This is section B of Barco’s 2019 annual report. Other sections are available via the download center at ar.barco.com/2019.
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Introduction

Expanding our sustainability efforts

Growing and expanding our company goes hand in hand with helping our people and the communities around us thrive while safeguarding our planet. That is why we consider sustainability to be an integral part of Barco’s ‘enabling bright outcomes’ strategy.

Barco’s sustainability program is and will always be a continuous journey of learning and improving. Over the past few years, we have built the foundations that will help us deliver on our sustainability objectives going forward. At Barco, sustainability is

- **deeply embedded in our strategy**
  Our strategy, launched in 2017, consists of three pillars: ‘innovate for impact’, ‘focus on performance’ and ‘deliver outcome-based solutions’. The fourth vector that keeps the strategic pillars together is ‘go for sustainable impact’ – because we are convinced that sustainable business is the only way forward.

- **firmly supported by the top management**
  Top-level commitment is a key success factor for our sustainability strategy. Over the past few years, our top management team has endorsed sustainability by actively participating in meetings and taking up sponsorship roles for different workstreams. Barco’s CEO Jan De Witte emphasizes that sustainability is one of the driving forces of our corporate strategy. He also chairs the executive sustainability steering committee.

- **strongly linked to our culture building blocks**
  As a result of our rejuvenation exercise five building blocks were defined to enable us to live our DNA. The ‘We care, we grow’ building block highlights our choice to care about our planet, our colleagues and our communities. ‘We look for the better way’ supports us in exploring more sustainable ways to run our business moving forward. The ‘We think with the customer’ building block represents our commitment to help our customers in improving their footprints.

- **increasingly integrated into Barco’s risk evaluation process**
  In the way we do business, topics like climate change, and business ethics are becoming more important every year. As a result, we increasingly integrate them in our risk evaluation process (see part A - Company report).

Sustainable business is doing business the right way; which we believe is also good business.

Jan De Witte
Barco CEO
Stepping up our efforts

In 2019, we further stepped up our sustainability efforts and made progress in various domains.

Organization
• We further strengthened the organization responsible for delivering on our sustainability ambitions. Focus areas are now owned by the business, with responsibility in the departments/divisions.
• The governance of sustainability-related initiatives has been updated with clearly defined workstreams, managed by workstream leaders in the business.

Strategy, communication and objectives
• We confirmed the key performance indicators (KPIs) already in place and further expanded our scope.
• Furthermore, new, well-defined mid-term targets (2023) in the Planet domain were defined and agreed upon with the leadership team and the business. These targets will further guide and indicate the way forward for every stakeholder involved.
• As the support and participation of every Barco employee is key to successfully living up to our sustainability agenda, we stepped up our efforts to engage Barco employees in our journey towards sustainability. We continued to inform the entire Barco community about our short-term targets (2020), and also about how they can make change happen.

Performance
• In 2019, we made good progress in our trajectory towards our 2020 targets. In addition, we identified the areas where we need to step up our efforts with an increased level of accountability.

Reporting
• We received positive feedback on our sustainability report from external agencies. More rating agencies started to follow up on our sustainability efforts, and we typically received above average grades throughout the year, including an EcoVadis Gold rating.

We are confident that every step we take on this journey will bring us closer to becoming a truly sustainable company – which is critical for every business to be successful in the long run.

In 2020, we plan to further solidify our sustainability platform and will continue to work on:
• Educating and training all of our colleagues on sustainability as part of our Standards@Work program.
• Expanding our sustainability program globally and more actively involve the different regions.
• An updated materiality assessment.
• Expanding the Barco sustainability approach towards our suppliers with more active engagement.
• Expanding the number of products with the Barco ECO label.
• Further step up our reporting.
• Sharpen and articulate our KPIs in the communities and people domains.
Our sustainability ambition statement

In line with our ambition to fully integrate sustainability into our corporate DNA, Barco has decided to continuously accelerate its sustainability efforts on three levels: planet, people and communities.

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

2. We will invest in sustainable employability by encouraging our people to learn and develop themselves, by engaging them and by investing in enhancing their health and safety. We will create an inclusive workplace that embraces diversity.

3. We will play an active role in the communities we operate in by upholding the highest ethical business standards and expecting the same from our suppliers. We will help ensure more people can participate in and benefit from a prospering society, regardless of their backgrounds.

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

Jan De Witte
CEO
Our smart solutions help organizations to keep our heritage alive, bring art and history to a broad audience and contribute to cultural development.
Our sustainability strategy

‘Go for sustainable impact’
Page B/9

Contribution to the Sustainable Development Goals
Page B/11

Materiality assessment
Page B/12

[ about the visual ]

BRINGING ART TO LIFE
L'Atelier des Lumières
Paris, France
‘Go for sustainable impact’

Our sustainability strategy is an integral part of our corporate strategy, ‘enabling bright outcomes’. Integrating ‘go for sustainable impact’ into our corporate strategy was a logical choice, as we are convinced that sustainable business is good business.

Our corporate strategy consists of three pillars: planet, people and communities. For each pillar, we defined an overall ambition statement as well as several focus areas. Those focus areas, 11 in total, are the sustainability topics we consider important for both our business and our stakeholders. They were defined in the 2017 materiality assessment (page B/12).
Barco’s sustainability pillars, ambitions and focus areas

**Planet**
- Greenhouse gas emissions
- Energy efficiency of products & operations
- Circular economy

**People**
- Learning & development
- Employee safety
- Employee health / care
- Diversity & inclusion

**Communities**
- Supplier assurance on sustainability
- Community engagement
- Customer satisfaction
- Business ethics

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

We will invest in sustainable employability by encouraging our people to learn and develop themselves, by engaging them and by investing in enhancing their health and safety. We will create an inclusive workplace that embraces the diversity of our people.

We will play an active role in the communities we operate in by upholding the highest ethical business standards and expecting the same from our suppliers. We help ensure more people can participate in and benefit from a prospering society regardless of their backgrounds.
# How the UN Sustainable Development Goals guide our ambitions

The United Nations Sustainable Development Goals (SDGs) form the foundation of our sustainability ambitions. Defined in 2015 by the United Nations General Assembly, the SDGs consist of 17 global goals with a 2030 deadline. All 193 countries in the UN General Assembly adopted this resolution.

Barco uses the SDGs as a guideline to shape its approach and scale up its contribution to the areas that matter most to society and where we can achieve the greatest impact based on our products and operations. During a mapping exercise, we listed how our 11 focus areas contribute to the SDGs.

<table>
<thead>
<tr>
<th>FOCUS AREAS</th>
<th>CONTRIBUTION TO SDGs</th>
<th>FOCUS AREAS</th>
<th>CONTRIBUTION TO SDGs</th>
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</thead>
<tbody>
<tr>
<td>Footprint of our operations</td>
<td>![Image]</td>
<td>Diversity &amp; inclusion</td>
<td>![Image]</td>
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<tr>
<td>Footprint of our products</td>
<td>![Image]</td>
<td>Supplier assurance on sustainability</td>
<td>![Image]</td>
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<tr>
<td>Circular economy</td>
<td>![Image]</td>
<td>Community engagement</td>
<td>![Image]</td>
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<tr>
<td>Learning &amp; development</td>
<td>![Image]</td>
<td>Business ethics</td>
<td>![Image]</td>
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<tr>
<td>Employee safety</td>
<td>![Image]</td>
<td>Customer satisfaction</td>
<td>![Image]</td>
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<tr>
<td>Employee health/care</td>
<td>![Image]</td>
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<td>![Image]</td>
</tr>
</tbody>
</table>
Materiality assessment

Many different social, environmental and ethical issues impact our business, either directly or through our global value and supply chains. Consequently, we must manage a continually evolving set of issues.

Every three years, we conduct a materiality assessment to help ensure that our strategy focuses on the right areas. We subsequently tailor our reporting to align with the interests and needs of our stakeholders and the company itself.

Materiality assessment

Our last materiality assessment was conducted in 2017. We analyzed a range of internal and external data, including trend reports and other documents created by peers, sector associations and sustainability networking organizations (CDP, SASB, GRI, Sustainalytics, United Nations Sustainable Development Goals), as well as internal documents. This research resulted in a list of over 50 topics.

Based on a survey of a select group of Barco employees (sustainability ambassadors) and an assessment of the impact of each topic on Barco’s success (as determined by the executive sustainability steering committee) and on our stakeholders, we selected 11 topics. These 11 topics – which we call our ‘focus areas’ – stand out as ‘material’ and determine our current sustainability strategy.

2018: determining priorities

In 2018, we surveyed Barco’s global leadership team (about 100 people) to assess the importance of each of the 11 focus areas to Barco and define their maturity levels. Topics with both high importance and a low maturity level were flagged as priorities. Those topics are the main focus in 2019-2020.

2019: new insights from ESG ratings

There is an upcoming number of external ratings that measure the corporate Environmental, Social and Governance (ESG) performance of our company. Their goal is to assess our resilience to long-term, financially relevant ESG risks.

In 2019, Barco was evaluated by several agencies, including ISS-oekom for the first time. ISS ESG’s rating concept places a sector-specific focus on the materiality of extra-financial information. Their findings provided us with additional insights into the key issues of our sector.

→ For more information about how Barco engages with its stakeholders to determine risks and points of attention, please refer to the ‘Stakeholder engagement’ segment on pages B/75 and B/76 of this report.
By offering high-quality distance learning in our virtual classrooms, we help our customers offer qualitative education at a reduced carbon footprint.
Our sustainability performance

Planet
Page B/15

People
Page B/38

Communities
Page B/52

[ about the visual ]

IESE REINVENTS EXECUTIVE LEARNING
IESE Business School
Barcelona, Spain
Planet

Our ambition

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

Our targets by 2020

- **-20%**
  - Reduce the carbon footprint of our own operations by 20% (baseline 2015)
  - Status: -16% (2018)

- **-25%**
  - Reduce the energy footprint of our products by 25% (baseline 2015)
  - Status: -14% (2018)

- **25%**
  - Ensure that at least 25% of our products* launched have the Barco ECO label**
    - 100% of products launched will be ecoscored
    - No new products will have a D score
  - Status: 23% (2019), 80% ecoscored

* Products = hardware products  ** ECO label = products with A ecoscore or higher
New targets for 2023

Now that we’ve entered 2020, we will continue the momentum we have built over the previous years by setting new and ambitious sustainability targets. In the closing months of 2019, we conducted an internal review to solicit input from the business on how we could lower our footprint in both solutions and operations. To ensure that our targets are supported throughout all the levels of the organization, this input has been challenged and validated by the executive sustainability committee before final approval by the Barco Core Leadership Team.

**PRIMARY TARGETS**

- Reduce the **carbon footprint of our own operations** by 35% (baseline 2015)
- Reduce the **energy footprint of our products** by 25% (baseline 2015)
- Ensure that **at least 70% of our revenues*** comes from products with the Barco ECO label**

**SUPPORTING TARGETS**

- Reduce the **energy use of our own operations** by 15% (baseline 2015)
- **Zero** waste to landfill
- **80%** recycling rate in own operations
- **75%** of products* launched has a Barco ECO label**

*** Revenues from hardware products
### Planet (key) performance indicators

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<tbody>
<tr>
<td><strong>FOOTPRINT OF OUR OWN OPERATIONS</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas (GHG) emissions(^1) of our own operations</td>
<td>Ton CO₂ e/mio € revenues</td>
<td>52.3</td>
<td>64.4</td>
<td>TBD 2020</td>
<td>67.9</td>
<td>70.6</td>
<td>73.1</td>
<td>80.5</td>
</tr>
<tr>
<td>Energy consumption</td>
<td>MWh/mio € revenues</td>
<td>37.6</td>
<td>TBD</td>
<td>41.1</td>
<td>41.7</td>
<td>39.9</td>
<td>44.2</td>
<td></td>
</tr>
<tr>
<td>% electricity from renewable sources</td>
<td>%</td>
<td>TBD</td>
<td>TBD 2020</td>
<td>57.3</td>
<td>57.0</td>
<td>59.8</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Renewable electricity production</td>
<td>MWh/mio € revenues</td>
<td>TBD</td>
<td>0.36</td>
<td>0.33</td>
<td>0.34</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total solid waste</td>
<td>Ton/mio € revenues</td>
<td>TBD</td>
<td>1.54</td>
<td>1.57</td>
<td>1.38</td>
<td>1.49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% hazardous waste of solid waste(^2)</td>
<td>%</td>
<td>TBD</td>
<td>0.60</td>
<td>0.69</td>
<td>0.10</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycling &amp; composting rate of solid waste(^3)</td>
<td>%</td>
<td>80</td>
<td>TBD 2020</td>
<td>70</td>
<td>72</td>
<td>77</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td><strong>FOOTPRINT OF OUR PRODUCTS</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% ecoscored products of total products launched</td>
<td>%</td>
<td>100</td>
<td>100</td>
<td>80</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>% of ecoscored products with Barco ECO label</td>
<td>%</td>
<td>75</td>
<td>25</td>
<td>23</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Energy efficiency index of sold products(^4)</td>
<td>#</td>
<td>0.75</td>
<td>0.75</td>
<td>TBD 2020</td>
<td>0.86</td>
<td>0.95</td>
<td>1.04</td>
<td>1.00</td>
</tr>
<tr>
<td>GHG emissions(^1) of sold products (i.e. end-user emissions)(^5)</td>
<td>Ton CO₂ e/mio € revenues</td>
<td>TBD</td>
<td>480.9</td>
<td>590.1</td>
<td>704.7</td>
<td>698.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Calculation of greenhouse gas emissions is explained on page B/18
\(^2\) Compared to previous reports the KPI has been changed from ‘% hazardous waste of total waste’ to ‘% hazardous waste of total solid waste’.
\(^3\) Compared to previous reports, the KPI has been changed from ‘recycling rate’ to ‘recycling & composting rate of solid waste’.
\(^4\) The energy efficiency index of our products is calculated by considering the energy consumption/delivered capability of our two most important product groups in terms of energy consumption: projectors (73% of total product energy consumption in 2018) and large video walls (14% of total product energy consumption in 2018). The energy performance of these product groups is calculated and formulated as watt/delivered capability (For projectors, delivered capability = lumen; for large video walls, delivered capability = cd/m²). In 2015, the W/delivered capability for both product groups was scaled to 1 for comparability and then weighted based on turnover of the respective product groups. The energy efficiency index of the previous years (2015-2017) differs from earlier reported numbers. This is due to more exact energy consumption data of these products.
\(^5\) The GHG end-user emissions of previous years (2015-2017) differs from earlier reported numbers. This is due to more exact energy consumption data of the products.
### Other indicators

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>GHG emissions (1) scope 1</td>
<td>Ton CO₂ e/mio € revenues</td>
<td>TBD 2020</td>
<td>5.0</td>
<td>4.6</td>
<td>4.7</td>
<td>5.1</td>
</tr>
<tr>
<td>GHG emissions (1) scope 2</td>
<td>Ton CO₂ e/mio € revenues</td>
<td>TBD 2020</td>
<td>4.5</td>
<td>5.0</td>
<td>5.0</td>
<td>5.4</td>
</tr>
<tr>
<td>GHG emissions (1) scope 3 incl End-user emissions (2)</td>
<td>Ton CO₂ e/mio € revenues</td>
<td>TBD 2020</td>
<td>539.3</td>
<td>651.1</td>
<td>768.0</td>
<td>768.5</td>
</tr>
<tr>
<td>Total GHG emissions (1)(3)</td>
<td>Ton CO₂ e/mio € revenues</td>
<td>TBD 2020</td>
<td>548.8</td>
<td>660.7</td>
<td>777.7</td>
<td>779.1</td>
</tr>
</tbody>
</table>

### MEASURING CARBON FOOTPRINT

**OF OUR OWN OPERATIONS**

**Methodology**
- Bilan Carbone® methodology
- Compliant with ISO 14064 standard
- Sources of emission factors: emission factors from scientific sources, ADEME, GHG Protocol, IEA, suppliers specific for electricity

**Scope**
- Technical: all GHG 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
- Boundaries: operational (vs. equity) approach, as it better defines the boundaries of influence
- Geographical scope: main production facilities and offices in Belgium, China, Italy, Germany, India, Norway, Taiwan and US, accounting for 85% of Barco's total headcount (3,563 FTEs) in 2018

**Baseline**
- For targets and performance comparison, Barco selects FY 2015 as a baseline

**Reporting**
- Annual reporting to the Carbon Disclosure Project (CDP)

### MEASURING OUR CARBON FOOTPRINT RELATED TO END-USER EMISSIONS

**Methodology**
- GHG Protocol Methodology
  - Formula to be used: \( \sum (\text{total lifetime expected uses of product} \times \text{number sold in reporting period} \times \text{electricity consumed per use (kWh)} \times \text{emission factor for electricity (kg CO₂ e/kWh)}) \)

**Scope**
- Emissions based solely on the energy consumption of the product (excluding the embodied energy of components, end-of-life emissions, etc.)
- Approx. 90% of the products covered (in terms of sales volume) in 2018

**Reporting period**
- FY 2018
Our roadmap towards sustainable impact: key initiatives and action plans

1. Footprint of our own operations

1.1 Energy use in our own operations

Barco’s energy consumption (including fuel use for company cars) in 2018 was 41 MWh/mio € revenues. That is a 7% decrease compared to our 2015 baseline. In 2018, we managed to reduce our fleet’s fuel use. Electricity consumption in our sites in Belgium and India has decreased as well. One of the investments with the biggest effect on energy consumption in India was the switch from TL to LED lighting.

We are convinced that further reduction can be obtained with the right investments and by raising awareness among employees of sensible energy use. We’ve set a target to reduce the energy consumption of our operations by 15% by 2023 compared to base year 2015.

In order to identify opportunities for further reduction of energy consumption, an energy audit was conducted in 2019 in our Belgian sites. Based on the insights of the audit, a number of measures will be taken in these sites in 2020.

<table>
<thead>
<tr>
<th>Year</th>
<th>Energy Consumption (MWh/mio € revenues)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>44.2</td>
</tr>
<tr>
<td>2016</td>
<td>39.9</td>
</tr>
<tr>
<td>2017</td>
<td>41.7</td>
</tr>
<tr>
<td>2018</td>
<td>41.1</td>
</tr>
</tbody>
</table>

Renewable vs. non-renewable electricity sources (2018)

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable</td>
<td>57%</td>
</tr>
<tr>
<td>Non-renewable</td>
<td>43%</td>
</tr>
</tbody>
</table>
1.2 Greenhouse gas emissions due to our own operations

There are three main sources of greenhouse gas emissions in our own operations: logistics, mobility and infrastructure. On this page we share the consolidated numbers for our own operations. On the following pages, we zoom in on the numbers by source and on the actions for each source.

Greenhouse gas emissions from our own operations decreased by 16% between 2015 and 2018. This shows that we are well on the way to achieving our -20% target by 2020 (baseline 2015).

Carbon footprint of own operations 2015 – 2018, incl. 2020 target

(All figures in ton CO₂e / mio € revenues)
1.2.1 Greenhouse gas emissions from logistics

The major source of greenhouse gas emissions from our own operations is related to logistics, i.e. the transport of incoming goods and outgoing finished products. Logistics was responsible for 61% of Barco’s own CO₂ emissions in 2018.

While transport via long-haul air causes the largest portion (88%) of CO₂ emissions from logistics, 56% of Barco’s total tkms (ton\(^1\) * distance shipped) is still shipped by plane. 41% of Barco’s total tkms is transported via deep-sea shipping, which is responsible for less than 1% of the CO₂ footprint in logistics. Over the past few years, we have been working hard to shift transport from air to sea freight (see next page).

Logistics-related greenhouse gas emissions dropped by 20% between 2015-2018.

A solid plan to optimize transport worldwide has helped us cut logistics emissions in recent years.

In 2018, we accelerated the following initiatives:

- Replacing long-haul air transport with sea cargo shipping as much as possible. Our efforts were focused mainly on the shipping of medical display systems between Belgium and the US.

\(^1\) Metric tons
• **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 (see page B/32)

• **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.

• **Every transport and warehousing tender includes a sustainability clause:** logistics suppliers are expected to inform us about their sustainability plans and initiatives. This information is considered in the overall decision matrix and, as such, in our supplier selection procedure. In addition, we add sustainability clauses to contracts, driving our suppliers to advance their efforts to cut carbon emissions.

In addition, every Barco division launched sustainability initiatives in 2018, which started delivering results in 2019 and will continue to do so in 2020.

• **Healthcare division:** by moving medical display manufacturing for the Chinese market from Italy to our new manufacturing plant in China, CO₂ emissions will drop.

• **Entertainment division:** to reduce the volume of long-haul air transport, projector engines for US customers are repaired locally in our Atlanta facility instead of in Belgium.

• **Enterprise division:** by opening a new bonded warehouse hub in Taiwan, we can store our latest LCD displays until there is enough demand to fill a sea container. The displays are closer to our APAC customers too.

In 2018 our Healthcare division made significant efforts to switch from air transport to shipping over sea. “By the end of 2018, about 70% of medical displays shipped from our headquarters in Belgium to the US made the journey over sea,” says Demand & Inventory Manager Lieve Hamers. “This was only possible through better forecasting, optimized container loading, careful forwarder selection and shipment tracking.”
1.2.2 Greenhouse gas emissions from mobility

The second-largest source of greenhouse gas emissions from our own operations is mobility. This includes business travel, the use of company cars and commuting. The share of mobility in Barco’s own CO₂ emissions in 2018 was 26% — most of which was caused by business travel.

After two years of stagnation, we finally managed to reduce emissions from mobility in 2018. As a result of cutting back on business trips and promoting virtual collaboration and training, we achieved a 7% decrease in mobility emissions compared to our baseline 2015.

We realize that hitting the target of -12% by 2020 will be challenging. To accelerate our efforts in this field, we are:

• **Adapting our company fleet**: by gradually changing the composition of our fleet — i.e. decreasing the share of diesel and petrol-fueled cars — we aim to reduce the fuel use of company cars. We will also keep promoting carpooling and commuting by bike.

• **Changing business travel**: we replace short-haul (<500 km) flights with train rides where possible and continue to promote virtual collaboration and training.
Cutting carbon emissions with weConnect Virtual Classroom technology

Distance learning is quickly gaining popularity, and it’s not hard to see why. Thanks to new technological developments, many of the old drawbacks – like lack of engagement – have been solved. With weConnect, Barco is at the forefront of this leap in educational technology.

“For many companies, distance learning is first and foremost a great way to reduce travel costs,” says Segment Marketing Director Ellen Van de Woestijne. “At the same time, it also cuts carbon emissions significantly.”

In 2019, Barco has been organizing various in-house training in its fully virtual and hybrid virtual training rooms for Barco employees. In 2019, 193 employees attended these training sessions remotely. This represents a cut in carbon emissions of roughly 168 tons of CO₂ e – the emissions equivalent of 36 passenger vehicles driven for one year.
1.2.3 Greenhouse gas emissions from infrastructure

The third-largest source of greenhouse gas emissions from our own operations is infrastructure. This includes emissions from the use of electricity, fossil fuels (excl. company cars), from the treatment of waste and from the leakage of refrigerant gases from cooling equipment. The share of infrastructure in Barco’s own CO₂ emissions was 13% in 2018, which was mainly attributable to the use of electricity.

In 2018 we focused on the following measures:

- **Centralizing manufacturing activities**: in Belgium, we moved our production activities from the old Kuurne site to our state-of-the-art, energy-efficient manufacturing plant in Kortrijk.
- **Improving energy efficiency at our site in India**
- **Switching to green electricity at our site in Germany**

Plans to further reduce emissions from infrastructure include:

- Further cutting energy consumption through new investments and by changing behavior.
- Extending the renewable electricity procurement program.
- Investing in renewable electricity production on our sites.
Noida takes the LE(a)D in reducing its carbon footprint

Over the past three years, the Barco site in Noida (India) has managed to bring down its carbon footprint by 13.5% by:

- installing 1,450 LED lights, illuminating 11,760 m² or about 70% of the site’s total surface. Because of the higher light intensity of LED, fewer fixtures are needed.
- investing in more efficient electrical installations, including HVAC chillers, pumps, air conditioning units and capacitor panels, resulting in higher energy efficiency and less energy loss.
- raising awareness among employees of sensible energy use through continuous communication and dedicated campaigns.

1.3 CIRCULARITY IN OUR OWN OPERATIONS

1.3.1 CIRCULARITY IN OPERATIONS

First and foremost, we aim to reduce the waste from operations to a minimum, especially non-sorted waste. By the end of 2018, total solid waste was 1.5 ton/mio € revenues, with a recycling rate of 70%. We realize that we still have room to improve our recycling efforts.

To this end, we’ve set two important targets. By 2023, we aim to:
- recycle 80% of operational waste
- send zero operational waste to landfills.
iGemba: employee-driven improvement ideas to lower our footprint in operations

2019 marked the 8th anniversary of the iGemba program, in which Barco has been continuously encouraging operators to share their own improvement ideas. “These Employee-Driven Improvements or EDIs improve safety and efficiency and play an important role in decreasing our environmental footprint,” explains Continuous Improvement Coach Marc Cattoir. This year also marked the first time iGemba was introduced at our production site in Taiwan.

New Barco employees are immersed in the philosophy of iGemba during initial training. Every two weeks during team meetings, employees are encouraged to share their ideas or proposals with their colleagues and managers.

A couple of examples

“We asked our equipment supplier to modify the packaging of their welding guns so they could fit 8 instead of 4 pieces per box. As a result, we saved a considerable amount of packaging.”
Sandeep Kumar, Noida

“The box we use to package 3 filters is way too large, so we replaced it with a ‘pizza box’ and bubble wrap. The result? A volume reduction of 78% and significant savings in packaging materials.”
Karolien Hooghe, Kortrijk

How iGemba works

Marc: “Operators fill in an EDI card on which they describe their challenge and proposed solution. Every quarter, the three best ideas are displayed on the production floor. In this way, we create a culture of continuous improvement and inspire each other to share new ideas.”
2. Footprint of our products

2.1 Energy performance of our products

The energy our products consume on our customers’ premises has a major impact on the environment. Improving the energy performance of our products is therefore one of our main priorities.

At the same time, market trends and customer preferences are shifting towards ever-higher performance (brightness, resolution, etc.), which requires higher energy consumption. That’s why we measure energy consumption relative to brightness, resolution, luminance, etc. as watt/delivered capability.*

From 2015 (baseline) to 2018, the average energy efficiency index decreased by 14%. The dominant driver of this reduction is the growing adoption of laser projectors, which consume far less power (-50% to -150%) than traditional lamp-based systems. This trend has continued in 2019 and is expected to continue in 2020, making our target of -25% by 2020 feasible.

* The energy efficiency index of our products is calculated by considering the energy consumption/delivered capability of our two most important product groups in terms of energy consumption: projectors (73% of total product energy consumption in 2018) and large video walls (14% of total product energy consumption in 2018). The energy performance of these product groups is calculated and formulated as watt/delivered capability (for projectors, delivered capability = lumen; for large video walls, delivered capability = cd/m²). In 2015, the W/delivered capability for both product groups was scaled to 1 for comparability and then weighted based on the turnover of the respective product groups.
2.2 Greenhouse gas emissions of our products
(end-user emissions)

End-user emissions are emissions resulting from the energy use of sold Barco products on our customers’ premises. In 2018, total end-user emissions amounted to 480.9 tons CO₂ e/mio € revenues. This is 88% of our total carbon footprint. The largest portion of end-user emissions is generated by our projectors (Entertainment division). End-user emissions decreased by 31% between 2015 and 2018 as a direct result of our efforts to improve the energy performance of our products.

<table>
<thead>
<tr>
<th>Year</th>
<th>End-user emissions (ton CO₂ e/mio € revenues)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>698.6</td>
</tr>
<tr>
<td>2016</td>
<td>704.7</td>
</tr>
<tr>
<td>2017</td>
<td>590.1</td>
</tr>
<tr>
<td>2018</td>
<td>480.9</td>
</tr>
</tbody>
</table>

Breakdown of mobility emissions by source (2018)

- 88% End-user emissions
- 12% Own operations emissions

Breakdown of end-user emissions by division (2018)

- 75% Entertainment
- 20% Enterprise
- 5% Healthcare
2.3 Ecodesign

Improving the energy performance of our products is just one way of lowering their ecological footprint. Apart from this, we aim to improve our products on other aspects as well: use low-impact materials, opt for eco-friendly packaging, and improve the way our products can be maintained, refurbished, upgraded and eventually recycled. We drive ecofriendliness in product creation through our eco-design program.

Ensure that at least 25% our products* launched have the Barco ECO label**
+ 100% of products launched will be ecoscored
+ no new products will have a D score

* Products = hardware products
** ECO label = products with A ecoscore or higher
### 2.3.1 Barco’s ecodesign journey

#### Continuous endeavours
- Proactively updating our Barco Substances List with substances to be declared, phased out, or banned, ahead of regulations. This includes substances used in our products as well as packaging. A team of in-house experts checks the list and challenges and corrects suppliers when needed. The list of substances can be found on our [website](#).
- Proactively looking for opportunities in ecodesign such as low-impact materials, energy-efficiency improvements, enhancing modularity etc.
- Training internal and external stakeholders (R&D, NPI project managers, product managers, suppliers) in ecodesign and the ecoscoring tool.
- Start exploring the use of materials containing recycled content.
- Explore tools for product life-cycle analysis to assess environmental impact of materials.

#### 2015 - 2018
- Adopt the Barco Substances List
- Ensure 100% of Barco’s products comply with REACH and RoHS
- Reduce the use of halogens and PVC
- Start the ecoscoring initiative (3 pilot projects)

#### 2019
- Implement power management solutions in all product types
- Pro-actively enforce RoHS 10 compliance down our supply chain
- Actively phase out phthalates, beryllium, arsenic and antimony
- Validate our ecoscoring methodology by a third party
- Fully roll out ecoscoring across Barco

#### 2020 (future)
- Start exploring the use of materials containing recycled content.
- Explore tools for product life-cycle analysis to assess environmental impact of materials.

### 2.3.2 Ecoscoring: the evaluation tool for the eco-friendliness of our new products

In 2017, we continued and refined our ecodesign journey by devising an objective scoring methodology to determine the environmental performance of new products. The next year, we launched our first pilot project. In 2019, we further enhanced the quality of the ecoscoring methodology to make it suitable to assess the environmental performance of important outsourced products, modules and parts.

Additionally, we improved the value of our tool for external stakeholders by submitting it to an external audit under the framework of the ISO 14021:2006 standard (limited assurance). In this way, we aim to ensure that our ecoscoring methodology is complete, reliable, objective and based on relevant product aspects.
Ecoscoring became an integral part of our NPI (new product introduction) process. At the start of each new project, multidisciplinary teams now define ecoscore product specifications, which are then assessed at predefined stage gates.

In 2019, 80% of the products launched were ecoscored. 23% of these products received an A ecoscore or higher, and received the Barco ECO label. No ecoscored products obtained the lowest score (D score).

In 2020, our goal is to fully integrate the tool in our R&D department, have 100% of new products ecoscored and give the Barco ECO label to at least 25% of new products.

How ecoscore works

The ecoscore is divided into four environmental domains:
- energy
- material use
- packaging/logistics
- end-of-life optimization.

For each domain, a score is calculated assessing the product on several relevant topics. The assessment is performed against objective criteria inspired by future regulations, industry standards, customer expectations and voluntary ecolabels. The domain score ranges from D (lowest score) to A (highest score).

Based on the four domain scores, the product receives a final score ranging from D to A++. The Barco ECO label is granted to products with an A++, A+ or A ecoscore. These products have:
- an A subscore on energy, and on at least one other domain.
- no domains with a D subscore
- in case one domain has a C subscore, the three other domains need to have an A score

Learn more about our ecoscoring methodology on our website.
Coronis Fusion 6MP leads the way for low-impact healthcare displays

Barco’s new Coronis Fusion 6MP diagnostic color display is the first Barco product to receive an A ecoscore and obtain the Barco ECO label. Here’s how it ranks on the four domains:

- **A Energy**: compared to its predecessor, the new display uses 20% less power in full operation mode and has a dedicated power-saving feature.
- **B Material use**: a thinner display and more compact design significantly reduce the amount of material needed.
- **B Packaging and logistics**: a smaller product requires less packaging materials.
- **A End-of-life optimization**: thanks to smart design choices – like reducing the number of screws – the new display is easier to recycle.

“The lessons learned during the development of the new Coronis Fusion 6MP will impact how we design other displays as well,” says Inge Haesaerts, product manager of diagnostic imaging displays.
The new Barco Series 4 line of cinema projectors combines 4K resolution, RGB laser technology and a web-based interface. The use of new technologies and smart product design contribute several ecological benefits. With a planned installed base of many thousands, the impact of its eco-friendly design will be significant.

- **Energy:** double the light efficiency of lamp-based projectors thanks to RGB laser technology, constituting a power gain of 2-4 kW per screen. When not in use, the projector’s power management feature limits standby power consumption to 3 W.

- **Material use:** Barco Series 4 was designed with maximum modularity in mind to minimize spare part inventory. To limit the use of consumables, air filters are washable.

- **Packaging and logistics:** packaging weight has been reduced by 30% and less material is used. Of this material, most is now recyclable via a traditional waste stream.

- **End-of-life optimization:** every critical component in Barco Series 4 is modular, which makes it easy to reuse parts or upgrade equipment. In addition, we provide 10 years of spare part availability, and the projector can be disassembled in the field using standard tools to maximize serviceability.
The new ClickShare Conference promotes ecofriendly workspace with eco design

The design of the new ClickShare Conference (CX-20 and CX-30) focuses on improving the power efficiency and lowering the environmental impact of both the Button and the Base Unit. The result is a range of smart ecodesign choices in the following domains:

- **Energy**: the new Button scores significantly higher in power efficiency than its predecessor, while the Base Unit complies with the strictest requirements for standby mode. Combined, they help our customers reduce their power consumption by 10% compared to the previous version.
- **Material use**: non-painted plastics were used in both Button and Base Unit. In addition, halogen-free PCB is the main material used in the Button.
- **Packaging and logistics**: packaging materials were optimized in terms of weight, size and transport. Our new Button is 20% lighter than its predecessor, decreasing its logistics footprint.
- **End-of-life optimization**: ClickShare Conference was intelligently designed: it contains fewer parts and can easily be disassembled for recycling.

“In designing our wireless conferencing solutions, we look for the best options for both customer and environment. Balanced, smart choices made by our ecoconscious Product & Design team result in a great ecoscore for our newest range,” Michaël Vanderheeren, product management director of Meeting Experience, proudly comments.
3. Circular solutions

The circular economy is a focus area in Barco’s sustainability strategy. Through smart design and services, we always aim to reduce waste and retain the highest utility and value of products and components.

3.1 Circular product design

To enable circular solutions for our customers, we engage in circular design. Several criteria are embedded in the eco-design program to improve the circularity of our products, such as longevity, repairability and recyclability, as well as on material efficiency. The ecodesign program also focuses on improving circularity of packaging. Product packaging is evaluated against criteria such a recyclability and use of recycled materials.

Next to our internal circular design efforts, we also joined the CEN-CENELEC Joint Technical Committee 10 on energy-related products. The goal of this committee is to establish an objective measuring methodology for repairability and recyclability of products. As an active member, we contribute to future standards that will improve the circularity performance of products in Europe.

3.2 Product recycling services

Dealing with electronic waste is a concern for industry and society. E-waste is one of the fastest growing waste streams, making it important 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 recycling passport, which offers recycling information to recyclers. We allow our customers to turn in their used products free of charge to our recycling partners. This offering was started up in Europe in accordance with WEEE legislation and has now been expanded into important markets in Canada and the US. We demand that all our recycling partners are ISO 14001 certified and comply with legislation regarding the prohibition of e-waste export. More information can be found on our website.

In 2019, we started a pilot project on the SCIP database (Substances of Concern In articles as such or in complex objects (Products)) reporting of ECHA (the European Chemicals Agency), which will become mandatory in 2021 under the EU Waste Framework Directive (WFD). This publicly accessible database gives recyclers insights about which substances are used and provides market safety authorities with policy guidelines.

3.3 Extending circular service offerings

We realize that before products are recycled, more valuable circular opportunities need to be grasped. That’s why we’re also looking into solutions for product life extensions, including upgrades and predictive maintenance options. In addition, we are starting to explore offerings where customers get access to – rather than ownership of – products. This opens new opportunities for the circular economy.
Cinionic introduces circular projection solutions via extended service

In 2019, Cinionic launched Laser as a Service, a new outcome-based offering that allows cinema exhibitors to upgrade existing Barco Series 2 xenon projectors with laser light sources. The Laser as a Service offering is a subscription-based model with guaranteed light output over the contractual period. This service dramatically increases the existing projector’s lifespan while decreasing its power consumption by up to 70%. In addition, cinema exhibitors are doing away with traditional, hard-to-recycle xenon bulbs.

In 2020, Cinionic will open Cinionic Service Centers close to our customers. These centers will offer not just repair services, but also life-time extensions, upgrades, remanufacturing and recycling services. Cinionic Service Centers work alongside customers to give existing projectors a new life.
People

Our ambition

We will invest in sustainable employability by encouraging our people to learn and develop themselves. We will do so by engaging them and by investing in enhancing their health and safety. We will create an inclusive workplace that embraces the diversity of our people.

Number of employees: 3,636*

Gender

Male 72%
Female 28%

Geographical

Greater China 8.9%
The Americas 12.8%
Asia-Pacific 28.5%
EMEA** 49.8%

* Number in heads. Number in FTE = 3,536. Only employees on Barco payroll (excl. externals like interim/temps and contractors) (Database Corporate Associates per 31/12/2019)

** EMEA: Europe & Middle East & Africa
## People (key) performance indicators

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<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee net promoter score (NPS)</td>
<td>#</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>17</td>
<td>NA</td>
</tr>
<tr>
<td>Voluntary turnover rate</td>
<td>%</td>
<td>9.1</td>
<td>9.1</td>
<td>7.7</td>
<td>6.0</td>
<td>5.6</td>
</tr>
<tr>
<td># of iGemba improvement suggestions</td>
<td>#</td>
<td>6,079</td>
<td>6,031</td>
<td>6,751</td>
<td>6,610</td>
<td>5,332</td>
</tr>
<tr>
<td># of improvement suggestions per operator</td>
<td>#</td>
<td>6.0</td>
<td>7.3</td>
<td>8.6</td>
<td>8.4</td>
<td>6.7</td>
</tr>
<tr>
<td>% implementation</td>
<td>%</td>
<td>94</td>
<td>86</td>
<td>85</td>
<td>84</td>
<td>86</td>
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<tr>
<td>% of vacancies filled internally</td>
<td>%</td>
<td>24</td>
<td>25</td>
<td>21</td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td>% of employees receiving training</td>
<td>%</td>
<td>61</td>
<td>68</td>
<td>63</td>
<td>63</td>
<td>NA</td>
</tr>
<tr>
<td>Average training hours/employee</td>
<td>hours</td>
<td>13.2</td>
<td>16.9</td>
<td>14.7</td>
<td>17.2</td>
<td>20.7</td>
</tr>
<tr>
<td>Average training investment/employee</td>
<td>€</td>
<td>354</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>% of leaders(2) in annual talent development review</td>
<td>%</td>
<td>44</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>% of employees in long-term sick leave (&gt;1 yr)</td>
<td>%</td>
<td>0.5</td>
<td>0.6</td>
<td>0.7</td>
<td>0.7</td>
<td>0.9</td>
</tr>
<tr>
<td>Lost-time injury frequency rate (3)</td>
<td>#</td>
<td>2.7</td>
<td>3.0</td>
<td>1.9</td>
<td>3.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Lost-time injury severity rate (4)</td>
<td>#</td>
<td>0.05</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>% women Barco overall</td>
<td>%</td>
<td>28.4</td>
<td>28.1</td>
<td>28.4</td>
<td>28.2</td>
<td>28</td>
</tr>
<tr>
<td>% women senior management</td>
<td>%</td>
<td>15.0</td>
<td>16.6</td>
<td>15.2</td>
<td>14.5</td>
<td>14.0</td>
</tr>
<tr>
<td>% employees &lt;30 yrs</td>
<td>%</td>
<td>10</td>
<td>10</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>% employees between 30 and 50</td>
<td>%</td>
<td>69</td>
<td>69</td>
<td>70</td>
<td>70</td>
<td>72</td>
</tr>
<tr>
<td>% employees &gt;50 yrs</td>
<td>%</td>
<td>22</td>
<td>21</td>
<td>19</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Number of nationalities in Headquarters</td>
<td>#</td>
<td>25</td>
<td>26</td>
<td>25</td>
<td>18</td>
<td>17</td>
</tr>
</tbody>
</table>

(1) Figures reported are in heads (not FTE) Cinionic employees are excluded.
(2) Leaders are defined as employees with direct reports.
(3) Number of lost-time injuries per million hours worked. Lost-time injuries are accidents that result in at least one lost day of work. When recording lost-time injuries, we use applicable national definitions for incidents as work-related.
(4) Number of lost days due to injuries per 1000 hours worked.
People are the driving factor behind a company’s success. That is why we create an environment in which our employees can be at their best. We want to allow them to develop themselves and their careers by offering opportunities to learn and grow, with clear roles and responsibilities. We strongly believe this is a direct investment in sustainable employability and the best guarantee for future success.

An Dewaele
Chief HR officer

“We team up to win, globally”

is An’s favorite culture building block:
“Because we can achieve so much more as a team! We have an enormous advantage as a global company where we can leverage on all the energy, expertise and experience available across all functions, regions and divisions. By working together and supporting each other in achieving our goals, we feel connected and have fun!”
Employee learning and development

Our mission is to promote and support employee development and organizational effectiveness by providing high-quality training programs and development opportunities that are aligned with the strategic needs of our company. Training sessions are designed to meet individual, group or departmental, and company needs and objectives. We strive to enhance individual learning and development as the means for creating a better workplace environment and building a stronger community. We investigate optimal channels for learning and development by offering classroom training courses and online learning and by investing equally in job-related experiential learning and learning via interactions with others. This includes promoting internal mobility, creating a feedback culture, investing in people leadership, mentoring and coaching. We are open to reevaluate our company culture and provide the tools to management and employees needed to measure employee engagement and respond to the results.

Fostering a frequent feedback culture

Scope: all employees.

What: At Barco, we want to move towards a culture of frequent feedback because we believe this will increase motivation and performance. Feedback helps people understand how they can contribute, know where they are and where they are heading, and to ensure people feel connected. This means we encourage and support managers in giving feedback to their employees on a frequent, consistent and open basis. We also invite all employees to ask for or give feedback to their manager and colleagues. We still start from clear performance expectations between managers and team members and recurrent check-ins on achievements and development actions.

Status and result: in 2020, we will encourage every employee to have at least four performance check-ins every year. Based on this evaluation and in close cooperation with their direct leaders and HR business partners, employees can define a personal development and career path. They also have access to career counseling on a voluntary basis. In this way, employees are encouraged to own their own careers and actively grasp opportunities.
Adapting training programs to strategic needs

**Scope:** all employees worldwide, with specific focus in 2019-2020 on employees in marketing, product management, service and software.

**What:** to ensure that Barco University’s initiatives proactively support employee development and organizational effectiveness in a continuously transforming business environment, Barco University has put Governance Boards in place. These consist of several key Barco stakeholders from the different regions and divisions with a senior leader as sponsor. Together, members identify the most important strategic needs our businesses are facing and translate these into relevant learning and development programs.

Within marketing and product management, services and software, new organizational blueprints resulted in newly defined roles and positions. This led to descriptions of the needed skills and competences. Based on this, we listed the required training courses for individual employees and teams to meet the future requirements. Training courses can be followed both internally (through Barco University) and externally.

**Status and result:** on average, people in Barco received 13.2 hours of training in 2019. This figure is smaller than that of 2018 due to a shift towards shorter courses and online learning moments. The average amount spent per employee on training was €354. Regarding the different blueprints and the related training programs, all roles have been defined, the training needs assessment is complete and the first courses have been delivered. A further rollout plan is in place.

Promoting internal mobility

**Scope:** all employees.

**What:** whenever a vacancy occurs, the job is posted internally and where relevant, Barco’s internal mobility forum actively discusses possible internal candidates with the needed skillset. This benefits both parties: employees can expand their horizons and explore new experience and possibilities, and Barco can leverage the available expertise and keep talent in house.

**Status and result:** globally, 24% of vacancies were filled internally in 2019. In Belgium, where the number of positions is the biggest (creating more opportunities to move people internally), this amounted to about half of the positions.

Outplacement support

**Scope:** where relevant in case of contract termination.

**What:** when an employee’s contract is terminated, Barco offers assistance in guiding them to a new job. There are several legal regulations a company must comply with when terminating a contract. Barco offers former employees the possibility of entering into a reorientation process, guiding them towards a new job outside the company.
Leadership development

**Scope:** worldwide, focus on current leaders, future leaders and newly promoted leaders.

**What:** It is our ambition to have all leaders participating in an annual talent development review that assesses their performance and potential over the years. The Barco Leadership Compass provides the framework for this by outlining clear expectations in three domains: thought leadership, result leadership and people leadership. In this way, all leaders at Barco know what is expected from them and can develop their leadership skills based on a set of well-defined competences. This leads to a personal development plan.

Employees who are not yet in a leadership position but with strong leadership talent are invited to join the global emerging leadership program. It helps them develop on various aspects of business and leadership, creating a strong foundation to become the leaders of tomorrow.

Senior leaders are invited to leadership summits where change, culture and leadership are on the agenda.

**Status and result:** In 2019, 44% of Barco leaders (i.e. employees with direct reports) were assessed and got a personal set of practical tools to sharpen their skills and capabilities. 30 emerging leaders graduated from the emerging leadership program and in China and APAC, 30 new leaders went through a new manager learning program. 80 senior leaders attended the leadership summits.
Employee engagement

People are key to the success of our company. Barco wants its employees to feel inspired in their work environments and to come to work with energy and engagement. We therefore continuously invest in initiatives that maximize employee engagement. By embarking on the culture journey, Barco unites all employees to move towards a common goal. This adds to a motivating working atmosphere. It’s no coincidence that Barco India was certified as a ‘Great place to work’. Furthermore, a new way to measure employee engagement is being developed and will be piloted in first half of 2020.

Culture journey

**Scope:** worldwide.

**When:** three first steps took place from February to December 2019, next steps in 2020.

**What:** at the beginning of 2019, Barco reevaluated the way employees work together and how its strategic priorities will be met. We started this culture journey by inviting all employees to listening sessions. A total of 250 people from all over the company and from different functions divisions and countries participated. During these listening sessions, we looked for the drivers within, the connection to, and ultimately, the success factors of the company. Five culture building blocks were formulated based on all the data gathered during the listening sessions and validated by the leadership team. From September onwards, we started organizing workshops to connect our employees to these culture building blocks.

**Status and result:** the five culture building blocks were defined and extensively promoted throughout the organization’s internal communication channels. In 2019, 900 people enrolled in interactive workshops explaining and promoting these building blocks, ensuring they become part of the Barco workforce’s mindset.
For over six years now, Barco has been encouraging operators to share their improvement ideas via the iGemba program. The goal: to establish a culture of continuous improvement and move the organization forward each and every day. Year after year, the program continuous to gain momentum.

In 2019, Barco operators came up with 6,079 improvement ideas (six per operator). 94% were implemented.
Working towards a new way to measure employee satisfaction

**Scope:** all employees.

**What:** We prepared to a new way of measuring employee satisfaction in 2019. By moving from biannual surveys to pulse surveys that allow almost continuous employee feedback throughout the year, we will gain a much more reliable image of the organization’s status. In this way, we will be closer to our employees and be able to respond more quickly to their questions and remarks.

**Status and result:** this new approach, which focuses on continuous engagement measurement and concrete activation, is ready to be unrolled from 2020 onwards.

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Barco India certified as a ‘Great Place to Work’

**Scope:** Barco India.

**What:** the Great Place to Work® Institute has certified Barco India as one of the ‘Great Places to Work’ in 2019 in the high-tech category.

**Status and result:** this certification confirms that we are moving in the right direction in many of the initiatives taken.

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“We look for the better way”

is Senior Vice President Global Operations, Rob Jonckheere’s favorite culture building block:

“Challenging the status quo and enabling creativity are means to assure great outcomes. In Operations, we use Gemba walks to achieve these new insights. They boost employee engagement and allow employees to come up with new and better solutions for day-to-day problems.”
Employee health & wellbeing

At Barco, we care about people. That’s part of our company DNA and something we want to propagate at every level and in every branch of the company. Employee health and wellbeing is a priority at all times. That is why Barco has installed a number of measures to better balance work and personal life. In 2019, we also kept investing in enhancing health and safety of our employees around the world. If things do go wrong (either on the job or outside working hours), reintegration after long-term sickness is there as a safety net.

Measures to better balance work and personal life

**Scope:** all countries where local legislation permits working flexibility.

**What:** Barco offers multiple means to help employees balance their time at work and their time at home within the limits of business organization and local legislation. This can include a more flexible organization of working time or home office. Depending on local legislation Barco facilitates also additional parental leave and short-term leave to care for family members during sickness or educate themselves.

On a constant quest to enhance employee health and safety

**What:** In line with the ‘we care’ culture building block, Barco continues to invest in the employee’s health – both physically and mentally.

In 2019, a range of health and safety inspired projects were kicked off:

- Two voluntary workshops, CPR and AED, attracted over 200 employees from all departments at our sites in Belgium.
- To bring our employees together and enhance their physical health, we organized fun initiatives.
around the world. As part of the Barco B-Energized program, Barco teams in China, Italy, and India have organized walking and running events as a way to promote a healthy lifestyle. In China, employees were challenged to walk the whole distance from the Beijing plant to One Campus, 9000 km, in thirty days. In just one week, the goal was met.

- During the Green Campus Day in June, awareness was raised on **cycling safety**.
- In Belgium, a **new traffic plan** was installed at the campus to increase the safety of all employees and visitors to the campus.

Next to these projects, we continued with the programs that are in place since several years:

- In line with Barco’s Environment, Health, Safety and Security policy (see our [website](#)) and our ambition for zero accidents, safety risks across our business are assessed and controlled through clear safety practices, instructions and procedures. Employees are properly trained for the tasks they are performing. Concrete guidelines for subcontractors working on Barco premises are in place.
- The **formal joint management-worker health and safety committee** in Belgium has many mandates, including advising the company on actions to improve the health and safety of employees, reacting as first when an issue occurs, investigating (at least annually) all divisions of the company together with the prevention advisor, and propagate health and safety improvement matters to all employees.

- **Chemical safety** is a top priority throughout Barco. Every person using the chemical lab has to follow a training course on chemical safety. Approved chemicals get a special Barco number. In this way, we avoid any unapproved chemicals from entering Operations. Workstations are equipped with safety cards, which contain the information about chemical substances provided by suppliers. The cards present the info in a clear and straightforward way, so employees know what the risks are and which equipment they should be wearing during their task. In addition, a ‘whitelist’ of chemicals that are needed for everyday operations at Barco is maintained. For every chemical needed, we look for the safest option available. The list is available for anyone using the Chemical portal on our BarcoZone intranet. Changes to the list are communicated to line managers immediately.
- The **laser safety** committee ensures that the strict laser safety procedures are followed and that laser technology is always handled in dedicated rooms.
- To uncover and mitigate **psychosocial risks**, we apply the health & wellbeing survey. It enables us to assess departments or groups on their potential for psychosocial risks and provides input for action plans. Through dedicated training courses, we help supervisors and HR business partners develop their coaching and leadership skills so they can motivate their teams, communicate openly and spot the warning signs of stress.
• At several Barco sites, trained confidants can be approached by employees at all times. They are the primary go-to in case of problems with supervisors, psychosocial issues, sexual discrimination and harassment, etc. In India, a formal system for the awareness and reporting of sexual harassment is embedded in line with the POSH Act. This includes the establishment of an Internal Complaints Committee.

• Belgian employees struggling with psychosocial issues can get professional advice and counseling through the employee assistance program. In times of crisis, they can call a dedicated hotline 24/7 and reach a competent professional to receive discrete and confidential advice or support with professional or personal questions or difficulties. In addition, we also offer the ‘FitforLife’ training program, which provides tips and tricks (via Skype or phone) to deal with stress in a proactive manner.

Status and results: In 2019, the worldwide lost-time injury frequency rate was 2.7 and the lost-time injury severity rate 0.05. 0.53% of employees are in long-term sick leave (>1 yr).

---

Reintegration of employees after long-term illness

**Scope:** Belgium.

**What:** As an organization, Barco has established a clear vision and policy regarding the reintegration of employees after long-term sickness. From the moment the employee reports an illness to the moment of reintegration he or she can rely on internal support. When the employee is (partly) fit for work again, the reintegration process starts, which consists of different steps and includes close follow-up by the manager, HR business partner and occupational physician.

In the context of the reintegration, Barco’s health & wellbeing officer convenes the welfare working group. This working group elaborates the reintegration policy and carries out an annual evaluation. In addition, the health & wellbeing officer is part of the Social Medical Team (SMT). Together with the occupational physician and HR business partner, they investigate which of the employees in long-term illness can resume work.
Diversity & inclusion

At Barco, every employee is valued for their merits. For us, equality is not a hollow phrase and we take measures to preserve a good balance throughout the company. We strive for diverse teams throughout the organization and keep an eye on the equal pay monitor to optimize equality. A dedicated Women in Technology campaign encourages girls to pursue technical careers to ensure a better gender balance in the future.

Barco also works towards zero discrimination and harassment. Our Code of Ethics is a formal document that describes proper behavior, which all Barco employees have pledged to honor.

Diversifying teams

Scope: all employees.

What: In the 2019 talent development review with the Core Leadership Team, gender diversity was highlighted to generate awareness of the current situation and to define how we can improve our diversity and inclusion efforts in the company. For example, when selecting participants for specific programs like the Emerging Leadership program, Barco always strives for a diverse and balanced mix of participants. To build an inclusive working culture and leverage the diversity we have in our teams, we chose to work with Insights Discovery, a tool that allows people to discover their styles, strengths and the value they bring to the team. This not only leads to self-awareness, but also helps to put together better-balanced teams that incorporate all needed competences.

More than priding ourselves on the diversity level of our workforce, we also steer actively towards diversity within the highest governance bodies. We monitor, assess and evaluate gaps and areas for improvement in the composition of our Board of Directors and of the Core Leadership Team in terms of gender, age, capabilities, expertise, educational and professional experience as well as nationality. Barco’s approach in view of diversity at management level can be found in part A of the Company report (pages A/56- A/60).

Status and result: 28.4% of Barco employees are women. In senior management, women account for 15% of positions. We have 25 different nationalities working at our headquarters.
Equal pay monitoring

**Scope:** Belgium.

**What:** Barco values equality between men and women, and this should be reflected in rewards. Annually, a sanity check is done on the salaries of men and women, monitoring the equal pay strategy per function level.

**Status and result:** the pay gap between men and women is below national average.

Working towards zero discrimination and harassment

**Scope:** all employees.

**What:** Barco’s Code of Ethics is a formal description of how employees are expected to behave. This includes a clear and extensive indication that we do not allow any form of harassment or discrimination. If this code is violated, employees can confidentially report any case of (suspected) harassment or discrimination to the whistleblower e-mail address of the Ethics Committee. Every occurrence is investigated with necessary urgency and respect and remediation is handled in the most appropriate way and in line with national legislation if applicable.

**Status and result:** 99.3% of Barco employees have received mandatory training in the Code of Ethics, which is a part of the Standards@Work program (see page B/59).

Women in technology campaign

**Scope:** worldwide.

**What:** a 2019 campaign, including a high-profile video, encouraged girls and women to pursue careers in technology.

**Status and result:** the video was a success, with over 2,600 views. The campaign will continue into 2020.
Communities

Our ambition

We will play an active role in the communities we operate in by upholding the highest ethical business standards and expecting the same from our suppliers. We help ensure that more people can participate in and benefit from a prospering society regardless of their backgrounds.

Our targets

100% of our employees\(^1\) are trained in Barco’s Standards@Work\(^2\)

100% of our key and core suppliers\(^3\) have signed the declaration of compliance with the RBA Code of Conduct\(^4\)

99% 2019

98% 2019

\(^1\) \(^2\) \(^3\) \(^4\) See footer next page
### Communities (key) performance indicators

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>CUSTOMER SATISFACTION</strong></td>
<td>Customer loyalty index</td>
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<td>NA</td>
<td>83</td>
<td>NA</td>
<td>83</td>
<td>NA</td>
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<td><strong>ETHICS &amp; COMPLIANCE</strong></td>
<td>% of employees(^{[1]}) trained in Barco’s Standards@Work(^{[2]})</td>
<td>%</td>
<td>100%</td>
<td>99%</td>
<td>94%</td>
<td>92%</td>
<td>92%</td>
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<td></td>
<td>% employees covered by collective agreements</td>
<td>%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>SUPPLIER ASSURANCE ON SUSTAINABILITY</strong></td>
<td>% key and core suppliers(^{[3]}) that signed declaration of compliance with RBA Code of Conduct(^{[4]})</td>
<td>%</td>
<td>100%</td>
<td>98%</td>
<td>95%</td>
<td>100% core</td>
<td>100% core</td>
</tr>
<tr>
<td></td>
<td>% in-scope(^{[5]}) suppliers that responded to Conflict Minerals Reporting Template (CMRT)</td>
<td>%</td>
<td>100%</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>COMMUNITY ENGAGEMENT</strong></td>
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<td>102,000</td>
<td>125,000</td>
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<td>Community involvement</td>
<td># heads</td>
<td>+230</td>
<td>+100</td>
<td>+600</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

\(^{[1]}\) White-collar employees

\(^{[2]}\) Standards@Work modules covered in 2019: Ethics, Cybersecurity, Quality

\(^{[3]}\) Core supplier: supplier of strategic importance to Barco in terms of quality criticality, technology and annual spend. Key supplier: supplier that has a major annual spend, is important for its technology or requires special focus due to quality criticality.

\(^{[4]}\) The Responsible Business Alliance (RBA) Code of Conduct establishes standards to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible. We use the RBA Code of Conduct to serve as the sustainability standard for our suppliers.

\(^{[5]}\) In-scope suppliers are suppliers that deliver products or components containing tungsten, tantalum, tin or gold.
Our roadmap towards sustainable impact: key initiatives and action plans

1. Customer satisfaction

‘Enabling bright outcomes’ also means offering an excellent customer journey experience. In 2018, we kicked off the customer journey program in the Enterprise division with the goal of improving customer satisfaction and retention by improving the experience in every phase of their interaction with Barco.

Six phases have been identified in the customer journey across all our products:

![Customer Journey Diagram](https://via.placeholder.com/150)

This model allows us to think about the customer journey in the same way throughout the company. By journey phase, selected KPIs provide us with a comprehensive view of the customer. These KPIs are collected and shared across all functions and teams (marketing, R&D, service, etc.).

We use a mix of internal KPIs (e.g. first response time), which we can calculate from our systems, and external KPIs that we gather by measuring customer sentiment through relationship and transactional Net Promotor Score (NPS) surveys.
The combination of the external and internal KPIs makes it possible to correlate customer sentiment to Barco processes. Before, we only measured overall customer sentiment through a two-year extensive survey. By increasing the frequency of customer base surveys from once every two years to every quarter, we can be closer to our customers and act more quickly on their questions and remarks. This new way of working was lauded in the latest ISO 9001 audit.

In 2019, we worked particularly hard on these areas and achieved the following wins:
- we created a dedicated user experience team;
- all employees in the Enterprise division have been given a customer journey 2019 bonus target;
- we drastically reduced first-response times in presales and aftersales;
- we simplified our pricing models.
- we made clear agreements between the teams to send updates to customers on a more regular basis in case of complex issues;
- in case of negative feedback given via a transactional NPS survey, the customer care manager immediately contacts the customer to inquire how we can do better;
- we started embedding the customer journey in new product development, including a formalized beta testing program and consistent quarterly software releases;

Thanks to these and other efforts, we have witnessed a decrease in service complaints and an uptick in positive remarks. Relational NPS improved in the course of 2019, to an NPS score of 37 (for the Enterprise division) at the end of the year.

Next steps and long-term ambitions

In 2020, we will continue the global roll-out of the customer journey program across all divisions. Customer journey managers will be appointed worldwide to keep track of customer insights and determine how we can act on them. The relationship NPS will remain a key driver in our continuous efforts to improve customer satisfaction across the company. Our ambition is to reach the top quartile for our industry in 2020 and continue this NPS growth over the next years. Our goal remains the same as ever: to give our customers what they want, when and how they want it.
2. Customer protection

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

2.1 Product safety

All Barco products are assessed, tested and certified to eliminate risk of injury or damage. The application of various safety standards ensures that we reach this goal. As early as the concept and prototyping phase, a review of the applicable safety standards takes place. The result of this review is a list of requirements for critical components, suppliers, product design, use cases, and manufacturing, obsolescence, and component change management.

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

As long as the product is manufactured and/or sold, we ensure compliance with updated safety 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.

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

2.2 Product security

Our secure software development lifecycle follows the shift-left security approach: the integration of security controls as early as possible in the design and development phases of a product.

To integrate these security controls, Barco uses source code management platforms, bug tracking systems, threat modeling, static application security testing, open source security and compliance management tools, dynamic application security testing and vulnerability scanners. Furthermore, we work together with independent security specialists to train our developers and test the security of our products.

While we believe our security performance is above average and despite our efforts to ensure Barco products are as secure as possible, vulnerabilities can still be present in our products. That is why our corporate website includes a responsible disclosure policy (www.barco.com/psirt). This policy provides security researchers with clear guidelines on how to reach out to us about security vulnerabilities.
detected in our products. The reports are carefully handled using a risk-based approach by our product security incident response team (PSIRT).

Just like other professional software firms, we provide regular software updates and patches. Patched security vulnerabilities in each release are communicated in the release notes, which can be found on our corporate website. If there are public references (CVE-identifier) defined for the patched vulnerabilities, they are also added to the release notes. Customers can subscribe to receive news alerts about the products they are interested in by visiting our corporate website.

In 2019, we obtained our first ISO/IEC 27001:2013 certificate. It covers the business processes, infrastructure and tools related to software development, sales, deployment and support of our ClickShare wireless collaboration product line in our Kortrijk, Noida and Taipei locations.


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Barco receives ISO 27001 certification covering ClickShare wireless collaboration

As a product that integrates directly with a company’s workspace, ClickShare has to adhere to the most stringent security requirements. To obtain an ISO 27001 certification covering ClickShare, Barco undertook a root-and-branch audit of the development, sales, deployment and support of the product at its development centers in Kortrijk, Noida and Taipei.

From examining information security management in the development processes to checking physical security aspects like badging and door procedures: security controls have been implemented based on an extensive risk assessment and reviewed during the audit. The effectiveness of the security controls has been verified as well.
3. Ethics and compliance

Excellent financial performance does not conflict with high ethical standards. The DNA that drives business efficiency and compliance is the same: 100% say-do ratio, focus on solving issues rather than pushing them out or cutting corners, and a relentless drive for process improvement. Barco’s reputation and continued success depends on the conduct of its employees as well as its 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.

3.1 Building a true ethics and compliance culture

Over the past few years, Barco has continuously invested in building a structured, company-wide compliance program. Our Code of Ethics 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. In 2017, the Code of Ethics was thoroughly revised to include new compliance trends, such as IT security, data protection, open-source software and social media.

Every year, Barco employees are reminded of the importance of the Code of Ethics throughout June, which is Compliance Awareness Month. Posters are distributed in all our facilities and offices and blog posts covering ethical topics and the ‘Compliance Year in Review’ letter from the compliance officer are published on our intranet. This letter, translated into major international languages and distributed to all
3.2 Standards@Work

The annual awareness campaign is now complemented by a company-wide training program hosted by Barco University, our in-house training and development center. A consistent and uniform set of e-learning courses covering cybersecurity, data protection, sustainability, quality, safety and ethics has been developed. Every two months, a new course is rolled out. During these courses, Barco employees learn the standards they must adhere to every day, hence Standards@Work. Every employee must take these courses within the deadlines set. We strive for a 100% participation rate and actively follow up on employees with overdue learning assignments. The e-learning courses on cybersecurity, ethics and quality achieved completion rates of 99.6%, 99.3% and 99% respectively. Only employees who are on long-term sick leave or will leave Barco in the near future did not take these courses. The e-learning courses on data protection, sustainability and safety are scheduled for 2020.

Barco’s Standards@Work

employees, contains a high-level overview of all ethics and compliance issues the company faced in the past year. The Compliance Challenge, a live quiz with compliance-related questions, consistently achieves an attendance rate of more than 50% of our white-collar workers. The team with the highest score can proudly exhibit the Compliance Cup in its office.

In 2019, Barco has reorganized the roles and responsibilities within its Legal, Risk & Compliance department and created the role of global compliance manager, who will implement, monitor and continuously fine-tune the company-wide compliance management system. The focus for 2020 will be on strengthening the company’s anti-trust and anti-corruption policies and raising awareness in this field, particularly among regional sales teams and business partners.
3.3 Increased awareness for information security and data protection

As a technology leader that develops devices capable of connecting to the internet and related software solutions, Barco is fully aware of the importance of information security and data protection. Increasing security threats require Barco to take all possible measures to keep its IT network and the data, particularly personal data, hosted there secure from inadvertent transfers, leaks and cyberattacks. Moreover, legislative initiatives in this area have recently increased with the GDPR, the NIS directive and the EU Cybersecurity Act.

Barco has a clear leadership commitment to cybersecurity and data privacy, which translates into a Security Office and a data protection officer.

Security Office
Barco’s Security Office is headed by our chief information security officer (CISO) and drives our Cybersecurity program. This program consists of a cybersecurity roadmap created in line with Barco’s security objectives. We regularly perform cybersecurity maturity assessments using the NIST Cybersecurity Framework (CSF) to identify any new and remaining security gaps. Our roadmap is continuously evolving due to ever-changing threats and findings from internal and external security audits conducted using a risk-based approach.

Barco has an information security management system (ISMS) which complies with the ISO 27001 standard, covering policies, management involvement, business processes, third-party relationships (including cloud service supplier security assessments), technology, compliance with local laws, security awareness and security best practices. We are gradually working to contain all processes, locations and products within the scope of our ISMS and ISO/IEC 27001:2013 certification.

In addition to the Standards@Work e-learning and the Compliance Challenge, we also organize the annual Cybersecurity Month and offer voluntary courses through Barco University.

Data protection officer
Barco places a high priority on protecting and managing data in accordance with GDPR and similar data privacy legislation outside the EU. Barco employs a data protection officer in charge of managing the company’s data privacy compliance program. As part of this program, the data protection officer performed data protection risk assessments on several software products in 2019, and reviewed 33 security incidents which could have potentially led to a personal data breach – none of which required reporting to the data protection authorities. Moreover, 41 cloud service suppliers have been assessed from a data protection perspective, and numerous data processing agreements have been signed with our third-party data processors. These agreements are required to pass the data protection requirements on to these third-party data processors and their sub-processors. Furthermore, several new Barco software products have been added to our product privacy statement at www.barco.com. Finally, GDPR guidelines, instructions and forms have also been reviewed and updated.
3.4 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, Compliance & Risk team or the Internal Audit team. Questions and/or concerns can also be communicated via the Ethics mailbox (ethics@barco.com).

All questions or concerns addressed to the Ethics mailbox are reviewed by the Ethics Committee, which consists of the general counsel, the chief HR officer and the internal auditor. This committee reviews incoming questions or concerns, and assigns them to one of its members, depending on the subject matter. This member is responsible for analyzing the question or concern and proposing a satisfactory solution to the other committee members. The Ethics Committee decides on the solution, any remedial actions that may need to be taken and prepares a response to the person that raised the question or concern. Appropriate records are kept of all questions and concerns raised via the Ethics mailbox.

Overview of the matters addressed via the Ethics mailbox in 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier events &amp; gifts</td>
<td>8</td>
</tr>
<tr>
<td>Competition</td>
<td>1</td>
</tr>
<tr>
<td>Conflicts of interest</td>
<td>4</td>
</tr>
<tr>
<td>Inappropriate behavior or misconduct</td>
<td>6</td>
</tr>
<tr>
<td>Marketing materials</td>
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</tr>
<tr>
<td>Customs formalities</td>
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</tr>
<tr>
<td>Tenders</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23</strong></td>
</tr>
</tbody>
</table>

Resolved: 13
Unsubstantiated: 5
Unresolved: 5
3.5 Governmental investigations

Since Barco conducts business across the world, its operations are scrutinized by governmental authorities in different countries from time to time.

- Chinese customs authorities investigated import practices by Barco and distributors of Barco products, systems and spare parts into the PRC in the early 2000s. Over the past several years, a total of five investigations were opened, all of which were closed after payment of the import duties and associated penalties.
- In India, the Directorate of Revenue Intelligence is investigating the export of components from Barco’s factory in India, which allegedly fall under the scope of Indian SCOMET export regulations and would require an export license.
- In Japan, Barco has voluntarily disclosed the import of electrical appliances without having completed the proper formalities and is taking corrective actions to remediate the defective process.
- Finally, the Norwegian Crime Department has requested information on payments received from a Russian customer for products sold by Norwegian firm Projectiondesign in 2008. Projectiondesign was acquired by Barco in 2012. These payments were suspected to be part of a money laundering scheme. The Norwegian Crime Department notified Barco that this matter has been closed.
4. Supplier assurance

In order to meet our customers’ expectations for high-quality, innovative products, we work with service and manufacturing partners from around the world. Together, we continue to drive responsible and ethical behavior and high standards across our supply chain.

4.1 Setting clear standards for our suppliers

As a very first step, our suppliers need to know what we expect from them, including in the field of sustainability. We adhere to three important sustainability standards: the RBA Code of Conduct (for all suppliers), the Product Compliance Requirement Code (for suppliers of components) and the Dodd-Frank Act on conflict minerals (for suppliers that deliver components containing tungsten, tantalum, tin or gold).

4.1.1 RBA Code of Conduct

We expect our suppliers to comply with standards as set out in the RBA Code of Conduct (Responsible Business Alliance). Formerly known as the EICC Code of Conduct, the RBA Code of Conduct is a set of standards covering social, environmental and ethical topics relevant to the electronics industry supply chain. The standards reference international norms and standards, including the Universal Declaration of Human Rights, International Labor Standards (ILO), OECD Guidelines for Multinational Enterprises, ISO and SA standards, etc. Topics covered include:

- **Labor**: freely chosen employment, humane treatment, non-discrimination, freedom of association,...
- **Environment**: greenhouse gas emissions, hazardous substances, environmental permits and reporting,...
- **Ethics**: business integrity, fair business, advertising and competition, responsible sourcing of materials, privacy.

All suppliers are required to adhere to the RBA Code of Conduct. The share of key and core suppliers (which account for up to 90% of the direct spend) having committed to the RBA Code of Conduct or having a similar code, is tracked as a monthly KPI in the Global Procurement dashboard. In 2019, 98% key and core suppliers signed the declaration of compliance with the RBA Code of Conduct.

4.1.2 Product Compliance Requirement Code

Every component that our suppliers deliver to Barco must comply with the Barco Product Compliance Requirements Code, which includes worldwide regulations (such as RoHS10 and REACH), industry standards and additional criteria that we have defined. More details on supplier product compliance requirements can be found on our [website](#).

We request suppliers to provide full material declarations (FMDs) of their supplied components so that we can guarantee future compliance of our products with environmental regulations worldwide, including the forthcoming SCIP ECHA database. Due to our large coverage of FMDs (82% of active...
components in 2019) we are able to proactively phase out substances from our products in line with our ecodesign program and industry initiatives. A team of in-house experts performs risk-based assessment of compliance data provided by suppliers and requires in-depth compliance data for high-risk parts.

4.1.3 Dodd-Frank Act on conflict minerals
Responsible sourcing of minerals is an important part of our supplier sustainability commitment. Our suppliers are required to comply with the Dodd-Frank Act on conflict minerals. Barco is not directly impacted by the Dodd-Frank Act regulation, since we do not report to the U.S. Securities and Exchange Commission (SEC). However, because we are indirectly impacted through our supply chain, we commit to due diligence on the use of conflict minerals by suppliers. In addition to Dodd-Frank, we’re also preparing for the upcoming European Conflict Minerals Regulation.

Barco fully supports the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas. In following the OECD due diligence guidance, we request our in-scope suppliers (i.e. suppliers of components containing the minerals tungsten, tantalum, tin or gold) to investigate their supply chain to determine the origin of metals contained in products supplied to Barco. Our suppliers cascade this request into the next tiers of the supply chain until the smelter level can be identified. In-scope suppliers are required to complete the Conflict Minerals Reporting Template (CMRT) of the Responsible Mineral Initiative (RMI). Our supply chain is very responsive. Nevertheless, a dedicated escalation flow involving procurement is available, forcing actors in the supply chain to provide the required data. In 2019, 100% of in-scope suppliers responded to the CMRT. We perform a detailed conflict minerals risk analysis on the data received through cross referencing and close collaboration with members of the RMI.

In case the supplier has no due diligence program in place, the supplier is asked to set up a due diligence program regarding conflict minerals according to the OECD guidelines and to agree on a deadline for compliance. The procurement executive will follow up with the supplier until a due diligence program has been set up. In case a supplier sources from a smelter at risk, the supplier is asked to change the identified smelter.

4.2 Integrating sustainability in the procurement process

In order to ensure that our suppliers share our values and strive to meet our mandatory ethical, labor and environmental standards, we are gradually integrating sustainability into every step of the procurement process.

1. **Supplier scouting**
The supplier self-assessment document includes sustainability-related questions.

2. **Supplier selection**
In 2019, sustainability criteria have been added to the supplier selection document for new component suppliers.
3. 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 key and core suppliers). 100% of key and core suppliers signed contracts with sustainability clauses, i.e. MSAs or signed T&Cs, in 2019.

4. Supplier performance monitoring
Sustainability is now also a dedicated part of our supplier performance review. Suppliers are scored annually on their performance in sustainability domains such as product compliance requirements, adherence to RBA Code of Conduct and transparency (the provision of CMRTs and FMDs). The sustainability score is communicated to suppliers during business review meetings. Dedicated improvement actions are agreed upon and tracked by the procurement delegate.

5. Capacity building
We also want to ensure that our suppliers understand our sustainability standards and learn how to act upon them. Through different communication channels, we train suppliers and inform them about developments in several sustainability domains such as environmental compliance, ecodesign and conflict minerals.

During these meetings, we also share our sustainability ambitions and highlight the importance of our suppliers in achieving our targets. Suppliers are encouraged to proactively share their progress regarding sustainability in their operations and supply chains, and to share innovations that could help us to improve the sustainability impact of our products.
4.3 Training our staff

The entire global procurement team received general sustainability training in 2019. In addition, more than 75% of our global procurement team received specific training on green product compliance requirements and conflict minerals.

4.4 Plans for 2020 and beyond

We will publish a sustainable procurement policy in 2020, sharing our vision for a sustainable supply chain. Activities in 2020 will further be focused on increasing awareness on sustainability within the global procurement team as well towards our suppliers. We will also embed zero tolerances (i.e. minimum requirements) in the selection of new suppliers and aim to set a minimum sustainability score in the supplier performance review in order to remain preferred supplier to Barco. In 2020, the scope of the KPI on adherence to the RBA Code of Conduct will be expanded beyond the key and core suppliers.

On a mid- and long-term basis, we aim to upgrade the supplier sustainability program to an advanced level. This includes engaging with suppliers to improve their sustainability maturity through on-site assessments and support as well.
5. Community engagement

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

5.1 Closing the education gap in India

In 2009, the Indian Parliament passed a law stating that 25% of entering class seats in unaided private schools should be opened to children from weak and disadvantaged groups for free. This policy has the potential to change the lives of 10 million underprivileged children across India. However, the social barriers to the implementation of this plan have proved persistent. Indus Action, a non-government organization anchored in New Delhi, is bridging the gap between law and action. The organization is currently active in 19 Indian states and focuses on a mix of technology-based interventions and policy advocacy. Next to contributing financially to Indus Action, Barco volunteers, particularly from the software team, also helped them in designing and testing their mobile application.

For many children in the region of Noida, where our site is located, it is a challenge to get access to quality education. Sakshi, an Indian NGO concentrating on education, health and community development, founded a new school for underprivileged children in 2017 with the support of Barco: the Barco Sakshi Education Center. The school now has 150+ children. Barco continued supporting the school in 2019 through various initiatives, such as hosting a day out for 30 children at the Swaminarayan Akshardham temple.

In 2019, we invested €163,400 in several community engagement initiatives around the globe, with more than 230 employees volunteering.
5.2 Closing the education gap with refurbished IT equipment

Close the Gap, a Belgian social enterprise, was founded more than 15 years ago with the aim of bridging the digital divide in developing and emerging countries to accelerate social impact. One of the activities of Close the Gap is collecting laptops, desktops, displays, servers, etc. and refurbishing them for reuse in educational, medical and social projects, mostly in developing and emerging countries. With access to a computer and digital literacy training, children benefit from international sources of information, helping them become global citizens and stimulating entrepreneurship. Since the start of our partnership with Close the Gap in 2015, Barco has donated over 6,313 pieces of IT equipment. Close the Gap makes sure that when the devices reach end of life, they are collected and recycled correctly.
5.3 Emerging Leadership Program helps bring education to street children

For its Emerging Leadership Program (see page B/43), Barco partnered up with StreetwiZe, a unique talent development provider, to bring essential skills to emerging leaders as part of their leadership development. 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.

As part of the program, Barco emerging leaders and youngsters from the community institution for special youth assistance De Zande created a prototype for a Mobile School, a street-proof education system.

5.4 Barco Play Days

Each year, we organize Barco Play Days at several sites. Underprivileged children from the neighborhood are invited for an unforgettable day of fun, games and workshops facilitated by a team of Barco volunteers. By giving the children a glimpse behind the scenes of a technology company, we hope to inspire them to seek education in this field and to improve their chances for a better future.
5.5 One Campus opens its doors for charity during De Warmste Week

Every year around the holiday period, the Belgian radio station Studio Brussel organizes De Warmste Week (the warmest week): a nation-wide initiative engaging young and old to collect money for a charity of their own choice. In 2019, the radio station’s pop-up studio was located in Kortrijk, Barco’s hometown in Belgium.

To celebrate this occasion and contribute to the cause, Barco welcomed external visitors to its landmark headquarters and organized its own Barco Winter Fair. For a small fee, visitors could enjoy live music, festive projection mappings and convivial stalls selling home-made cookies, drinks and gifts, in addition to a guided tour of our renowned Experience Center. During this event, 55 Barco volunteers collected €15,000. Barco then doubled the amount to €30,000, which was given to local charities. One of these is Oranjehuis, a local organization that supports the reintegration of underprivileged youth into society.

5.6 Supporting good health and wellbeing

In close alignment with its healthcare empowerment purpose, Barco also supports several initiatives in the area of health and wellbeing.

Barco provides financial aid to CanSupport, India’s largest free home-based palliative care program. The money is used to fund three mobile teams, each comprising a doctor, a nurse and a counselor. In addition, Barco colleagues volunteer at CanSupport daycare centers or organize fun activities with young cancer patients.

In India, Barco contributes financially to Urja, a local project to raise awareness of, boost health education in and support safe menstrual hygiene management.
Qualitative remote meetings help us reduce business travel, while also improving the ability of employees to maintain a healthy work-life balance.
Our sustainability management

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[ about the visual ]

BRINGING WIRELESS CONFERENCING TO THE WORKPLACE
ClickShare Conference
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.

**Sustainability workstreams**
Sustainability focus areas are owned by the business. Within the relevant business functions, sustainability workstream leaders are responsible for delivering sustainability targets, managing the sustainability plans and measuring performance. They ensure that sustainability is integrated into ongoing business strategy and planning. Each workstream leader is supported by a sponsor, i.e. a senior manager who serves as a sounding board, facilitates decision-making and removes obstacles for the workstream leader.

**Sustainability ambassadors groups**
- The ambassadors groups are cross-functional groups of highly motivated employees, including the sustainability workstream leaders.
- The groups discuss ongoing initiatives and partnerships, suggest new ideas, etc. Led by the sustainability office, the groups meet at least once every quarter. They also communicate and amplify the accomplishment of key initiatives to all relevant stakeholders.

**Sustainability office**
The sustainability office, which is part of the finance department, champions our company-wide commitment to sustainability performance and transparency towards stakeholders. The office conducts reporting activities and engages with internal and external stakeholders to assess, prioritize, and monitor sustainability focus areas. The office establishes the corporate sustainability strategy, drives processes for sustainability governance, and provides guidance and coordination across business functions. It also sets corporate sustainability targets based on the targets set by the business functions.

→ Note: All Barco’s corporate governance structures can be found in the ‘Governance’ section of the Company Report.
Executive sustainability steering committee

**Members:**
- Chief Executive Officer
- Chief Human Resources Officer
- Chief Financial Officer
- Group General Counsel
- Senior Vice President, Healthcare
- Senior Vice President, Operations
- Senior Vice President, Organizational Excellence

**Meeting frequency:** at least four times per year

**Responsibility:** reviews Barco’s sustainability strategy and the progress made and helps make sure that sustainability is integrated into our business – supporting Barco’s overall goals. The sustainability office reports directly to the executive sustainability steering committee.

Core leadership team (CLT)

At least twice a year, sustainability is on the CLT meeting’s agenda. The sustainability strategy and progress status are shared and discussed.

Board of Directors

**Audit Committee**

At least once a year, sustainability is on the agenda of Barco’s Audit Committee (see page A/68 for information on composition of the Audit Committee). Progress status is shared and discussed. The Committee also oversees Barco’s whistleblower policy and related integrity cases.

In case the Audit Committee considers it appropriate, they further report issues and topics to the Board of Directors.
Stakeholder engagement

We continuously build connection and trust with our key stakeholders through regular dialogue. Outside views help us identify and prioritize emerging issues and better align our strategy, actions and policies with society’s and the planet’s needs. We also encourage our stakeholders to provide feedback on our performance and transparency.

By continuing to standardize the process of interacting with our stakeholders, we can mitigate risks, identify new business opportunities and improve financial results. We understand that stakeholder involvement supports our long-term success and innovation capability.

At Barco, every department is responsible for identifying and engaging with its own stakeholders (i.e. those they affect or are affected by). Barco’s corporate functions provide the departments with a framework for how to tackle stakeholder engagement (i.e. stakeholder identification and classification, guidelines for stakeholder communication, etc.).

From informal dialogues to contractual partnerships, our engagement with stakeholders takes many different forms. Engagement is not undertaken specifically as part of the report preparation process but happens throughout the year. Barco actively engages over a broad range of topics and channels to promote participative and integrated decision-making.

Barco’s main stakeholder groups are: customers and partners, employees, suppliers, sector federations, policymakers, NGOs, academic institutions, and investors.

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<tr>
<th>STAKEHOLDER GROUP</th>
<th>SPOC</th>
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| Customers & partners | • Sales  
• Corporate and segment marketing  
• Customer service  
• External communication  
• Product management |
| Employees | • Chief Human Resources Officer  
• Internal communication |
| Suppliers | • VP procurement  
• Eco-office |
<p>| Public organizations (sector federations, NGOs, policymakers, academic institutions) | • Global leadership team |
| Investors | • VP investor relations |</p>
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<td>• Partner summits</td>
<td>• Healthcare/Enterprise: key account management</td>
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<tr>
<td>• Daily contacts in the field (sales, segment marketing, customer service, ...)</td>
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<tr>
<td>• Press releases</td>
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<td>• Digital interaction via social media, website,</td>
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<tr>
<td>• Involve key teams in action plan development</td>
<td>• Involve employees in continuous improvement (iGemba)</td>
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<td>• YOU+ program: B-inspired, B-engaged, B-involved</td>
<td>• Involve employees in ideation (Barco STREAM)</td>
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<td>• Strategy roadshow</td>
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<td>• Leadership summits</td>
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<td>• Product Compliance Requirements Code</td>
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<td>• Frequent feedback sessions</td>
<td>• RBA/EICC Code of Conduct</td>
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<td>• Ethics mailbox</td>
<td>• Dodd Frank Act on conflict minerals</td>
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<td>• Sustainability inspiration sessions</td>
<td>• Barco Substances List</td>
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<td>• Equity research documents</td>
<td>• MSCI, ISS-oekom, and other questionnaires</td>
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<td>• MSCI, ISS-oekom, and other questionnaires</td>
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External initiatives (platforms and commitments)

We Mean Business

A coalition of organizations working with thousands of the world’s most influential businesses and investors to accelerate the transition to a low-carbon economy. As a member, Barco is committed to the initiatives and commitments put forward by the We Mean Business Coalition.

The Shift

Barco is a member of The Shift, Belgium’s largest corporate sustainability network. The aim of the organization is to realize the transition to a more sustainable society and economy.

Biodiversity Green Deal

A Green Deal is a voluntary partnership between (private) companies and the Government of Flanders (Belgium) who commit themselves to setting up a green project together. This particular Green Deal aims to increase biodiversity in business parks and to rally public support for the initiative. More than 60 companies and organizations have already signed up to participate in this Green Deal, including Barco.

Sign for My Future

Our CEO Jan De Witte supported Sign for My Future, a Belgian initiative launched by the not-for-profit organization ‘Klimaatmandaat’ to resolutely put climate on the political agenda in the runup to the elections in May 2019. By collecting signatures, Klimaatmandaat wants citizens and CEOs to put pressure on Belgian politicians to pursue a more ambitious climate policy and include this policy in the new coalition agreement.

Be The Change

What will our labor market look like in 2030? In the study ‘Shaping the future of work’, Belgian technology sector federation Agoria defined four strategies for a sustainable labor market. These four strategies can be categorized as: activating unemployed people or students, upskilling and retraining employees and further developing and investing in technology. In 2019, Barco endorsed the Be The Change Charter, committing to adapting its personnel policy to the challenges of the labor market of tomorrow. We took on four challenges:
Take the Lead

Vlerick Business School and business newspapers De Tijd & L’Echo joined forces in developing Take the Lead as a social commitment to respond to the increasing need for digital knowledge in the business world. It is a learning program that aims to create digital leaders. Barco is partner in this program, enabling it to be offered to a maximum number of participants.

Hangar K

Barco is a proud partner of Hangar K, a co-creation hub that was inaugurated in October 2017 in Kortrijk, Belgium. More than just a workspace, Hangar K is a competence center as well as an incubator: a place where start-ups, scale-ups, established companies and the academic world come together to inspire each other and embrace the opportunities of the digital age to build new, successful businesses.
Certifications

In order to assure our stakeholders that our management systems meet international industry-specific standards, we have obtained the following ISO certifications:

- ISO 9001 quality management system (for Barco sites in US, Germany, India, Italy, Taiwan, China, Norway and Belgium)
- ISO 13485 quality management system specifically for the medical devices industry (for Barco sites in US, China, Belgium, Italy and South Korea)
- ISO 14001 environment 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)

External evaluations

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

CDP

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CDP, the former Carbon Disclosure Project, runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts. They have built a comprehensive global collection of self-reported environmental data. By scoring businesses from A to D, they take organizations on a journey from disclosure to awareness, management, and finally leadership, on several environmental topics such as climate change.

Every year, Barco measures and reports its carbon footprint to CDP, benchmarking its sustainability performance to peer groups suggested by CDP. We commit to the feedback program as organized by CDP and set up action plans to mitigate the risks and capitalize on the opportunities that CDP points out.
In recognition of its commitment to corporate social responsibility (CSR), Barco has been awarded the Gold CSR Rating by EcoVadis, placing us among the top 5% of companies evaluated. EcoVadis' independent sustainability rating platform monitors and improves the environmental, ethical and social performance of companies worldwide. EcoVadis provides sustainability performance audits for 20,000 companies across 150 sectors and in more than 100 countries.

MSCI ESG ratings help investors identify ESG risks and opportunities within their portfolio. They research and rate companies on a 'AAA' to 'CCC' scale according to their exposure to industry specific ESG risks and their ability to manage those risks compared to peers.

ISS-oekom is one of the world’s leading rating agencies for sustainable investments. The ISS-oekom rating considers environmental, social and governance (ESG) aspects by evaluating more than 100 industry-specific indicators with grades from A+ (best grade) to D-. Companies that achieve the best ESG scores among their sector peers are recognized as ‘Prime’. Barco was evaluated for the first time in 2019. We obtained a C+ score and are rated as a Prime company. With that result, we rank among the top 20% companies of the Electronic Devices & Appliances industry.
About this sustainability report

Reporting period, cycle and scope

We published our first corporate Sustainability Report on 18 February 2016 ('Sustainability Report 2015') and will continue to report on an annual basis. This report provides a clear overview of our most relevant intentions, achievements and objectives in the field of corporate sustainability in 2019, unless stated otherwise.

GRI standards

This report has been prepared in accordance with the GRI Standards: 'Core option'. Barco has not conducted external assurance for this report.
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**GRI 103 Management approach 2016**

| 103-1 Explanation of the material topic and its Boundary                | B/19-37, B/41-51, B/54-66  |
| 103-2 The management approach and its components                       | B/19-37, B/41-51, B/54-66  |
| 103-3 Evaluation of the management approach                            | B/31, B/61, B/79-80, C/88-93|

**GRI 200 ECONOMIC TOPICS**

**GRI 201 Economic Performance 2016**

| 201-1 Direct economic value generated and distributed                  | A/10-11                    |
| 201-2 Financial implications and other risks and opportunities due to climate change | A/89, A/94                 |

**GRI 205 Anti-corruption 2016**

| 205-1 Operations assessed for risks related to corruption             | A/96                       |
| 205-2 Communication and training about anti-corruption policies and procedures | A/96, B/58-59             |
| 205-3 Confirmed incidents of corruption and actions taken            | B/61-62                    |

**GRI 300 ENVIRONMENTAL TOPICS**

**GRI 302 Energy 2016**

<p>| 302-1 Energy consumption within the organization                      | B/17, B/19                 |
| 302-2 Energy consumption outside of the organization                 | B/17, B/28                 |
| 302-3 Energy intensity                                               | B/17, B/19                 |</p>
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