

About this Report

As a public company, FARO® Technologies, Inc. (Nasdaq: FARO) communicates regularly about our business through several channels, including regulatory filings, press releases, investor presentations, and proxy statements. We also maintain a dedicated **Environmental**, **Social and Governance** (**ESG**) **page** and post official company policies on our website to provide information on these matters.

This 2021 Sustainability Report represents a summary of our work over the past year on the ESG topics that are important to our stakeholders, our partners, and our employees as identified through a materiality assessment. It covers the performance of all global operational sites for the period of January 1, 2021, to December 31, 2021.

We plan to issue our Sustainability Report on an ongoing and annual basis, and we look forward to receiving your feedback. Please share your thoughts with us at **sustainability@faro.com**.

This report contains forward-looking statements, such as statements about: FARO's business strategy, plans and commitments; FARO's ESG goals, including those related to the environment, supply chain and product management, employee engagement, talent development, work practices and community commitments; and FARO's approach to its sustainability reports going forward. Statements that are not historical facts or that describe FARO's plans, objectives,

projections, expectations, assumptions, strategies, or goals are forward-looking statements. In addition, words such as "will," "intend," "believe," "expect," "may," "could" or "should," and similar expressions or discussions of FARO's plans or other intentions identify forward-looking statements. While these forward-looking statements represent FARO's judgments and future expectations concerning its business, a number of risks, uncertainties, and other important factors could cause actual developments and results to differ materially from its expectations, which include, but are not limited to: inherent challenges in developing, modifying and deploying new technologies, systems and processes to achieve FARO's ESG goals; developments in FARO's markets that lead FARO to change its ESG goals; changes in the ESG landscape generally; FARO's ability to attain its business strategy, plans and commitments; FARO's ability to maintain its technological advantage by developing new products and enhancing its existing products; declines or other adverse changes in industries that FARO serves; changes in general political, regulatory, economic, business, and financial conditions; and additional factors and risks listed or discussed in FARO's most recent Annual Report on Form 10-K and as may be supplemented from time-to-time in its other filings with the Securities and Exchange Commission. FARO is under no obligation to (and expressly disclaims an obligation to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a
Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships





Each day at FARO Technologies, we strive to unlock the full potential of the digitalization of the physical world for our customers and stakeholders.

Accurate, shareable data that can be anchored to a specific place and point in time is the key to bridging the digital and physical worlds. This manifests in something as discrete as an accurate representation of a crime scene to as farreaching as the concept of creating a digital twin of a mega factory. It is this digital information that enables us, our customers, and partners, to update processes, innovate new workflows, and collaborate seamlessly on a global scale. By doing so, we are working to make the world more sustainable, more equitable, and more just.

That is why I am grateful for the opportunity to share our inaugural Sustainability Report. As a company dedicated to unlocking the potential of 4D reality capture, we know the importance of establishing reference points, a baseline from which we can assess progress and change. This report creates that baseline for our Environmental, Social, and Governance activities — to explain where we are aligned with ESG best practices and where we can and will improve.

The world has been through much these past few years. The COVID-19 pandemic has upended millions of lives and forced us to rethink many of our assumptions about the world around us: our sense of safety, how we work, or where our essential supplies come from. At the same time, we know that collectively we must address issues of inequality and inequity.

We navigate these uncertain waters by staying committed to our values: to think big and solve big problems, to exceed expectations, and to support our customers and each other in our efforts to make a positive impact. As a leader in our space, we have bold ideas for a smart, safe, and more sustainable world where the power of digital reality capture carries the potential to solve many problems we face. The way we execute that vision is built upon a culture of curiosity and innovation, and sustained by a belief that we, as a global community, are resilient and capable of nearly anything.

In 2021, FARO celebrated our 40th Anniversary. Throughout our history, we have helped companies challenge and overcome obstacles to growth and success by delivering better data and insights when it's needed most — *before* a roadblock, bottleneck or cascading error disrupts business, or worse, puts lives at risk. Every day, we enable our 15,000 customers to maximize their productivity by being materially more efficient — helping to save time and energy, reduce waste and rework, and minimize risk and resource expenditure.

As a global company, we are well-positioned to promote meaningful, differentiated value that fosters growth for our customers and progress in addressing our shared sustainability responsibility. Now, having established our baseline, we will continue to push the power of digitalization forward, to think beyond today to solve tomorrow's challenges.

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Michael D. Burger

President and CEO, FARO Technologies, Inc.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships



CONTENTS

Message from President & CEO

COMPANY **OVERVIEW**

Mission. Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the **Next Generation**

Research Partnerships



We Believe in Our Customers

We believe our customers are drawn to their fields for the same reasons we are. They want to better understand how the world works and bring new ideas to life. They need — and understand the power of — data-driven accuracy.

As the global leader in 3D and 4D measurement, imaging, and realization solutions, bridging the digital and physical worlds is what we do best. We help manufacturers, builders, engineers, project managers and law enforcement professionals eliminate costly errors, construct safer

buildings, manage complex projects, support smarter facilities, and establish better cases. We give technicians, designers, and investigators the tools to get to "that's it!" faster. We understand the ways our customers do their jobs. And more than anything, they know they can always depend on us.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Our Mission

We enable customers to capture, measure, interact with, and share data from our physical world in a virtual environment and then translate this information back into the physical domain. This mission informs every solution we develop, every conversation we have, and every partnership we pursue.

Our Vision

FARO will be the global leader in 4D Digital Reality solutions (hardware/software/services). Leveraging more than 40 years of industrial experience in the capture and digitalization of the physical world, our solutions significantly improve our customers' productivity by delivering workflow-based information, via a cloud-based, Software as a Service (SaaS) business model.

Our Values

Our customers' success has the power to change the world for the better. That is why we make earning their trust central to everything we do, and why our core values are also our promises to those we serve:



We Strive for Excellence

We aim to exceed the expectations of our customers, employees, stakeholders, and shareholders.



We Think Big & Move Fast

We are pioneers in digitalization, leaders with bold ideas who act quickly to ensure we deliver on the value that customers expect.



We Make Our Mark

We offer solutions that enable our customers to work more efficiently and competitively, creating a more sustainable world.



We Support Each Other

We embrace a culture of trust, integrity, transparency, and diversity to nurture talent and foster a collaborative work environment.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships



Leadership & Governance

The FARO Board of Directors represents shareholders' interests in the operation of a successful business, including the continued commitment of our legacy of corporate governance and responsibility. **Board Committee Charters** have been established by the Board of Directors to reflect the Board's commitment to monitor the effectiveness of policy and decision making both at the Board and management level, and to enhance long-term shareholder value.

These Charters are reviewed by the Board on an annual basis and are subject to modification as needed. The Board's responsibility is to monitor the effectiveness of management policies and decisions, including creating and executing its strategies. The Board is also responsible for overseeing the establishment and enforcement of procedures designed to ensure that our management and employees operate in a legal and ethically responsible manner.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Board Committees

Audit Committee

The <u>Audit Committee's</u> primary purpose is to provide oversight and monitoring regarding the company's financial statements and other financial information, accounting and financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with laws and regulations.

Talent, Development, and Compensation Committee

The Talent, Development, and Compensation Committee is responsible for administering and overseeing the company's executive and director compensation programs. The committee has responsibility for all aspects of the compensation program for the executive officers of the company, including those who have attained the title of Vice President or above, and the Board.

Nominating, Governance, and Sustainability Committee

The Nominating, Governance, and Sustainability

Committee is responsible for developing, implementing, and evaluating the company's corporate governance guidelines and policies, as well as assisting the Board in its oversight responsibilities relating to the company's sustainability strategy.

BOARD OF DIRECTORS - 2021 GOVERNANCE STRUCTURE

Committees governing environmental, social & governance topics as of 12/31/2021

COMMITTEE FUNCTION	COMMITTEE NAME	NUMBER OF DIRECTORS
Audit/Accounting	Audit Committee	7
Renumeration/Compensation	Talent, Development & Compensation Committee	7
Nomination	Nominating, Governance & Sustainability Committee	7
Major Corporate Actions	Full Board of Directors	8
Corporate Governance & Social Responsibility	Nominating, Governance & Sustainability Committee	7
Health & Safety	Nominating, Governance & Sustainability Committee	7
Environmental & Sustainability Matters	Nominating, Governance & Sustainability Committee	7
Risk Management	Full Board of Directors	8
Ethics Issues	Audit Committee	7
Community & Public Affairs	Nominating, Governance & Sustainability Committee	7
Information Security & Cybersecurity	Audit Committee	7

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships

Board Composition

(As of August 16, 2022)

Board Independence

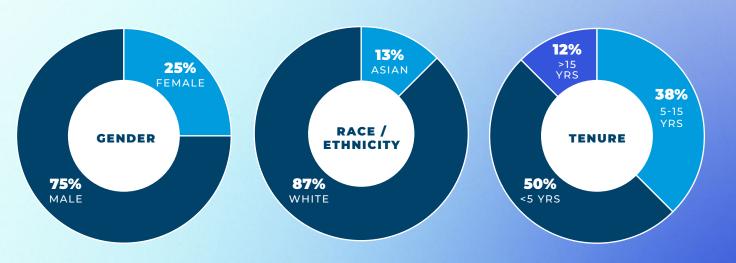
The Board comprises a substantial majority of directors who qualify as independent directors, including an independent chair. The company's Board is 87% independent, as defined by NASDAQ Stock Market Rules.

Board Diversity

Although the Board does not establish specific goals with respect to diversity, the Board's overall diversity is a significant consideration in the director nomination process. This means that the Corporate Governance Committee seeks nominees who bring a variety of backgrounds, experiences, and perspectives to the Board.

DIRECTORS	EXECUTIVE	AC	тосс	NGSC
Lynn Brubaker	No	~	→	+
Michael Burger	Yes			
Moonhie Chin	No	~	✓	✓
Stephen R. Cole	No	*	✓	~
Alex Davern	No	~	✓	✓
John Donofrio	No	~	✓	✓
Jeroen van Rotterdam	No	~	✓	~
Yuval Wasserman ◆	No	~	+	~





CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a
Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships



FARO: A Leader in Digital Transformation

Headquartered in Lake Mary, Florida, with nearly 25 offices around the world, FARO provides leading-edge measurement solutions, outstanding customer support, and steady industry leadership.

When Ph.D. students Simon Raab and Greg Frasier launched FARO from a garage in 1981, they envisioned the start-up as a pioneer for 3D measurement and imaging that would provide precision technology to guide their customers to success. FARO has evolved into a data-first company positioned to help our customers not only succeed but adopt cloud-based solutions that guide their business to excellence in a rapidly changing world.

Fittingly, FARO is not just an acronym for "Frasier and Raab Orthopedics," but a derivative of the ancient Greek word "pharos," meaning lighthouse — a beacon for people seeking the path forward in both the literal and figurative sense.

Today, FARO is proud to continue helping customers see further, realize their vision, and successfully navigate through any challenge.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Global Perspective



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships

A Strong History That Lays the Foundation for the Future

2000s

2000: FARO expands into the Asian market

2008: FARO named to Forbes' list of America's 25 fastest-growing tech companies

2020s

2021: FARO celebrates 40th anniversary

2022: FARO listed as top best place to work in Central Florida by the *Orlando Sentinel*

1980s

1990s

1981: Simon Raab and Greg Fraser co-found FARO

1984: FARO introduces first device with hingedarm measurement technology

1990: FARO moves from Quebec, Canada to Florida, USA

1995: FARO introduces first FaroArm®, an articulating measurement device for the industrial market

1996: FARO expands into the European market

1997: FARO goes public on NASDAO

2011: FARO Focus 3D named as best new innovation by *Popular Science* magazine

2010s

2013: FARO announced as one of Top 100 Fastest-Growing Companies by *Fortune* magazine

2019: Michael Burger named president and CEO

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Corporate Commitment



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships

Enabling Sustainability

We are committed to sustainable business principles, to thinking long-term, and to making strategic decisions that adhere to our mission and vision and create value for the world and the industries in which we operate.

Our Strategy

We approach a sustainable growth strategy focused on addressing today's needs as well as anticipating the demands in the future. We are aware of our responsibilities to fight against global problems such as climate change, poverty, hunger, inequalities, and water scarcity, and we support the United Nations Global Compact and its underlying principles. We aim to improve living standards and wealth by

increasing our investments; we prioritize encouraging sustainable development in our operations and decision-making processes. We review our sustainability approach annually to ensure it is integrated with our mission, vision, and values, and we develop actions that will improve our effectiveness in creating a positive social, environmental, and economic impact.



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

ESG Governance Structure

In 2021, we revised our Board Committee structure to incorporate a Sustainability focus within the Nominating, Governance, and Sustainability Committee and established the role of Chief Sustainability Officer at FARO. The Committee reviews significant shareholder relations issues including environmental, governance and social responsibility matters, and ensures that our actions align with our mission, vision, and core values. Additionally, the Chief Executive Officer oversees a committee of senior executives responsible for setting purpose, strategies, policies, and goals related to economic, environmental, and social topics. The Chief Sustainability Officer has centralized oversight of the corporation's management approach, including policies, goals, strategies, and actions to drive progress, and is supported by an Environmental, Social, Governance (ESG) Oversight Committee and program-specific working groups to drive sustainability strategies throughout the organization.





Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Materiality

We strive to maintain alignment with our key stakeholders, including our employees, customers, suppliers, business partners, investors, and shareholders. We continue to analyze material topics in the categories of environment, human capital, social capital, innovation, and leadership and governance. Additionally, we review materialities within industrial and global trends to ensure alignment of our materiality topics.

Based on business significance and stakeholder guidance, we identified several key goals related to the categories listed above. They will act a guide in the evolution of our sustainability strategy and will position us to respond to risks and opportunities for a more positive overall sustainability impact.

Topics identified as priorities

- Employment and Labor Management
- Information and Data Security
- Diversity Equity and Inclusion
- Economic Performance
- Supply Chain Management
- Business Ethics and Regulatory Compliance
- Emissions and Energy Management
- Product Quality and Safety
- R&D and Innovation
- Customer Satisfaction

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Economic

Performance

Employment and Labor Management



Information and **Data Security**

Emissions

Product Quality and Safety

> R&D and Innovation

and Energy Management

Diversity, Equity and Inclusion

> Supply Chain Management



Business Ethics and Regulatory Compliance

IMPACT

CONTENTS

Message from President & CEO

COMPANY **OVERVIEW**

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the **Next Generation**

Research Partnerships

FARO Sustainability Goals

CATEGORY	SUSTAINABILITY PROGRAM GOALS
Emissions and Energy Management	FARO will further develop our emissions management and tracking process to allow for better accounting and disclosure. FARO will focus on a Scope 1 and 2 emissions reduction roadmap, which includes a 25% reduction target compared to 2019 baseline.
Diversity, Equity and Inclusion	FARO will implement a formal Employee Resource Group (ERG) program that spans our global workforce and furthers our Diversity, Equity & Inclusion initiative by providing support and resources for employees who share a common identity. The ERG program will follow an established governance model, with oversight by an executive sponsor and ERG committee.
Information and Data Security	We currently maintain SOC 2 Type 1 certifications on select offerings. In support of our commitment to providing secure, reliable SaaS solutions to our customers, we will obtain SOC 2 Type 2 certifications for all SaaS solutions through 2023 and 2024, realizing 100% certification by 2025.
Customer Satisfaction	FARO will continue to analyze and optimize our customer satisfaction program, including implementation of various metrics, to ensure continual assessment of our current state, prevent future dissatisfaction, and provide a better overall customer experience.
Human Rights and Community Relations	FARO will establish a Corporate Social Responsibility (CSR) program inclusive of planned corporate giving, employee volunteerism opportunities, and a formal Community Sponsor initiative that reflects our mission and supports the communities we serve.
R&D and Innovation	As we believe new technologies represent a critical component of managing climate change, beginning in 2023 FARO will introduce measurable, verifiable, carbon saving software solutions to the market, with additional offerings announced over the next five years.
Sustainability Reporting	FARO will assess the various reporting standards and frameworks applicable to our industry and determine which alignment will best fit our reporting efforts. Once identified, efforts will be made to ensure we are fully compliant with reporting requirements.

FARO

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships

ESG Programs



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships



Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Historic Preservation

Corporate Governance

FARO's reputation and continued success depends on our commitment to doing business with integrity and a strong foundation of responsible governance. The cornerstone of governance is rooted in our Global Ethics policy, which encompasses oversight by our independent Board of Directors, and extends to our risk assessment and compliance management program to provide the framework for the operation of our company consistent with requirements of applicable laws and in the best interest of the company and our stakeholders.

FARO

Global Ethics Policy

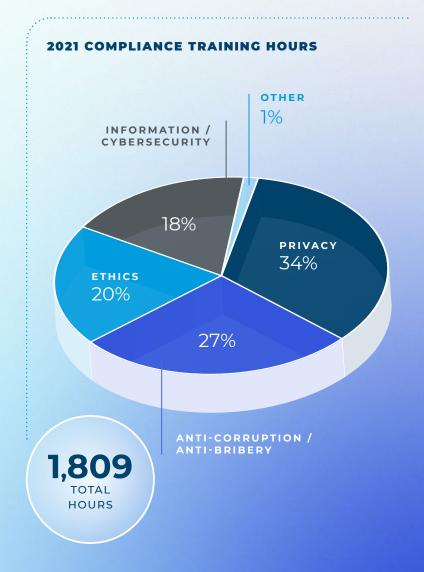
Our comprehensive **Global Ethics Policy** supports FARO's adherence to the highest standards of business conduct and guides how we interact with each other and with our stakeholders. Our policy provides employees with the knowledge and resources to conduct business in an ethical manor and fosters a culture of mutual respect, transparency, and collaboration with our customers, suppliers, communities, and shareholders.

Compliance Program Management

We act in accordance with all laws and regulations and maintain formal compliance management programs for regulatory areas material to the company's operations. In 2021, we did not experience any material breach of information or material regulatory issues.

Key elements of compliance program management include the following:

- Risk Assessment beginning with a comprehensive review of risk at the enterprise level then extended to a program specific risk assessment to determine the severity of risk and implement program control activities.
- Policies and Procedures Our global ethics policies and key compliance program policies are reviewed on an annual basis and updated as required to ensure they remain consistent with changes in the regulatory environment.
- Annual Training compliance training is provided to employees during new hire orientation and on an annual basis for all material compliance topics, and employees sign an attestation statement indicating commitment to comply with policies and related laws & regulations.
- Program Audits Each program is audited on an annual basis by FARO's internal audit function, and results are reported to the Audit Committee. FARO's External Auditors review and validate results of select internal audit activities and they provide external assurance on sustainabilityrelated disclosures noted in FARO's annual Proxy.



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships

Historic Preservation

Anti-Corruption

FARO strictly forbids bribery and corruption of any kind. It is imperative that we compete on the merits alone. Integrity is a core company value and in support of it, FARO publishes an internal policy inclusive of anti-corruption and anti-bribery requirements and expectations applicable to employees and other stakeholders. FARO also provides employees and other stakeholders detailed procedures to ensure compliance with the U.S. Foreign Corrupt Practices Act and other global anti-corruption laws and regulations; requires annual training related to ethics and compliance; and provides guidance and instructions on various reporting mechanisms.

Trade Compliance

FARO is headquartered in the U.S., and is committed to complying with U.S. trade control laws. In addition, FARO complies with trade control laws in countries in which we operate, provided they do not conflict with U.S. law.

Information Security & Cybersecurity

FARO has a responsibility to protect the security of our information assets from unauthorized use and disclosure. This obligation extends to the confidential and proprietary information of FARO and of its employees, customers, suppliers, and business partners. We maintain comprehensive security policies and manage our cybersecurity program based on Center for Internet Security (CIS) Standards. Our program is assessed annually by the internal audit function, and we engage an external firm to perform periodic red-team exercises. To date, FARO has not experienced a material security breach.

Data Privacy

FARO respects the privacy concerns of our employees, customers, suppliers, and business partners.

Accordingly, FARO is committed to handling personally identifiable and other information in compliance with our privacy policies, contractual obligations, and applicable privacy and data protection laws.

FARO Privacy Notice

Reporting Violations and Concerns

FARO maintains several methods of reporting possible violations of our Global Ethics Policy and other ethical concerns via email, regular mail, telephone hotline, and internet. Our **reporting hotline** is administered by an independent third-party vendor and is accessible 24/7. All employees have the option of remaining anonymous when reporting any violations or concerns. FARO does not retaliate against any employee who, in good faith, reports a possible violation of our Global Ethics Policy or other questionable activity. We will investigate any concerns promptly and bring them to a timely conclusion. We also report on concerns raised to our Audit Committee which reviews, discusses, and addresses the concerns as appropriate.

Third-Party Risk Management

FARO maintains a robust third-party risk management program. All third parties, including customers, are screened against international sanctions lists to ensure that we are able to initiate talks with the third parties. Based on the risk profile of the third party, additional due diligence steps are performed. These may include asking for ISO certifications, reviewing SOC2 reports, completing due diligence questionnaires, and ordering enhanced due diligence reports from external and independent sources. Additionally, FARO performs an annual vendor risk assessment to evaluate risk relationships with suppliers and employ mitigation procedures for risk mitigation.

Lobbying and Political Activities

FARO's Gift and Gratuities Policy specifically prohibits cash or in-kind contributions for or on behalf of the company, including expenditures using a FARO account, to any political campaign, political party, political candidate, elected official, or any of their affiliated organizations.

Human Rights and Labor Rights

Human rights and employee rights are paramount and are foremost in our efforts to ensure the welfare of our employees. We develop policies and procedures to protect our employees and reduce inequalities, from safeguarding health and safety at our facilities to ensuring fairness among employees. Our Human Rights and Labor Rights Policy aims to be binding for all our employees, job applicants, and contractor employees, as well as all stakeholders and local communities who have any commercial and/or industrial relationship with our company.

Human Rights & Labor Rights Policy

Message from President & CEO

CONTENTS

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships





Innovating for a **Sustainable Future**

FARO is directing resources to research and innovation that centers our 3D and 4D data capture insights at the heart of new applications, workflows, and practices that will: boost efficiencies and productivity; dramatically reduce error, and therefore waste; and enable our customers to collaborate and manage progress without needing extraneous travel, material, or time. Together, these actions inform a sustainability philosophy embedded in the value we offer through our products, partnerships, and expertise.

Key Corporate Initiatives

FARO's solutions lend themselves well to helping companies integrate sustainability into their businesses and we are actively working to quantify elements of the environmental impact our solutions have when incorporated into our customers' most common workflows and projects.

While calculations are still under development, we have begun promoting the sheer magnitude of the global sustainability opportunity as part of our ongoing industry outreach activities, including publishing important thought leadership. In this way, we offer actionable guidance to our customers and other stakeholders about the resources and solutions accessible to them now that can enable and boost their own sustainability efforts.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships

FARO Sphere: Connecting Teams and Data Anytime, Anywhere

Our focus on maximizing technology to create sustainable workflows was demonstrated through the April 2022 release of FARO Sphere, a cloud-based Software as a Service product that centralizes and systematizes project management activity so teams can access the same data at the same time, no matter where they are in the world.

Acting as the single source of information, companies using Sphere eliminate unnecessary travel, reduce errors (and subsequently reduce the material waste, labor hours and energy expenditures that are the byproduct), and stay aligned on progress. As we move forward, we plan to introduce new applications within Sphere that bring these benefits to other core industry segments, including public safety/law enforcement, and manufacturing.

Concrete is ubiquitously used to build houses and

buildings, roadways, and infrastructure, worldwide. However, concrete is also an incredibly carbon intensive material; the cement process required to make concrete is responsible for 8% of global carbon dioxide emissions alone. Ultimately every pound of concrete releases 0.93 pounds of CO₂, and estimates suggest that the world produces roughly 25-30 billion tons of concrete each year.

When pouring foundations and slabs, errors in this phase of construction creates rework that wastes concrete even if the concrete can be fixed or repurposed elsewhere, there is an energy cost in doing so, and additional concrete must be used to repair the error.

We plan to release an unprecedented new application offered through FARO Sphere that will enable the construction industry to verify that poured concrete is correctly leveled *before* it sets. The benefits are multiple: less wasted concrete and energy expenditure, but also less cost to construction companies.

Floor Flatness and Floor Leveling

CONTENTS

Message from President & CEO

COMPANY **OVERVIEW**

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the **Next Generation**

Research Partnerships





Digital Twin

A digital twin is the virtual counterpart to a built environment or object. This model is updated with real-time data aggregated from a variety of sources and allows users to run simulations and monitor conditions over its lifetime. Our ability to offer highly accurate point cloud data that can be shared securely with stakeholders around the world allows FARO to position customers for success in implementing a digital twin solution.

As the essential foundation for all other data, the value of a digital twin spans a building lifecycle, from construction verification and design validation to

ongoing and predictive maintenance. The ability to plan, predict, or respond to real or simulated conditions improves overall operational efficiency, avoids financial and environmentally costly errors, and makes the physical space safer for people.

Operations engineers, facility managers, specialty contractors, and others can rely on this data, including information such as carbon emission output, temperature fluctuations, or energy consumption, to make better decisions with more confidence.

FARO Labs

In addition to our internal research and development programs, FARO is party to several working groups and consortia in Europe to study and develop emerging technologies that will underpin the future of many global industries, including manufacturing, automotive, and construction. Embedded within each project is either intentional or inherent results that will drive sustainability. These projects are made possible in part by government-granted funding to the research facilities and industry partners involved.

FARO participates in the following publicly funded research projects:

ARENA2036:

- FluPro: Investigating resilient production for the future by evaluating new concepts, creating holistic demonstrators, and simulating factory conditions with a digital twin
- » <u>I4Produktion</u>: Realizing the vision of a resilient factory by creating a cognitive digital twin

- SDAC: Developing smart design and construction through artificial intelligence
- <u>HelioSens</u>: Maintaining solar power plant operations using laser scanning technology
- Fertigteile 2.0: Researching new processes to reuse concrete components from demolished buildings
- AINET-ANTILLAS: Working to accelerate digital transformation in Europe by intelligent automation at the network edge

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Historic Preservation

FARO

2021 SUSTAINABILITY REPORT

25



Environmental Commitment

As a global corporation with customers and suppliers worldwide, we are deeply committed to sustainable business practices and protection of the environment. Our vision to be the leader in 4D digital solutions goes together with ensuring a sustainable future for all.

Everyone at FARO supports this by responsibly managing our environmental activities and developing technology to enable more efficient, sustainable ways of doing business. We recognize our responsibility to limit potential negative environmental impacts of our business and operations. As such, we strive to minimize our own carbon footprint through active management, while also introducing solutions that enable our customers to reduce their own footprint.

We work in partnership with others to promote environmental stewardship across our value chain and comply with applicable environmental legislation and regulations, applying more stringent criteria than those required by law when we believe this to be appropriate. Our **Environmental Health and Safety Policy** outlines our environmental principles, which are implemented through the ESG Committee and Environmental Working Group.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships

Climate Strategy

Climate change is undoubtedly a top priority across the globe. While FARO has always been environmentally prudent, until 2021 we had yet to implement a formal environmental management or climate strategy. As part of this strategy, we plan to reduce the carbon footprint of the facilities in which we operate.

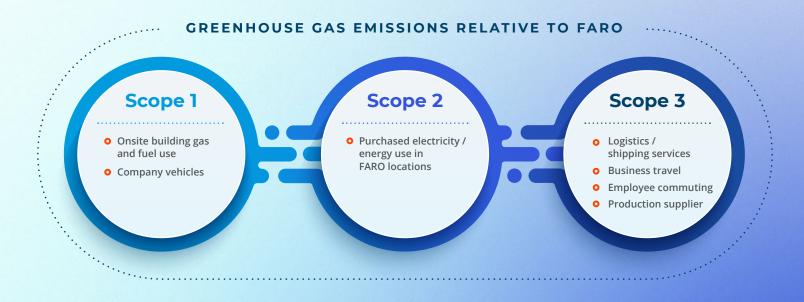
We believe the most effective way to manage carbon and climate risk is through a standards-based, auditable measurement and disclosure process that allows for increased transparency on climate action and progress. In 2021 FARO engaged an external consulting firm specializing in sustainability and climate strategies, to evaluate our current carbon footprint and make recommendations for reducing our Scope 1 and Scope 2 greenhouse gas (GHG) emissions based on standards and practical methodology.

GHG Emissions

We are pleased to complete our first greenhouse gas (GHG) emissions inventory following the GHG Protocol Corporate Standard, which provides standards and guidance for organizations preparing a GHG emissions inventory. A GHG emissions inventory is the foundation for developing, implementing, and monitoring climate change mitigation and reduction initiatives.

Participation in an annual GHG emissions inventory demonstrates a key step forward with regards to ESG and business transparency efforts; more information on our commitments and targets will be shared in future reports.

By collecting 2019 and 2020 Scope 1 and Scope 2 GHG emissions, FARO has developed an initial baseline to track future GHG emissions progress and potential future expansion of the collection and analysis of the emission sources included in our carbon footprint. Through this analysis, we have outlined relevant sources for direct and indirect emissions. In the future, we hope to expand these efforts by including additional sources and Scope 3 value chain emissions.



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a
Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Carbon Reduction Target

Our **global goal** is to reduce Scope 1 and Scope 2 GHG emissions 25% across all sites by end of 2025 as compared to our 2019 emissions. This target is informed by Science Based Targets requirements and we are excited about the initial phase of development of our climate strategy, which we expect to refine and evolve on an ongoing basis.

25%

Reduction in GHG Emissions by 2025



Carbon Reducing Strategic Initiatives

Production Outsourcing

In 2021 we announced our intent to transition FARO production to an outsourced production service provider. With this transition, we recognize Scope 1 and Scope 2 emissions will be offset by Scope 3 emissions. However, because production will be consolidated to a single factory, and goods will be produced by a world class production partner who has robust environmental management programs in place, the net effect is expected to be a significant reduction in overall environmental impact.

Product Shipment

To improve efficiency, cut costs, and reduce negative environmental impact of product shipments, we are working to consolidate shipments, identify optimal routes, and ship directly to customers or local distributors. We use FedEx as our primary shipping partner, selected in part based on the company's sustainable business practices and achievements in reduced emissions to date. As we move forward with our production outsourcing and facility reduction initiatives, we expect to see progressive reductions in shipping emissions due to these direct and consolidated shipments. We will continually review for opportunities to use shipping options with a lower carbon footprint.

Facility Consolidation

Two current corporate initiatives have created an opportunity to minimize the number of FARO locations across the globe:

- Production Outsourcing FARO will maintain our existing production facilities across the globe for service operations and administrative functions, the business activities being performed will be significantly less than production operations
- Flexible/Remote Working with our continued commitment to remote working, we have seen a significant decrease in the need for office space in existing facilities and/or select locations

Beginning 2022 through 2025 we will be actively working to reduce our overall facility footprint across the globe, resulting in a natural reduction in overall emissions.

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships



Product Packaging

Plastic is a particularly useful material and is often the lowest carbon footprint option compared to other materials. We believe the plastic we produce is our responsibility. Therefore, one of our 2021 priorities included seeking options for improvement in our product packaging to explore use of less or better materials. As a result, we are committed to using **95% recycled plastic** in our product packaging by the end of 2023.

Business Travel

Demand for travel remains low based on employees' preference for remote working. To decrease emissions associated with business travel we have increased approval requirements surrounding travel requests. In addition, we will be developing green travel guidelines aimed at minimizing our environmental impact. Guidelines will be established through analysis of common business travel routes and available industry options and will provide guidance such as (a) when to travel by rail vs fly, (b) selecting a preferred low emission airline, (c) avoiding layovers, (d) pre-and post-flight transportation, and (e) choosing sustainable accommodations.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships



Energy Management

FARO is dedicated to implementing energy efficient measures in our offices and production facilities to reduce our energy consumption and carbon footprint.

Tracking our energy data is critical to controlling both our energy usage and costs, as well as GHG emissions. We have obtained energy-related data where available. As this is a newly implemented program for FARO, we are working to verify data completeness and accuracy prior to presenting the full suite of energy data elements. Currently, data is gathered by Environmental Working Group team members in regions where FARO operates, and the Chief Sustainability Officer reviews our energy use and cost data monthly.

We are in the process of developing energy efficiency initiatives by location to identify opportunities to reduce our environmental footprint and utility costs. In our Stuttgart, Germany facility, we undergo periodic energy audits performed by an external agency for regulatory reporting purposes. Our most recent audit identified energy saving measures, including modernizing lighting systems to incorporate LED fixtures and replacing costly electric heating and cooling units with natural gas units and components. We have made progressive improvements to the lighting fixtures, and new heating and cooling units are scheduled to be installed late 2022. Additionally, in 2023, we will begin exploring options for increasing our renewable energy generation or transitioning to less carbon-intensive sources.

2021 Scope 2 Electricity Consumption by Region





CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Water Management

As water is not a significant component of FARO's production operations, and more than two-thirds of our employees work remotely, our initial materiality assessment determined that water usage, intensity, and source are not items requiring detailed tracking and disclosure at this time. However, we will continue to reassess materiality and adjust as needed. As part of our overall commitment to sustainable practices, we are exploring ways to implement company-wide metrics to better track our water management efforts and identify opportunities to reduce our water footprint, drive cost savings, and act more responsibly.

Waste Management

FARO is committed to a long-term strategy of sound waste management practices. We take pride in our waste management strategy, which focuses on two areas: the conservation of natural resources through minimized use of hazardous materials, and our implementation of recycling programs for our end-of-life products and in our corporate offices.

Hazardous Materials Management

Handling hazardous materials safely is a top priority for FARO. Our production process does not involve significant use of chemicals or hazardous materials and does not result in the production of waste materials. Materials such as adhesives and solvents are disposed of in an appropriate manner. Our business practices regarding effective and recyclable designs comply with applicable laws.

Non-hazardous Materials Management

Our facilities management team proactively manages the disposal of non-hazardous materials, such as cardboard, lamps/bulbs, and applicable batteries. We also provide guidance to our customers on how to appropriately dispose of our products. Additionally, FARO periodically extends product trade-in offers, in which customers give used products back to FARO in exchange for discounts on new products. Old products are then reused, repurposed, or recycled responsibly.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships

REACH, RoHS, and WEEE Compliance

FARO works to continuously improve our business practices, including compliance with environmental laws and environmental sustainability performance.

We work to consistently ensure that our products comply with the EU Chemicals Regulation (Registration, Evaluation, Authorization, and Restriction of Chemicals, also known as REACH). FARO uses limited chemicals and hazardous materials in our production process. We make every effort to ensure REACH compliance through our supplier relationships. Company policy requires products, parts, and accessories provided by suppliers to be REACH compliant. Furthermore, we have implemented oversight and procedures requiring suppliers to provide adequate support and evidence of compliance. We are aware of REACH continual updates, and regularly monitor these updates as part of our supplier compliance process.

Our products adhere to environmental regulations established by the European Union RoHS directive (Restriction of Hazardous Substances) and China RoHS regulation (Administrative Measure on the Control of Pollution Caused by Electronic Information Products). These directives establish acceptable limits of certain hazardous materials in electrical and electronic equipment.

FARO complies with the Waste Electrical and Electronic Equipment Directive (WEEE), which mandates the collection and recycling of electric and electronic equipment in EU markets. This directive requires manufacturers of electrical and electronic equipment who sell into EU countries to label the equipment for appropriate disposal, and to encourage consumers of such equipment to appropriately recycle the equipment at the end of their lifespan.

To date, we have not received notification of any product environmental violations related to RoHS, REACH, or WEEE regulations. We strive to stay ahead of regulation by staying up to date with information through industry groups and communicating with customers on compliance requirements.

Corporate Recycling Program

We have introduced several waste reduction efforts in our global headquarters, such as placing recycling bins in workstations and employee breakrooms, issuing reusable cups to onsite employees, reducing or eliminating onsite magazine subscriptions, placing shredding bins and battery recycling receptacles in every department, and collecting and disposing shredded material and batteries by an approved vendor. Additionally, we have implemented various paperless initiatives throughout the company, including using tools such as an electronic signature application to prevent unnecessary document printing, shipping, and disposal.



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Sustainable Operations

We take great pride in our operations strategy, which emphasizes driving excellence while being anchored in quality and safety.

Operational Footprint and Material Efficiency

Historically, we have operated three manufacturing sites in Lake Mary, Florida; Exton, Pennsylvania; and Stuttgart, Germany. Each FARO core product was produced at a dedicated site, allowing teams to focus on technical specifications and unique requirements of each product line. In all manufacturing operations, our engineers carefully consider the chemical, water, and material inputs and efficiency throughout our product development process. In 2021, we made great progress towards operational excellence by controlling costs and making significant improvements in our first pass yield rates.

Product Quality

To ensure our products meet rigorous accuracy requirements for international metrology standards, all global manufacturing and factory service locations are ISO/IEC 17020 and 17025:2017 accredited in the field of calibration for multiple devices through ANAB (ANSI-ASQ National Accreditation Board). We also maintain ISO 9001 accreditation, certifying conformity with statutory and regulatory requirements.

Outsourced Production

In July 2021, we announced the **transition of FARO production** from our three manufacturing sites to Sanmina Corporation, a US-based Fortune-500 Electronic Manufacturing Service Provider. Although FARO is no longer manufacturing our products directly, Sanmina was selected because our products will continue to be produced with the highest quality and environmental standards. This transition has allowed us to optimize production of our entire hardware product portfolio and become more resilient to market fluctuations. FARO manufacturing is now in the final stage of being fully transitioned to Sanmina and is expected to be complete by the end of 2022.

Sanmina Corporation - Overview

Following a rigorous review process, we selected Sanmina Corporation as our partner based upon their proven ability to deliver quality products on required timelines. Sanmina is a leading integrated manufacturing solutions provider within the Electronics Manufacturing Services (EMS) market. In addition to their established track record of providing end-to-end manufacturing solutions and delivering superior quality, Sanmina's operations also allow us to benefit from their robust sustainability program, including superior environmental management and supply chain governance practices.



Sanmina Sustainability

As part of our diligence exercise, we recognized Sanmina's sustainability program to be heavily aligned with our own values, objectives, and material topics. Highlights of their program offerings include but are not limited to the following:

- Member of Responsible Business Alliance (RBA)
- Suppliers required to follow RBA Code of Conduct
- Emissions targets include goal to reduce carbon emissions 40% by 2030 and be net zero by 2050
- Compliant with GRI Standards and reporting requirements
- Certifications include RoHS, WEEE and ISO 14001
- Business Continuity Management system in place, aligned with ISO 22301

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Responsible Supply Chain

We recognize supply chain management is one of the most significant factors affecting the success and competitiveness of any manufacturing organization. As such, we developed a robust responsible supply chain management program that requires us to promote ethical best practices and compliance throughout our value chain. Externally, we work with partners who follow rigorous standards to uphold and protect human rights and demonstrate environmental stewardship. We believe our high ethical standards and transparency in business dealings create mutual trust, and we are proud of the strong relationships we have built with our suppliers and subcontractors, many of whom have been working with us since our founding in 1981.

Supplier Code of Conduct

Our <u>Supplier Code of Conduct</u> sets expectations and communicates requirements for our suppliers to act ethically and in compliance with applicable laws and regulations for labor standards, health and safety, environmental issues, and business ethics. We also require our suppliers to apply our code of conduct to their suppliers and subcontractors.



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a
Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Supplier Engagement & Due Diligence

We expect suppliers to be transparent about their compliance with our standards through a self-assessment, disclosure, and validation process. Prior to approval, suppliers are first evaluated to ensure compliance with our Supplier Code of Conduct. This requires suppliers to provide information about their supply chain practices, including materials usage and environmental impact of the materials and components they provide to us. We retain the right to audit our suppliers on a case-by-case basis.

Our supply chain management program allows for focused oversight and strong partnerships with our suppliers, and results in the opportunity for better planning and performance management and business continuity.

We reserve the right to disqualify any potential supplier or terminate any relationship with a supplier that has failed to meet these standards. We believe that collaboration throughout our supply chain on sustainability and environmental transparency magnifies our progress; we proactively seek opportunities to strategically partner with our suppliers for positive impact. Additionally, we expect our suppliers to conduct business with the same standards of integrity and ethics that we apply to our own operations, and work with them to develop ethical best practices.

Conflict Minerals

To ensure our products are made responsibly, we have adopted industry leading policies and monitoring practices promoting the traceability and transparency of mineral sourcing across our supply chain. We act in accordance with the Dodd-Frank Act and related U.S. Securities and Exchange Commission rules adopted on August 22, 2012, requiring certain companies to disclose the extent to which the products they manufacture or contract to manufacture contain defined "conflict minerals" sourced from mines in the Democratic Republic of the Congo (DRC) and certain adjoining countries. We expect our suppliers will not sell products that contain conflict minerals that directly or indirectly finance or benefit armed groups in the defined countries.

Supplier Diversity

As we maintain manufacturing and R&D sites across the globe, our supplier network includes a wide range of companies in terms of size and location. While many of our key suppliers are represented by large corporations, due to the specialized nature of our products and our passion to promote small businesses, we also engage regional, small, or disadvantaged suppliers, making special efforts to provide guidance on program requirements and ensure ethical business practices throughout the value chain.



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Historic Preservation

FARO

Product Management & Sustainability

When combining a dynamic, competitive market with the rapid pace of technology improvements, the responsibility over product portfolio and end-of-life cycle management is greater than ever before. At FARO, we continually work to ensure that our products and processes help our customers achieve optimal digital and realization solutions with value-based cost of ownership. Our engineers carefully consider the chemical, water, and material inputs, as well as efficiency, throughout our product development process. Additionally, by strengthening our innovation and technology capabilities, our aim is to further differentiate ourselves from our competitors, launching disruptive solutions that improve the way companies operate and share information.

Service and Repair

We offer services and support contracts designed to lower cost of ownership, decrease turnaround times, and increase the lifespan of our products. In recent years we have launched system updates and upgraded quality of components, resulting in extended product life and improved reliability. We are committed to making additional improvements in this area with an emphasis on providing automated tools, online resources, and remote support offerings.

Product Safety

Production of FARO products do not involve a significant use of chemicals or hazardous materials, and thus does not result in the production of waste materials. Our products leverage laser technology which incorporates safe design and includes features to minimize the risk of laser-related accidents. For example, the FARO Laser Line Probe require operators to avoid direct exposure to the device to operate. Additionally, customers receive laser safety training, which is included with all training packages.

FARO Trade-In Program

Through our trade-in program, customers can exchange used FARO products or competitor products for discounts on new FARO equipment. Used FARO equipment is tested for quality and performance, and processed as follows:

- Refurbished to be sold as Certified Pre-Owned (CPO) equipment
- Dismantled to retain select parts for service repair
- Disposed of and recycled as appropriate

FARO warrants CPO units and software to ensure the highest quality of service and support.

Product Security

FARO goods are sold with a variety of security-related features designed to ensure integrity and security of data and digital output. Additionally, our HoloBuilder Software solutions maintain SOC 2 Type 1 certification. As we continue to develop our SaaS offerings and solutions, we intend to increase our security certification to SOC 2 Type 2, and to extend this certification to all our SaaS products by 2025.



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Historic Preservation

FARO



Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Historic Preservation

Customer Satisfaction

Customers look to FARO to offer quality and innovative products and services. Satisfying and delighting customers speaks to the heart of our mission, vision, and values as we continually strive to meet our customers' evolving needs and expectations. To ensure that we achieve our goal, we recently partnered with an experienced external customer research firm to conduct our first Voice of Customer (VOC) survey to measure customers' satisfaction with FARO on areas such as product performance, technical expertise, cost of ownership, and aftersales technical and services support. KPIs and goals have been established based on preliminary survey results, and performance against goals are tracked and presented regularly to both Executive leadership and the Board of Directors.

Our Vice President of Customer Success is responsible for driving positive customer outcomes and leading customer satisfaction initiatives across the organization. In collaboration with internal service, operations, and marketing partners, programs are being developed for process, service, and product improvement. Employee training programs are being implemented to equip employees with technical and problem-solving skills to better understand customer requirements and improve time to resolution. Our customer service does not end when the products leave our premises. We strive to provide high-quality after-sales service that ensures our products are constantly at peak performance.



Diversity, Equity & Inclusion (DEI)

As a global company, we see exceptional business and community value in the diversity of perspectives and experiences that our team members bring to work every day. We are committed to promoting and maintaining an inclusive work environment free of unlawful discrimination, retaliation, and harassment in any form and offering equal opportunities to everyone. We have established three strategic pillars to frame our DEI program:

Employee Engagement

Talent Development

Equitable Work Practices

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships

Employee Engagement

The opinions and concerns of our employees matter. To foster employee engagement and inclusion, we take measures to ensure employees can provide regular feedback through various channels, including surveys, skip-level meetings, and direct communication. Employees receive workforce engagement surveys at least semi-annually, with our average participation rate in 2021 and 2022 greater than 70%. As a result of the feedback, each department has engagement champions who develop action plans to address areas with the highest impact on engagement. We tracked more than 350 hours of employee time invested in discussing results and developing action plans. In 2021, we also conducted more than one hundred executive skip-level meetings for executive leadership to virtually meet with groups of 10-15 employees. These small group meetings provide opportunities for cross-departmental discussions, increased leadership visibility and relationship development, and better understanding of our corporate culture at all levels and in all regions of the organization. Employees also can provide input or report concerns both directly to their Human Resources partner or anonymously through our confidential hotline.

Talent Development

We attract and retain talent by offering progressive career paths as well as competitive compensation and benefits. We support career development conversations between employees and managers two times a year through our Reflections process, where employees and managers document and discuss each employee's results, behaviors in alignment with our values, and career development opportunities. For 2021, 91% of employees had a documented Reflections review. In addition to traditional annual employee trainings, employees received more than 3,400 hours in specialized training related to technical skills and leadership development of leadership and technical skills. We have established resources and communications for our managers in an internal online Manager Hub and conduct monthly manager update sessions on relevant topics.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

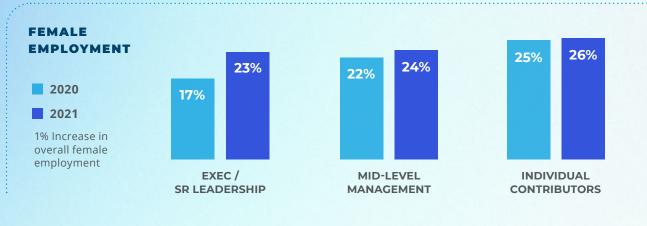
Developing the Next Generation

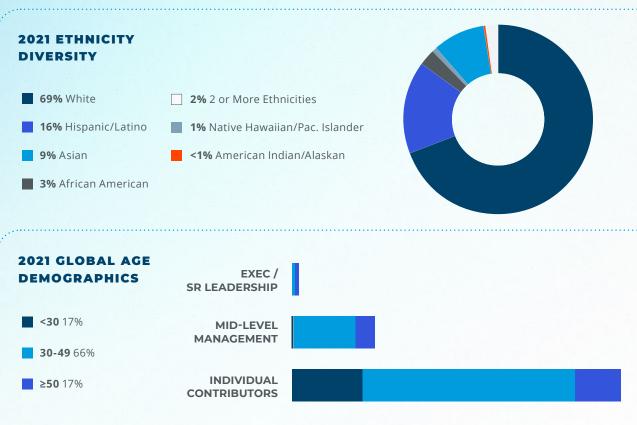
Research Partnerships



Equitable Work Practices

Because we want our employees to grow professionally and personally during their careers at FARO, we have pledged to provide a diverse and collaborative environment rich in equal opportunities. We actively strive to maintain an environment that treats all employees with dignity and respect and believe that the combined knowledge and diverse views our employees contribute across our global locations strengthens our competitive edge. In 2022 we launched various internal programs to further support this vision, including the addition of diversity trainings to our annual training requirements. Additionally, as part of our commitment to DEI practices, we have included disclosure of our workforce's gender and racial/ethnic group representation consistent with the EEO-1 Job Classification Guide and SASB standards. All employee data reported has been compiled from our internal Human Resources records.





CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Healthy & Safe Work Environment

FARO endeavors to sustain an inclusive, supportive, safe, and healthy work environment where our employees can thrive.

Employee Safety

We demand strict compliance with all applicable health and safety regulations and maintain a corporate **Environmental Health and Safety Policy** reinforcing our commitment to safety. We have also created a safety management program, which includes following:

- Employee training on health and safety matters
- Workplace safety procedures including proper disposal of hazardous materials
- Regular internal and external safety audits
- Monitoring and reporting of workplace incidents and injuries

REGION	# INJURIES	% TOTAL EMPLOYEES*	% REQUIRED EE LEAVE
AMER	4	2.53%	50% (2)
APAC	0	0.00%	N/A
EMEA	2	1.11%	100% (2)

ZERO TOTAL FATALITIES IN 2021

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a
Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

^{*}Total FARO Operations Employees



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships



Our Community Commitment

FARO imagines a better, more insightful, and more capable world. As part of this vision, we are committed to supporting our local and global communities through corporate giving and partnerships, with a particular focus on opportunities that foster innovation through education. In past years, we have supported a variety of charitable organizations and activities focusing on issues related to health and safety.

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

STEM Education

FARO has dedicated support to middle and high school programs with a goal of improving access to Science, Technology, Engineering and Mathematics curricula, especially for minority and female students in low-income or vulnerable communities.

Program selection criteria requires that the funding must be a direct pass through to the program to maximize the dollar-for-dollar investment. In year one, FARO allocated \$50,000 in funding to programs in the U.S. and Germany, with plans to expand to Portugal in 2023. The funding ran from Q1 2021 through Q2 2022.

Programs supported include:

Grants for Good Ideas	USA	\$15,000	This program provides grants for STEM, literacy, and arts projects in a hands-on environment. FARO funding is earmarked specifically for STEM proposals.
Crooms Academy of Information Technology	USA	\$2,500	TechFest is a high school conference designed for students to learn about post-secondary opportunities in information technology.
Seminole County Public Schools	USA	\$10,000	FARO sponsors an electricity-focused Physics Bus that travels to all public elementary schools in the county to encourage interest in STEM.
CyberMentor	Germany	\$22,500	CyberMentor is Germany's largest online mentoring program for girls who wish to study a STEM topic.



"Having FARO as a partner on this mission is a great asset for us. In addition to providing generous financial support for CyberMentor, FARO supports the program by encouraging employees to engage with the program participants. The women working at FARO complement our pool of mentors from the different STEM fields with their unique skill sets and show our mentees the unlimited possibilities in 3D imaging. FARO and their employees are helping thousands of girls to achieve more equal futures."

– Dr. Sigrun Schirner, Program Lead CyberMentor, University of Regensburg

CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

FARO University and FARO New Graduates Program

Our investment in tomorrow includes providing experiences for higher-education students and new graduates through two immersive programs.

FARO University provides professional experience opportunities through a select number of part-time, paid internships. In the last year, we hosted 63 interns in the United States, Germany, Portugal, and Sweden.

Interns are embedded in a variety of functional teams, including:

- Hardware Engineering
- Software Engineering
- Optical Engineering
- Manufacturing Engineering

- Logistics and Trade
 Compliance
- Quality Analysis
- Supply Chain
- Process Engineering

For graduates pursuing post-secondary engineering careers, FARO offers a New Graduates Program. The 2021-2022 cohort included eight participants who were paired with a mentor and spent 12-18 months rotating through various roles at FARO to gain exposure to different functional areas.

During the program, participants are given opportunities to develop or hone technical and professional skills through specialized training. At the conclusion of the program, participants may have the opportunity to accept a full-time role at FARO.



Academic Partnerships

As new and advanced technology gains wider adoption among different industries, educational institutions are challenged to provide not just theoretical but tangible experience with the hardware and software students will be using in their professional careers — particularly in the field of public safety forensics. FARO has partnered with several academic and training institutions to support programs that equip students with the technical capabilities and specialist skills employers will require.

George Mason University

FARO partnered with the Forensic Science Program at GMU's College of Science to create a Forensic Research and Training Laboratory, positioning the university as the first in the nation to offer a course in 3D crime scene documentation.

"Whether a student is training in the new FARO Forensic Lab, learning how to process an outdoor scene at our Forensic Field Lab, measuring a murder scene inside the Crime Scene House or testifying in court as an expert witness, they will walk in the shoes of real forensic scientists and learn how to apply science and skills to get answers about how crimes are committed and how to solve them with the accuracy and precision of 21st-century technology."

- Mary Ellen O'Toole, Forensic Science Program Director



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Historic Preservation

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a
Sustainable Future

Environmental Commitment

Social Pillars

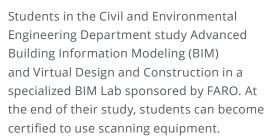
COMMUNITY

Developing the Next Generation

Research Partnerships

Historic Preservation

California Polytechnic State University



Led by facial reconstructionist Joe Mullins,

University's Forensic Science Program,

students at the New York Academy of Art

of human remains to aid in solving cold

cases and finding missing persons. Over

the course of Mr. Mullins' partnership with

FARO, this project has produced six visual

identifications directly attributable to the

learn how to reconstruct the facial features

who also teaches a course in George Mason

New York Academy of Art



Syracuse University

laser and photonics industries.

The University of Central Florida

FARO is a senior industrial partner with

the Center for Research and Education

in Optics and Lasers (CREOL). As part of

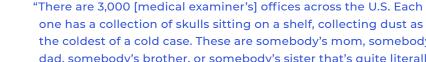
our partnership, we provide funding and

equipment to enable CREOL to operate as

a center of excellence for education in the

The Forensic and National Security
Sciences Institute at Syracuse University
prepares undergraduate and graduate
students to excel in careers related to
national security and forensic science. FARO
partnered with the program to provide
training for a FARO Focus Laser Scanner,
enabling instructors to bring current
technology into the classroom and offer
students the hands-on experience they will
need in the field.





the coldest of a cold case. These are somebody's mom, somebody's dad, somebody's brother, or somebody's sister that's quite literally just been forgotten. Through this experience — the way this class works — we can seriously make a difference and provide answers for these families that have lost a loved one."

– Joe Mullins, Forensic Imaging Specialist & Instructor



Nanyang Polytechnic (Singapore)

busts the sculptors created.

As a partner, FARO provides Nanyang Polytechnic with equipment, training materials and internship opportunities for students to deepen their capabilities with 3D coordinate measurement and scanning technology.



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Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY INVESTMENT

Developing the Next Generation

Research Partnerships

Historic Preservation

Research and Innovation Partnerships for the Future

FARO is equally committed to developing external partnerships that seek to push the bounds of innovation in service of a more sustainable world.

Oracle Innovation Lab

Recognizing that increasing regulatory, environmental, and market shifts are placing more demands on a variety of industries, FARO partnered with Oracle Corporation — the third largest software company in the world — to enable customers in its architecture, environmental, and engineering (AEC) markets to explore how emerging technologies can equip them to meet these challenges in the new **Oracle Industry**, which officially opened in April 2022. We provided equipment and professional expertise to support exploration of new fields and applications, such as digital twin and smart factory environments, and to help companies improve their productivity, operational intelligence, and sustainability.

"We built the Chicago lab to bring together leading innovators like FARO so we can jointly help customers shape bold ideas into powerful solutions that improve productivity, operational intelligence, and sustainability."

— Burcin Kaplanoglu, Vice President of Oracle Industry Labs

Along with an array of research institutes and companies, including Siemens, Nokia, Bosch, KUKA, Mercedes-Benz, and BMW Group, FARO is a partner of the **ARENA2036** initiative. Geographically located at the heart of Germany's automotive production, ARENA2036 represents a nexus of experts in science and industry brought together to cooperatively accelerate innovation across a variety of projects. The work is done with a goal to shape the work, mobility, and production of the future in the context of digitization.

ARENA2036

FARO provides annual \$250,000 USD funding and, through government grants, provides three full-time employees dedicated to contributing to projects that provide training to the next generation of scientists, work to address sustainability and resource challenges within the industry, and encourage cooperation across industries and companies.





Historic Preservation to Benefit Past, Present and Future

Our efforts to provide for a more sustainable and resilient future do not exist separately from understanding the value of our past. FARO both partners with, and independently pursues, opportunities to support historic preservation through 3D documentation. These efforts capture sites of historical significance that may be imperiled by environmental, geo-political, or economic activities; support rebuilding efforts in communities impacted by the same; and help provide access to 3D models of important artifacts for research and education.

CyArk

Since 2018, we have provided FARO Focus Laser Scanners and licenses for compatible software to **CyArk**, a non-profit organization whose mission is to connect new audiences to heritage through digital documentation. They, and we, know that history gives critical context to our various cultural and community identities — and yet, access to these places is far from equitable. CyArk's digital scans are used to support physical preservation efforts, made shareable for educational and research purposes, and reduce geographic and financial barriers to people who wish to understand their own heritage.

Smithsonian Institution

We have been honored to support the Smithsonian Institution's mission of "the increase and diffusion of knowledge" by loaning a FARO Focus Laser Scanner and FARO ScanArm for a diversity of projects, including scanning iconic objects such as the Apollo 11 Command Module Columbia, Neil Armstrong's spacesuit and, in 2022, dinosaur skulls to help understand the bite pressure of the different animals. Recently, the National Museum of African American History and Culture scanned a slave cabin from the Point of Pines plantation in Charleston, South Carolina. The interactive, 3D model is part of a powerful online exhibit, "Slavery & Freedom."

"Access to FARO 3D scanning technology expands the Smithsonian's capacity to document objects and specimens in our massive collection in a compelling and immersive way. These Smithsonian scans are made **available** as viewable and downloadable models that are used by researchers, educators, and artists around the world."

 Vincent Rossi, 3D Program Supervisor, Smithsonian Institution



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Historic Preservation

Intrepid Sea, Air & Space Museum

The decommissioned aircraft carrier *USS Intrepid* has made Pier 86 in New York City its home for 40 years, spending its next life as a museum dedicated to educating the public on the role of the armed services — and the men and women who served — in the national history of resilience and innovation. We were contracted to provide personnel, equipment, and a full point cloud

scan of the ship, including areas that had not been seen by the public since the ship was decommissioned. These scans have been foundational to the museum's work, including the temporary exhibition *On the Mend: Restoring Intrepid's Sick Bay,* in which visitors can explore an interactive 3D model of the clinic.

A joint team of FARO and Intrepid personnel have completed scans of all 15 decks of the Intrepid and are working with an architectural contractor to model the entire ship, along with all the historic airplanes on the flight deck, the Concorde SST G-BOAD (one of 20 Concorde aircraft ever produced), and the Space Shuttle *Enterprise*.

Nashville Historic District

While planned partnerships are a core component of FARO's community focus, we also provide support during times of unexpected crisis. The Christmas Day 2020 bombing of a historic downtown Nashville, Tennessee neighborhood is one example. When one of our customers, the local architecture firm Earl Swensson Associates, Inc., volunteered to digitally map the damaged areas, we were able to quickly partner with them and the Mayor's office to provide several laser scanners and personnel to expedite the process. The digital record serves as both a template for rebuilding efforts of many 150+ year-old buildings and a baseline record for future development.

"To be able to get this many scanners out here to do multiple blocks — I'm not sure how it would ever possibly have happened without FARO."

- Lee Davis, Senior Design Manager, ESa



CONTENTS

Message from President & CEO

COMPANY OVERVIEW

Mission, Vision & Values

Leadership

History & Facts

CORPORATE COMMITMENT

Enabling Sustainability

Materiality

Goals

ESG PROGRAMS

Corporate Governance

Innovating for a Sustainable Future

Environmental Commitment

Social Pillars

COMMUNITY

Developing the Next Generation

Research Partnerships

Historic Preservation

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