “We’ll gather and integrate a larger amount of data in our enterprise security risk management tool to analyze and visualize our supply chain risks. Another challenge is deciding how to deal with high-risk suppliers. Regarding the quality of our suppliers’ products, we have fixed escalation scores which are linked to pre-defined measures. We’ll have to develop a similar approach for sustainability risks. Defining KPIs and deciding on how to report them is another question we’re facing. And the list goes on. It will be an uphill task, but we’re doing everything to succeed.”

Talking with other companies about their sustainability strategies and actions was a real eye-opener. Our challenges, such as gathering fragmented data, are quite similar. The CSDD pilot project will help Barco approach these challenges in the most effective way.

Sophie De Smul
Supplier Quality Assurance
4. Corporate security and data protection

As the world faces an ever-changing threat landscape, Barco continues its focus on corporate security.

4.1 Corporate security

Barco adopted a security organization that operates along three lines of defense. The first line of defense is operational security (e.g. own and manage operational risk). The second line of defense is managed by Barco’s Security Office (e.g. the cybersecurity program) and the third line of defense is the cybersecurity audit (e.g. risk assurance).

Highlights in 2022 included:

1. Continuously increasing our security maturity level in accordance with the cybersecurity roadmap by focusing on people, process and technology;
2. Embedding security-by-design into new projects and initiatives;
3. Providing additional cybersecurity awareness training among employees, with new e-learnings and phishing simulations;
4. Further maturing the security and privacy evaluation framework for third parties in close collaboration with the DPO office;
5. Contributing to the Product Security Roadmap in collaboration with the first line of defense;
6. Preparing ISO 27001 scope extension, adding one more product line to the scope.

![Number of product lines in scope of ISO 27001](chart)

**TARGET: + 1 YEARLY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Product Lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2</td>
</tr>
<tr>
<td>2021</td>
<td>2</td>
</tr>
<tr>
<td>2022</td>
<td>2</td>
</tr>
</tbody>
</table>

![Average cybersecurity maturity score](chart)

**NIST CSF**

**TARGET 2025: 3.4**

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2.19</td>
</tr>
<tr>
<td>2021</td>
<td>2.33</td>
</tr>
<tr>
<td>2022</td>
<td>2.66</td>
</tr>
</tbody>
</table>

Our security maturity score increased from 2.23 to 2.66 in 2022 (NIST CSF), thanks to all the initiatives described above. By the end of 2025 we aim to improve that score to 3.4.
4.2 Data governance and data protection

Barco prioritizes the protection and management of personal data in accordance with GDPR and similar data privacy and data protection legislations outside the EU; e.g., the US HIPAA*, the UK General Data Protection Regulation, the California Consumer Privacy Act. Our intragroup data transfer agreement sets the standards and principles that Barco legal entities must apply when processing personal data about individuals subject to GDPR.

Our data protection officer (DPO) is in charge of managing our data protection compliance program, which is governed by several guidelines, instructions and templates. A team of privacy liaison officers (the legal & compliance responsibles, security & privacy champions and regional knowledge owners) support the DPO by overseeing and ensuring compliance with the GDPR on a day-to-day basis at a local level.

In 2022, Barco installed a DPO office, which works in close cooperation with our Security Office. 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 2022 included:
• Further implementation of our retention policy;
• Updating our personal data breach handling;
• Kick-off of an internal workflow system to deal with data subject right’s requests;
• Conducting security and privacy assessments of new third-party cloud service providers and making sure to have data processing agreements in place with third-party cloud service providers that are involved in the processing of personal data on behalf of Barco;
• Creating and giving a ‘data protection by design training’ to Barco employees involved in product and software development.

| Number of data / GDPR / privacy incidents reported to data protection authorities |
|---------------------------------|------|
| Year   | Count |
| 2020   | 0     |
| 2021   | 0     |
| 2022   | 0     |

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

Good financial performance does not conflict with high ethical standards. 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.

5.1 Building a true ethics and compliance culture

We have deployed 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. In addition, every Barco site worldwide has a ‘local legal & compliance responsible’ who is in charge of overseeing compliance in the country where the site is situated. Every year, the local legal and compliance responsible completes a risk and compliance assessment, which is an integral part of our compliance program.

5.2 Compliance awareness actions

To raise awareness about the Code of Ethics, we undertake several initiatives. For example, almost half of our white-collar workers participate in the Compliance Challenge, a live quiz organized in all our sites across the world. Every year, the compliance officer updates all Barco employees on relevant compliance topics. To target a broad audience, the 2022 update was distributed as a video message instead of a letter. The topic of compliance is part of the monthly onboarding sessions for new employees.
5.3 Global compliance team

In 2022, the compliance team welcomed a risk & compliance officer who assists the global compliance manager with monitoring the company’s compliance program. Due to the Ukrainian-Russian conflict, much of the team’s focus was on implementing the trade sanctions imposed by various countries, including a rigid product and end-use screening system to ensure compliance therewith.

5.4 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 center. The program includes e-learning courses covering cybersecurity, data protection, sustainability, quality, safety, ethics, and continuous improvement. In addition, we organize more in-depth Standards@Work trainings on topics like anti-corruption, competition, data protection by design and healthcare regulatory compliance for designated employees.

In 2022, a course on confidentiality was added to the basic Standards@Work program. The format of the trainings changed too: to make the courses more appealing, we restructured them as games centered around the different stages of our product cycle (‘Design & Development’, ‘Manufacturing’, ‘Go-to-Market’, and ‘Customer Care’). We hope this gamified learning experience will further raise participation levels – as we aim to achieve a 100% participation rate. Barco actively follows up on employees with overdue learning assignments.

% employees trained in Standards@Work (white collars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
<td>98%</td>
<td>99%</td>
<td>96%</td>
</tr>
</tbody>
</table>
5.5 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, Audit, Risk & Compliance 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.

With the transposition of the EU Whistleblower’s Directive into Belgian law end of December 2022, we are now ready to deploy the software tool that will enable fully anonymous ethical issue reporting in different languages.

Overview and breakdown of the matters addressed via the Ethics mailbox in 2022

| Conflict of interest | 2 |
| Discrimination | 2 |
| Gifts | 3 |
| Harassment | 2 |
| Total | 9 |

5.6 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 investigated the export of components from our factory, allegedly within the scope of the Indian SCOMET export regulations that make an export license mandatory. In the spring of 2022, the Principal Commissioner of Noida Customs Commissionerate imposed a fine on Barco Electronic Systems Pvt Ltd. and four of its employees for failing to comply with the export regulations. Barco Electronic Systems Pvt Ltd. and the employees involved have appealed this decision before the Customs, Excise & Service Tax Appellate Tribunal. The appeal is pending before the tribunal.

- In China, Barco Visual (Beijing) Electronics Co., Ltd. was fined by the Changping Market Supervision Bureau for a social media post that highlights the supply of four projectors to the Beijing 2022 Winter Olympics.

5.7 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, 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 Belgian American Chambers of Commerce.

- Advocacy organizations, like Voka

The annual membership fees for most of the above organization and associations range from 250 to 5,000 euro, with only a few exceeding this range.

Barco does not make donations or other contributions of any kind to political parties.
6. Community engagement

At Barco, we want to help ensure more people can participate in and benefit from a prospering society, regardless of their backgrounds. Focusing on the areas of education and entrepreneurship, we partner with non-profits and leverage the engagement of our employees to make long-lasting impact in the communities where we live and work.

6.1 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.

- After two challenging years, when the pandemic put the education of many children on hold, we were happy to relaunch the ‘iGemba Scholarship Scheme’ in India, paying for the education of 23 children of Barco India employees. The concept: for each improvement suggestion that operators make through our iGemba program, Barco donates money, which is collected in a scholarship fund. Since the start of the program, 75 children have received scholarships. The program not only supports our sustainability efforts, but also reinforces the Barco value ‘we care’.

- 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.

- 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. In 2022, we donated 643 devices to Digital for Youth, a Close the Gap organization that collects laptops from companies, refurbishes them and distributes them to vulnerable young people in Belgium.

- 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.

iGemba scholarship is an excellent example of living the Barco Value “we care, we grow” really on ground & engaging employees in an authentic way to “look for a better way”. Using a part of the savings coming from improvement ideas from our employees for supporting the education of their children which are future of any society is immensely satisfying for me personally.

Rajeeva Lochan Sharma
VP Operations & Special Projects, Barco India
6.2 Ensuring healthy lives and promoting well-being

"Ensure the best possible health outcomes to as much 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 and we promote the importance of healthcare.

Like in previous years, we again supported Breast Cancer Awareness Month in October 2022. Next to selling Pink ribbons and encouraging employees to ‘wear pink’, we arranged a sponsored ‘Breast Cancer ride’ with the Barco Belgium cycling team and duck fishing. With these actions, we raised EUR 2,425 for Think Pink, Belgium’s breast cancer organization.

And there’s more. In November we raised awareness for men’s health – specifically prostate cancer and mental health –, encouraging men around the world to grow their moustaches.

6.3 Promoting a world free of bias, stereotypes and discrimination

Barco put the topic of diversity and inclusion higher on the agenda in 2022, as we believe that a diverse workforce inspires creativity and innovation. To ensure diversity and inclusion among the world’s workforce, we actively promote a gender equal world, where everyone gets equal opportunities.

Only 20% women students in engineering, computer sciences and physics at a university level (US)
(source: NGCF)

In 2022, Barco celebrated International Women’s Day with the #BreakTheBias social media campaign. In the US, we hosted the AVIXA Women’s Council charity event, which supports an initiative for engaging girls in STEM education.

6.4 Smaller, including 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:

- Barco Duluth (US) donated and helped to pack 230 kg of food for distribution to 425 local families.
- In Australia, we donated a ClickShare Conference solution to the Ronald Mc Donald House Program, which provides a temporary safe haven to families with a sick child who needs treatment far away from home.
- Our colleagues in Taiwan collected shoes for Step 30, an NGO helping children in Kenya who need to walk barefoot for hours to go to school.
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 a EU classification system for sustainable activities, i.e. the EU Taxonomy. The regulation relates to 6 environmental objectives, namely Climate change mitigation, Climate change adaptation, Circular economy, Sustainable use of water and marine resources, Pollution prevention and Healthy ecosystems.

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 is supported by several FAQs published (and forthcoming) by the EU Commission to clarify the content of the Disclosure Delegated Acts, as well as to specify the structure and content of the information to be disclosed.

The EU Taxonomy aims to define and classify environmentally sustainable activities. It 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 fair 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 (KPIs) 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 disclose the proportion of Taxonomy-eligible and alignment of economic activities in their total turnover, capital and operational expenditure and the qualitative information for reporting year 2022, including comparative figures for eligibility.

Barco considers its economic activities to have the potential to significantly contribute to the Environmental objective (Eligible) Climate change mitigation, as stated in the EU Taxonomy and Climate Delegated Act. Barco’s turnover is linked to most of the high-impact economic sectors listed in the initial Technical Expert Group on Sustainable Finance (TEG) technical report. We are committed to communicating in a transparent manner on the potential impact Barco has on these sectors.

Evaluating the Barco scope 3 Carbon Disclosure Project (CDP) emissions reporting (mainly representing the scope 2 emissions of our customers) and Barco SBTi commitment, further supported by discussions with customers, peers and industry associations, led to the following conclusion:

Barco’s aligned products have the potential to substantially contribute to one of the environmental objectives by supporting the carbon reduction in specific economic activities e.g. building, entertainment, transport and ICT sector. For example, supported by our (laser) cinema projectors, we play an important role in making buildings and permanent installations more energy efficient, and our ClickShare product range enables remote collaboration, hence less travel.

Applying the NACE codes, and the freedom provided in the dedicated Technical Screening Criteria (TSC) and Do No Significant Harm (DNSH) criteria to compare product Life Cycle Assessment (LCA) performance to the market benchmarks (‘Best performing alternative’) both support this conclusion.

At this moment of writing, no delegated act is available defining the rules and requirements on the reporting obligations of the 4 remaining environmental objectives. This leads us to the conclusion that only reporting obligations on the initial two climate objectives are applicable for reporting year 2022. Further elaboration on the economic sectors and technical criteria supporting those sectors in the future might change our current proportion eligibility/alignment over several activities.
2. Taxonomy-eligible

2.1 Turnover to eligible activities

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

Article 10 in the EU Taxonomy Regulation 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 substantially 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, by reducing the greenhouse gas emissions during the use phase of our devices, through an enhanced energy efficiency, at our customers.

Likewise, EU Taxonomy Regulation Article 10 qualifies an economic activity as contributing to Climate change adaptation if that activity contributes substantially to reducing or preventing the adverse impact of the current or expected future climate, or the risk of such adverse impact, whether on that activity itself or on people, nature or assets. Based on the former definition, Barco does not yet offer products that have the potential to substantially contribute to Climate change adaptation, as our products cannot yet be seen as solutions to reduce the most important physical climate risks that are material to the activity. Therefore, eligible activities related to the Climate acts will be directed towards the Climate change mitigation objective.

Determination of Barco relevant economical activities is based on NACE code registration and validation of the economic activity. The following applicable economic activity as defined in the delegated act applies:

C – Manufacturing: C26 Manufacture of computer, electronic and optical products and C27 Manufacture of electrical equipment, qualifying under 3.6 ‘Manufacture of other low-carbon technologies’ in the Climate Delegated Act on climate change mitigation.

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 carbon 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-related revenues (see note 3 of the financial report).

Turnover-related non-eligible activities: turnover linked to Barco solutions that have no direct carbon footprint impact during the usage stage as defined in the Climate Delegated Act. These solutions are turnover from software, licences, or services.

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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.

All project sales are hardware-product related.
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 ‘Other intangible assets and 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”.

OpEx
The definition of KPI OpEx is available in Annex I 1.1.3 of DA C(2021) 4987. At this moment in time, there is no clear definition of OpEx under the IFRS framework, hence the definition referred to in the EU taxonomy is applied.

For eligibility reporting, OpEx shall be considered 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 (R&D) is considered material and therefore included as eligible OpEx.

R&D expenses include all internal and external costs related to research and development projects, and investments linked to the Company’s product roadmap. The roadmap can be fully linked to specific economic activities. We refer to note 3. (a) ‘Research and development expenses’.

3 In contradiction with financial reporting year 2021 note 9 is defined as relevant eligible activities not note 9.2 which limits the eligible activities incorrectly.
EU Taxonomy expects alignment with the TSC, DNSH and compliance with the minimum safeguards. Only if these three items are met can an economic activity be labelled “aligned”. The following sections aim to disclose what process and methodology Barco employs for alignment determination covering the Climate change mitigation objective.

3.1 Turnover

For Barco economic activities C26 and C27, the relevant alignment TSC are defined under the economic activity 3.6 ‘Manufacture of other low-carbon technologies’: “The economic activity manufactures technologies that are aimed at and demonstrate substantial lifecycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market.”

However, the regulation does not contain specific guidance or requirements on how to identify the best-performing alternative technology/product/solution or how to avoid creating a moving target/benchmark. In addition, the lifecycle GHG emission savings of alternative technology/product/solution available on the market are unknown to the reporting entity.

For this reason, the following interpretation is made to define aligned turnover for economic activity 3.6. The following product conditions shall be met when considering a product aligned for reporting over financial year 2022:

- Provide supporting LCA\(^4\) evidence to claim the product is supporting GHG reduction according to the IPCC\(^1\) 1.5°C pathway.
- Translated for scope 3 GHG emissions, this requires a minimum GHG 2.5% annual reduction compared to the previous generation of the product placed on the market, as defined by the SBTI Net Zero Standard\(^5\) table 6A.
- Product does not violate the applicable DNSH criteria
- Comply with minimum social safeguards

Product scope 3 emission is dominantly driven by energy consumption during the product usage phase. Therefore, the GHG emission reduction is directly linked to the relative improved energy efficiency.

All revenue-related products with an ecolabel according to an older version of the ecoscore tool have been assessed case by case. This in order to confirm, as defined above, that the product is supporting GHG reduction according to the IPCC\(^1\) 1.5°C pathway. This assessment is validating if the product represents 2.5% annual reduction compared to the relevant internal benchmark. For example, a new generation of projectors benchmarked to the previous generation, made available on the market 11 years ago, shall be at least 25% more energy efficient for the same delivered capabilities. The source data for this assessment has undergone the limited assurance Scope 3 emissions and revenue from ecolabel products audit.

We have proactively adjusted the ecoscore framework to assess the turnover alignment of Barco products. This ecoscore framework is annually updated to keep pace with evolving regulatory requirements. In fact, the latest version of the ecoscore tool (version 6.0 and 6.1) incorporates the TSC related to the Climate mitigation objective. Next to this, the corresponding DNSH criteria validation are also fully embedded in the ecoscore framework. The future circularity objective TSC and DNSH will also be implemented in Barco’s ecoscore framework once the criteria are approved and published by the European Commission.

One important part of the ecoscore assessment is to calculate full LCA results of the product, i.e. environmental impacts caused by the product during its entire lifecycle. The LCA studies are performed according to the Product Environmental Footprint (PEF) method, which is a general methodology to assess and communicate lifecycle environmental impacts of a product.

\(^{4}\) LCA assessment shall comply with the ISO 14040 and 14044 standards.

\(^{5}\) Net-Zero-Standard.pdf (sciencebasedtargets.org)
Overall, revenues generated from products that have been assessed as ecolabelled in the latest version of the Barco ecoscore framework under the economic activity 3.6, can be considered aligned.

Products that have been assessed by the ecoscore framework (regardless of the version) are also checked not violate the DNSH criteria. The described benchmark approach (2.5% GHG annual reduction) has been integrated both in the new ecoscore framework and the turnover alignment assessment of legacy ecoscored products. Hence the difference between the turnover generated by ecolabelled products and the turnover alignment share. Legacy ecoscoring is a static interpretation at a certain moment in time (for some of them even before

We refer to note 3. ‘Income from operations (EBIT)’ for a breakdown of Barco’s sales per type: product sales, project sales and service sales.

<table>
<thead>
<tr>
<th>Economic activity</th>
<th>Activity description</th>
<th>Proportion turnover eligible</th>
<th>Proportion aligned turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI 1</td>
<td>Manufacture of other low-carbon technologies eg. Hardware products</td>
<td>90.3%</td>
<td>27%</td>
</tr>
<tr>
<td>KPI 2</td>
<td>Other out-of-scope solutions eg. Software, service</td>
<td>9.7%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

3.2 CapEx

Aligned CapEx as defined in the Annex I 1.1.2 of DA C(2021) 4987 can be any of the following:

1. Related to assets or processes that are associated with Taxonomy-aligned economic activities;
2. Part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned;
3. Related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

Barco has assessed the investments made in CapEx eligible activities and made the corresponding link to dedicated economic activities, covering both acquisition of products/services and measures that indirectly lead to the reduction of GHG impact of Barco’s activities. As a result, we identified several CapEx investments that fulfill the alignment definition (e.g. infrastructure in green mobility, renewable energy). For these individual measures, we have positively assessed the applicable TSC and DNSH.

Examples of potentially aligned individual activities (Climate change mitigation), mentioned in the Annex I of the Climate Delegated Act and that Barco invested in, concern the category ‘6. Transport’ 7. Construction and real-estate activities’ (i.e. 7.6, 6.5). For instance, we are little by little switching to electric lease cars for our own employees. Recently, more than 100 charging stations have been installed in the car park.
at Barco Kortrijk to allow employees to charge their electric vehicles. In addition to the solar panels already in place, Barco has been investigating the possibility to install a wind turbine to make more use of renewable energy and reduce the GHG emissions of our activities.

At this point of time, no assets/processes can be linked unambiguously to aligned turnover activities in our reporting system. Hence why we have allocated all CapEx to eligible activities although this might not be the case and have limited the current year reporting on alignment to individual measures.

This results in the following quantitative data:

<table>
<thead>
<tr>
<th>KPI</th>
<th>Proportion eligible</th>
<th>Proportion aligned</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI related to capital expenditure (CapEx)</td>
<td>100 %</td>
<td>4.8 %</td>
</tr>
</tbody>
</table>

### 3.3 OpEx

Aligned OpEx as defined in the Annex I 1.1.2 of DA C(2021) 4987 can be any of the following:

1. Related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development;
2. Operating expenditure included as part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned;
3. Related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low carbon, or to lead to GHG reductions as well as individual building renovation measures.

Aligned OpEx reflects the development effort into sustainable product design. OpEx (R&D) should remain at a high level if a company has continuous sustainability improvement integrated in the innovation process and wants to achieve improvement KPIs.

Supported by the Barco ecoscoring process and managed by dedicated short-term KPIs (new products and revenue-based) Barco has a dedicated strategy in place to ensure expansion of Taxonomy-aligned economic activities, or to enable target activities to be conducted in a low-carbon manner or reduce emissions of greenhouse gases. This strategy covers all product development, both hardware and corresponding software. In other words, applied to Barco the aligned OpEx corresponds to the investments made in R&D to develop (future) turnover-aligned products (ecolabelled). If R&D OpEx effort cannot directly be linked to an aligned activity or future aligned products, this effort is not accounted for as aligned. In case R&D effort is linked to both aligned and unaligned product, a pro-rata aligned revenue is applied.

Examples of aligned R&D activities: the development of the new generation CX ClickShare and corresponding software, the new Series IV digital cinema projectors, the development of new healthcare display.

Examples of pro-rata aligned activities: software running on the Nexxis platform, development of laser source share over different end products, WeConnect.

The proportion non-eligible OpEx has been determined based on the pro rata of eligible vs non-eligible turnover to reflect the share of OpEx related to service activities as the current reporting does not allow an allocation of R&D to respectively eligible vs non-eligible activities.

<table>
<thead>
<tr>
<th>KPI</th>
<th>Proportion eligible</th>
<th>Proportion aligned</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI related to operating expenditure (OpEx) – limited to R&amp;D expenses</td>
<td>90.3%</td>
<td>47.7%</td>
</tr>
</tbody>
</table>

Please find the full EU Taxonomy reporting [here](#).
Barco carries out economic activities across the globe in a responsible and respectful way. In doing so, it is committed to complying with the minimum safeguards referred to in Article 18 of the Taxonomy Regulation.

To ensure compliance with these standards, companies subject to the Taxonomy Regulation are required to implement procedures to ensure the alignment of their 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 EU Commission has asked the Platform on Sustainable Finance, an independent advisory body, for advice on the functioning of the minimum safeguards. In October 2022, this advisory body released its Final Report on Minimum Safeguards. This report identifies in the OECD Guidelines and UN Guiding Principles 4 substantive topics, pertinent to the minimum safeguards, notably human rights (including labor and consumer rights), bribery, bribe solicitation and extortion, taxation, and fair competition. Moreover, it proposes two criteria to determine compliance with the minimum safeguards, i.e., the implementation of adequate due diligence processes and the absence of certain negative impacts or events.

The Annual Report, and particularly the PPC Report describes in various sections the policies, procedures and practices which Barco has implemented to ensure alignment with the OECD Guidelines and UN Guiding Principles in the domains of human rights, bribery, taxation and fair competition.

Finally, Barco has not had any interactions with an OECD National Contact Point or a Business and Human Rights Contact Center. It has not been found in violation of labor or human rights, anti-corruption, tax or competitions laws.
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.

Sustainability at Barco is managed by a permanent executive sustainability steering committee, which consists of one of our co-CEOs, the Chief HR officer, CFO, Senior Vice President of Operations and the group Sustainability Office. Depending on the topic, other executive members are invited (e.g., business unit heads). Under the leadership of the group Sustainability Office, a network of sustainability ambassadors across Barco always prepares the meeting topics based upon the local execution of the sustainability plans.

Just like in 2021, the committee met six times in 2022. Representing the committee, the CFO presented the progress made towards sustainability targets to the Board.
2. Stakeholder engagement and materiality

Barco attaches great importance to stakeholder engagement: 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.

The outcome of the most recent stakeholder engagement up to the level of each stakeholder group and the consolidated view in terms of the materiality matrix can be found on our website.

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)

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.

5. External evaluations

Barco is rated by several independent organizations on its sustainability performance. We actively participate in several initiatives such as CDP, Ecovadis, MSCI, ISS ESG, Sustainalytics, Vigeo Eiris (Moody’s) and S&P Global. A description and up-to-date status and evolution of the detailed results can be found on the Barco website.
Annex
## EU taxonomy reporting table

<table>
<thead>
<tr>
<th>Economic activities</th>
<th>Code</th>
<th>Absolute value</th>
<th>Proportion</th>
<th>Climate change mitigation</th>
<th>Climate change adaptation</th>
<th>Water and marine resource</th>
<th>Circular economy</th>
<th>Pollution</th>
<th>Biodiversity and eco-systems</th>
<th>Minimum safeguards</th>
<th>Taxonomy-aligned proportion of turnover, year 2022</th>
<th>Enabling activity</th>
<th>Transitional activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Taxonomy-eligible activities</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmentally sustainable activities (Taxonomy-aligned)</td>
<td>3.6</td>
<td>285,858</td>
<td>270%</td>
<td>270%</td>
<td>0.0%</td>
<td>-</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>270%</td>
</tr>
<tr>
<td>Turnover of environmentally sustainable activities (Taxonomy-aligned)</td>
<td></td>
<td>285,858</td>
<td>270%</td>
<td>270%</td>
<td>0.0%</td>
<td>-</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y*</td>
<td>270%</td>
</tr>
<tr>
<td>Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</td>
<td>3.6</td>
<td>670,115</td>
<td>63.3%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</td>
<td></td>
<td>670,115</td>
<td>63.3%</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total turnover of Taxonomy-eligible activities</td>
<td>3.6</td>
<td>955,972</td>
<td>90.3%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Taxonomy-non-eligible activities</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Turnover of Taxonomy-non-eligible activities</td>
<td>102,318</td>
<td>9.7%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Total turnover of Taxonomy-non-eligible activities</td>
<td>102,318</td>
<td>9.7%</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Total turnover of Taxonomy-eligible and non-eligible activities</td>
<td>1,058,291</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
</tbody>
</table>

(*) Compliance with minimum safeguards, as further clarified by the Platform on Sustainable Finance (see Minimum Safeguards).

(#) Refers to the reference as included in the mandatory reporting table for non-financial undertakings as required in accordance with the reporting delegated regulation.
### Economic activities

<table>
<thead>
<tr>
<th>Economic activities(1)</th>
<th>Code(2)</th>
<th>Absolute value(3)</th>
<th>Proportion(4)</th>
<th>Climate change mitigation(5)</th>
<th>Climate change adaptation(6)</th>
<th>Water and marine resources(7)</th>
<th>Circular economy(8)</th>
<th>Pollution(9)</th>
<th>Biodiversity and ecosystems(10)</th>
<th>Minimum safeguards*</th>
<th>Taxonomy-aligned proportion of CapEx, year 2022 (%)</th>
<th>Enabling activity(20)</th>
<th>Transitional activity(21)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>in thousands EUR</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substantial contribution criteria</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>DNSH criteria ('Does Not Significantly Harm' criteria)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

**CapEx**

**Taxonomy-eligible activities**

<table>
<thead>
<tr>
<th>Environmentally sustainable activities (Taxonomy-aligned)</th>
<th>76</th>
<th>296</th>
<th>1.0%</th>
<th>1.0%</th>
<th>0.0%</th>
<th>-</th>
<th>Y</th>
<th>Y</th>
<th>Y</th>
<th>Y</th>
<th>Y</th>
<th>Y*</th>
<th>1.0%</th>
<th>E</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 1: Installation, maintenance and repair of renewable energy technologies</td>
<td>6.5</td>
<td>1,146</td>
<td>3.8%</td>
<td>3.8%</td>
<td>0.0%</td>
<td>-</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y*</td>
<td>3.8%</td>
<td>E</td>
<td>-</td>
</tr>
<tr>
<td>CapEx of environmentally sustainable activities (Taxonomy-aligned)</td>
<td>1,442</td>
<td>4.8%</td>
<td>4.8%</td>
<td>0.0%</td>
<td>-</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y*</td>
<td>4.8%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</td>
<td>28,578</td>
<td>95.2%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total CapEx of Taxonomy-eligible activities</td>
<td>30,020</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Taxonomy-non-eligible activities**

| CapEx of Taxonomy-non-eligible activities | 0 | 0.0% | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total CapEx of Taxonomy-non-eligible activities | 0 | 0.0% | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total CapEx of Taxonomy-eligible and non-eligible activities | 30,020 | 100% | - | - | - | - | - | - | - | - | - | - | - | - | - |

(1) Compliance with minimum safeguards, as further clarified by the Platform on Sustainable Finance (see 'Minimum Safeguards').
(2) Refers to the reference as included in the mandatory reporting table for non-financial undertakings as required in accordance with the reporting delegated regulation.
### Economic activities

<table>
<thead>
<tr>
<th>Code(1)</th>
<th>Substantial contribution criteria</th>
<th>DNSH criteria ('Does Not Significantly Harm' criteria)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OpEx</td>
<td>in thousands EUR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economic activities(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OpEx</strong></td>
</tr>
<tr>
<td>Taxonomy-eligible activities</td>
</tr>
<tr>
<td>Environmentally sustainable activities (Taxonomy-aligned)</td>
</tr>
<tr>
<td>OpEx of environmentally sustainable activities (Taxonomy-aligned)</td>
</tr>
<tr>
<td>Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</td>
</tr>
<tr>
<td>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</td>
</tr>
<tr>
<td>Total OpEx of Taxonomy-eligible activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Taxonomy-non-eligible activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>OpEx of Taxonomy-non-eligible activities</td>
</tr>
<tr>
<td>Total OpEx of Taxonomy-non-eligible activities</td>
</tr>
<tr>
<td>Total OpEx of Taxonomy-eligible and non-eligible activities</td>
</tr>
</tbody>
</table>

(*) Compliance with minimum safeguards, as further clarified by the Platform on Sustainable Finance (see ‘Minimum Safeguards’).

(1) Refers to the reference as included in the mandatory reporting table for non-financial undertakings as required in accordance with the reporting delegated regulation.
Scope and methodology of carbon footprint and of measurement of products with Barco ECO label

MEASURING CARBON FOOTPRINT OF OUR OWN OPERATIONS

Methodology
- Greenhouse Gas Protocol 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, DEFRA

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. This covers all Kyoto gases which are to be reported according to the Greenhouse Gas Protocol
- Boundaries: operational (vs. equity) approach, as it better defines the boundaries of influence
- 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

Calculation assumptions
- CO₂e 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 results
- CO₂e 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: \( \sum \left( \text{total lifetime expected uses of product} \times \text{number sold in reporting period} \times \text{electricity consumed per use (kWh)} \times \text{emission factor for electricity (kg CO₂e/kWh)} \right) \)

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)
MEASURING OUR CARBON FOOTPRINT RELATED TO PRODUCT USE EMISSIONS (cont’d)

Use case data for Medical Displays

- Average power on (W), typically measured at calibrated luminance value.
- Suspend = standby (W)
- Hibernate = Deep Sleep Power = off (W), internal processor active and communication with control software possible

As defined in the public product specification sheet. If no data is in the product specification sheet electrical safety reporting is used to define the applicable number.

- Use case on (hrs)
- Use case standby (hrs)
- Use case deep sleep (hrs)

Are defined based on feedback of the product manager.

- Guaranteed lifetime (per 10000 hrs), linked to the backlight lifetime performance or the device MTBF performance.
- Relative increase in nominal power per year (%), power compensation to maintain calibrated luminance value.

Delivered capability specifications:

- Max Luminance (cd/m²)
- Mpixels
- Size (Inch)
- DPI (#MP/Inch diagonal)

For Diagnostic imaging devices the following is applicable: 8h On mode, 1h Standby and 15h Deep sleep/Off mode over a usage time as defined in the public product sheet and 8% of relative increase.

For Surgical and modality devices the use cases and expected lifetime, relative increase but ranges between 4-24h On mode 1-16 h Standby and 0-19h Deep sleep/Off mode. This variation relates to the specific end user or end system setup.

Use case data for Cinema and Immersive Experience

- Power consumption (W), as defined in the public product specification sheet. If no data is in the product specification sheet electrical safety reporting is used to define the applicable number.

Delivered capability specifications:

- Center lumens (lm), Native brightness as defined in the public product specification sheet.

Several end user application cases have been defined that have an impact on the energy consumption calculation. The following generic use cases have been defined by the product managers based on field knowledge and industry feedback:

<table>
<thead>
<tr>
<th>use cases</th>
<th>Cinema</th>
<th>Events</th>
<th>Proav fix install</th>
<th>Proav simulation</th>
<th>HER</th>
<th>Image Processors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Usage time per year</td>
<td>4.000</td>
<td>600</td>
<td>2.000</td>
<td>8.760</td>
<td>500</td>
<td>2500</td>
</tr>
<tr>
<td>total product use time</td>
<td>40.000</td>
<td>3.000</td>
<td>20.000</td>
<td>50.000</td>
<td>5.000</td>
<td>12500</td>
</tr>
<tr>
<td>power used</td>
<td>68%</td>
<td>100%</td>
<td>75%</td>
<td>35%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Number of years</td>
<td>10.0</td>
<td>5.0</td>
<td>10.0</td>
<td>5.7</td>
<td>10.0</td>
<td>5.0</td>
</tr>
</tbody>
</table>

None-Cinema product can be sold into the different markets, a specific share is taken into account. This is per default 50/50%, but can vary from 10-100% assigned to one single market.
MEASURING OUR CARBON FOOTPRINT RELATED TO PRODUCT USE EMISSIONS (cont’d)

Use case data for Meeting Experience and Learning Experience

- Average power on (W)
- Suspend = standby (W)
- Deep sleep power = off (W)

As defined in the public product specification sheet. If no data is in the product specification sheet electrical safety reporting is used to define the applicable number.

- Use case on (hrs)
- Use case standby (hrs)
- Use case deep sleep (hrs)
- Guaranteed lifetime (hrs)

Are defined based on feedback of the product manager.

For ClickShare product the following is applicable: 6h On mode, 6h Standby and 12h Off mode over a usage time of 438000h
Connected media devices are per default assessed 8h On mode, 0 Standby and 14h Off mode is considered over a lifetime of 438000h

Use case data Large Video Wall Experience

- Average power on (W)
- Suspend = standby (W)
- Deep Sleep Power = off (W)

As defined in the public product specification sheet. If no data is in the product specification sheet electrical safety reporting is used to define the applicable number.

Delivered capability specifications:
- Center lumens (lm)
- Typical power consumption at consumer side @ 400NIT wall brightness (W)
- Display area (m²)

Products sold into the LVW market are considered to be active 24/7. The following expected usage times are considered: 5 Year LED and LCD, 10 Year Laser RPC, 7 Year for LED/LAMP RPC, Server products 5 Year.

MEASURING PRODUCTS WITH BARCO ECO LABEL

Methodology

- Barco’s ecoscoring methodology, find more on our corporate website.

Subject to external audit under the framework of ISO 14021:2016 standard – see limited assurance report

Scope

- All newly introduced hardware products, a “newly introduced hardware product” is a commercial launch of first member of product family covered by one dedicated hardware development project. Options or modules are not in scope of this definition.