

Agfa-Gevaert

Sustainability Report **2009**



Contents

- 3** Message from the CEO
- 4** About this report
- 5** Company profile
- 11** Economy
- 13** Environment
- 27** Human resources policies and practices & corporate citizenship



Message from the CEO

Agfa-Gevaert has a long tradition of good citizenship. As a company we strive for profitable growth, but at the same time we attach great value to the impact that our activities have on the environment, to the health and safety of our employees and to the relations with all of our stakeholders. Our target is continuous progress and in recent years we have been able to significantly improve the eco-efficiency of our manufacturing plants.

Agfa is committed to conserving natural resources, operating its facilities safely and restricting the environmental impact of its activities to a minimum. Despite the difficult economic environment in 2009, Agfa maintained its efforts and succeeded in considerably reducing the usage of natural resources and in diminishing the emissions to air and water. Agfa moreover succeeded in further reducing its absolute and specific waste volumes.

Furthermore, Agfa continues to invest in projects to diminish its environmental impact, including investments in biological water treatment with water re-use and in energy production with a Combined Heat and Power Plant (CHPP).

In January 2007, Agfa's first own CHPP came into operation. This type of energy generation is one of the most efficient ways. First of all it requires less fuel. Secondly, the emission of CO₂ is considerably lower compared to the classic separate heat and power generation. Thanks to this installation, we now produce about 25% of our own electricity demand. A second combined heat and power unit is planned. Together they will provide for more than 60% of our electricity needs and more than 50% of our heat requirements.

In 2009, Agfa has also started building its own wastewater treatment plant in Mortsel (Belgium). When the new treatment plant will be up and running, this main production site will be able to break down the pollution in our own wastewater by means of biological processes. Furthermore, Agfa will install advanced filtering systems, which will separate the purified water from the biomass, after which additional filtration will further purify it until it becomes re-usable. No less than 40% of the water used in the production process will be pumped from the treatment plant back to the production facilities, where it will be re-used.

In addition, our products are designed, developed and manufactured in such a way that the production process, the storage, the transport and the use of products, as well as the waste treatment at the end of the life cycle have minimal impact upon the environment. These eco-friendly products, such as our trendsetting chemistry-free printing plates, allow our customers to operate in the same ecology-conscious way.

This biannual report gives you a good overview of the daily efforts we put into our commitment to the environment we operate in. We invite you to read it and are eager to hear your suggestions or comments.

Kind regards,



Christian Reinaudo
CEO Agfa-Gevaert NV

About this report

Agfa began reporting externally on its environmental performance on an annual basis from 1999. The company publishes the information on its sustainability activities in a concise biennial report, completed with an update every other year. The report provides an overview of Agfa's strategies, activities and progress in the field of sustainability.

Agfa regards corporate sustainability as an element of the business that creates long term stakeholder value and considers this report to be an important tool for maintaining a dialog with all stakeholders: shareholders, customers, government bodies, neighbors and, last but not least, its own employees.

The Sustainability Report takes its lead from the international guidelines of the Global Reporting Initiative (GRI). Agfa understands and acknowledges the guidelines of the Global Reporting Initiative as an important aid to orientation and applies them in an incremental way.

ECPI informed Agfa that, as of December 2009, Agfa-Gevaert was a constituent of the ECPI Ethical Index EMU that is designed to select the 150 top capitalized companies in the EMU (Economic and Monetary Union) market which are eligible investments according to ECPI Screening Methodology. ECPI is dedicated to ESG (Environmental, Social and Governance) Research and Index development, calculation and publication (ECPI® Indices). ECPI monitors more than 4,000 issuers (Companies, Hedge Fund Managers, Governments, Agencies and Supranationals) with a disciplined and certified approach covering a wide range of ESG criteria/issues.

SCOPE OF REPORTING

ECONOMY

The information on economic matters in the current Sustainability Report is based on the Agfa Annual Report 2009.

ENVIRONMENT

Newly acquired company production sites have been included from the moment they became part of the Agfa-Gevaert Group.

Historical data on the former Consumer Imaging production sites, which were divested in 2004, are omitted from this report to allow comparison of the current environmental indicators with those of previous years.

SOCIAL RESPONSIBILITY

Agfa started collecting social data at the end of 2005. The report covers 100% of Agfa's total workforce.

Company profile

The Agfa-Gevaert Group develops, produces and distributes an extensive range of analog and digital imaging systems and IT solutions, mainly for the printing industry and the healthcare sector, as well as for specific industrial applications.

GLOBAL PRODUCTION AND SALES NETWORK

Agfa's headquarters and parent company are located in Mortsel, Belgium. The Group's operational



AGFA'S MOST IMPORTANT PRODUCTION AND R&D CENTERS

- | | | |
|-------------------------|-------------------------|---------------------------|
| 1 Mortsel, Belgium | 8 Bordeaux, France | 15 Branchburg, NJ, USA |
| 2 Ghent, Belgium | 9 Manerbio, Italy | 16 Westerly, RI, USA |
| 3 Wiesbaden, Germany | 10 Macerata, Italy | 17 Thousand Oaks, CA, USA |
| 4 Munich, Germany | 11 Yokneam Elit, Israel | 18 Waterloo, Canada |
| 5 Bonn, Germany | 12 Wuxi, China | 19 Mississauga, Canada |
| 6 Leeds, United Kingdom | 13 Banwol, South Korea | 20 Suzano, Brazil |
| 7 Pont-à-Marcq, France | 14 Bushy Park, SC, USA | 21 Varela, Argentina |

activities are divided in three independent business groups, Agfa Graphics, Agfa HealthCare and Agfa Specialty Products. All business groups have strong market positions, well-defined strategies and full responsibilities, authority and accountability. The company has production facilities around the world, with the largest production and research centers in Belgium, the United States, Canada, Germany, France, Italy and China. Agfa is commercially active worldwide through wholly owned sales organizations in more than 40 countries. In countries where Agfa does not have its own sales organization, the market is served by a network of agents and representatives.

BUSINESSES

AGFA GRAPHICS

Agfa Graphics offers integrated prepress solutions to the printing industry. These solutions comprise consumables, hardware, software and services for production workflow, project and color management. Agfa Graphics is a worldwide leader with its computer-to-film, computer-to-plate and digital proofing systems for commercial and packaging printing and the newspaper publishing markets.

Agfa Graphics is rapidly developing its position in the new segments of industrial inkjet with comprehensive solutions for various applications such as documents, posters, banners, signage, displays, labels and packaging materials. Its experience in both imaging and emulsion technology has provided the expertise required for developing a complete assortment of high-quality inks.

AGFA HEALTHCARE

Agfa HealthCare is a leading provider of diagnostic imaging and healthcare IT solutions for hospitals and care centers around the world. The business group is a major player on the diagnostic imaging market, providing analog, digital and IT technologies to meet the needs of specialized clinicians worldwide. The group is also a key player on the healthcare enterprise IT market, integrating administrative, financial and clinical workflows for entire, and even multiple, hospitals. Today Agfa HealthCare offers over 100 markets access to its leading technologies and solutions, which range from Clinical Information Systems (CIS) and Hospital Information Systems (HIS), radiology information systems (RIS), Picture Archiving and Communication Systems (PACS), Data Centers, as well as advanced systems for reporting, cardiology, decision support, advanced clinical applications and data storage, systems for Direct Radiography

(DR) and Computed Radiography (CR), classic X-ray film solutions and contrast media.

AGFA SPECIALTY PRODUCTS

Agfa Specialty Products supplies a wide variety of film-based products and high-tech solutions to large business-to-business customers outside the graphic and healthcare markets. Its main products are motion picture film, microfilm, film for non-destructive testing as well as film for the production of printed circuit boards (PCB's).

Agfa Specialty Products is active in growth areas with products based on its core competences: materials for identification cards, conductive polymers and related products, synthetic paper and membranes for gas separation and water filtration.

More detailed information about Agfa-Gevaert's businesses, their strategies and their achievements in 2009 can be found in the Group's Annual Report and on www.agfa.com.

RESEARCH & DEVELOPMENT

Agfa's R&D expenses amounted to 149 million Euro in 2009 with 25.5% of R&D expenditure related to Agfa Graphics, 69.1% to Agfa HealthCare and 5.4% to Agfa Specialty Products.

In 2009, *Agfa Graphics* continued to invest in the development of innovative systems and UV inks for the growing industrial inkjet market, launching two new large format systems: the :Anapurna M2 and the :Anapurna Mw. The :Anapurna Mw uses an Agfa developed white ink to add value to specific wide format applications.

In the prepress segment, Agfa Graphics continued its R&D efforts to strengthen its leading position in chemistry-free printing plate systems. As a result, :Amigo TS (thermal printing plate for the commercial market) and :Azura V (violet plate for commercial printing applications) were introduced. Both plates combine the ecological advantages of chemistry-free systems with low investment and operating costs and high reliability and speed.

Agfa Graphics continues further development of its software systems :Apogee Suite (for commercial printers) and :Arkitex (newspapers). These systems offer prepress solutions for workflow systems, integration services for customers with their printer and cost saving products to reduce ink usage on the printing press.

Agfa HealthCare focused its R&D efforts on expanding and strengthening its portfolio. The delivery of next-generation Computed Radiography solutions, the introduction of a Direct Radiography product line, the expansion of its IMPAX offering into new specialties and a further upgrade of its leading HIS/CIS solution ORBIS were key focuses. The business group successfully introduced many of these solutions in 2009. This included the DX-D 500 and DX-D 300 DR solutions, a new market entry for the business; the launch of the DX-G, a next generation CR system able to handle both needle and phosphor imaging technologies; and the introduction of IMPAX for Breast Imaging, delivering new possibilities in mammography.

In 2009, *Agfa HealthCare* also focused its research on new consumables, to eventually replace the current assortment of film, which is subject to a market decline. For instance, the business group examined the possibility to sell Surgical Procedure Sets (containing among other things all surgical drapes and gowns needed for various types of operations). Early 2010 the first drapes and gowns were introduced to the market.

In *Agfa Specialty Products*, R&D was focused on the development of products for growth areas based on *Agfa's* core competencies in polyester film manufacturing and advanced coating technologies.

Synaps[®], a synthetic recyclable paper, was launched in 2008. In 2009 the development efforts have focused on creating a large range of applications for the printing market.

Membranes for gas separation have been developed and are in a first phase of commercialization. A second focal point is the development and production of membranes for biological waste water treatment.

For the high-end smartcard market, durable PET products were developed and launched, compatible with all major personalization and security techniques.

The performance of conductive pastes, inks and coatings for the electronics industry has been further enhanced.

In the same context, several projects are running for the development and the marketing of tailor-made foils, chemicals and services for industrial applications in a variety of imaging and non-imaging markets.

Specialty Products continues to invest in a number of long-term research areas, and it acts as a partner in several pre-competitive research projects.

MILESTONES

- 1867** Founding of the Aktiengesellschaft für Anilinfabrikation (*Agfa*), Berlin, specialized in color dyes
- 1894** Founding of L. Gevaert en Cie., Antwerp, specialized in photographic paper
- 1953** *Agfa* 100% owned by Bayer
- 1964** Merger of *Agfa* and Gevaert
- 1981** *Agfa-Gevaert* 100% owned by Bayer
- 1996** Acquisition of Hoechst's printing plate division (Germany)
- 1998** Acquisition of DuPont's graphic film and offset plate activities (USA)
- 1999** IPO – listed on stock market in Brussels and Frankfurt
- 2002** Bayer sells its remaining 30% stake in *Agfa-Gevaert*
- 2004** Acquisition of Dotrix (Belgium), developer of digital color print systems for industrial applications and of Symphonie On Line (France), developer of hospital information systems
Divestment of Consumer Imaging
- 2005** Acquisition of GWI (Germany), developer of hospital information systems, and Heartlab (USA), developer of digital image and information networks for cardiology
- 2009** Acquisition of Insight Agents (Germany), a European developer and producer of contrast media
- 2010** Acquisition of Gandhi Innovations (Canada), a global leader in large format inkjet systems

Corporate Sustainability at Agfa

WHAT DOES SUSTAINABILITY MEAN FOR AGFA?

For Agfa, Corporate Sustainability is an element of business designed to create long-term value for all stakeholders. It is Agfa's mission to be the partner of choice in imaging and information systems by offering leading edge technology and new ways of working. An important criterion for the successful implementation of this mission is the ability to conduct the company's business in a profitable manner and in line with the environmental and social expectations of its stakeholders.

CORPORATE GOVERNANCE

Agfa-Gevaert has a long tradition of good citizenship. As a company we strive for profitable growth, but at the same time attach great value to the impact that our activities have on the environment, to the health and safety of our employees and to the relations with all of our stakeholders.

We consider Corporate Governance to be an important tool to improve constantly and systematically the way our company is managed and the way our company looks after the interest of shareholders and stakeholders. We are conscious of the fact that the way companies operate in today's society is undergoing profound changes to which we should respond.

Since its listing on Euronext Brussels in June 1999, Agfa-Gevaert NV has paid a lot of attention to the transparency policies while defining the governance of the company. A lot of our existing policies were already in line with the Belgian Corporate Governance Code as issued end 2004. In line with the directives of this Code of 2004, the Board of Directors of Agfa-Gevaert has revised the Corporate Governance Charter on January 30, 2009. On this occasion the Board of Directors has already amended the Corporate Governance Charter in line with the 2009 Draft of the Belgian Corporate

Governance Code (the '2009 Code'). Hence, the 2009 Code is the reference code for the financial year starting on January 1, 2009.

Agfa's Corporate Governance Charter is included in the Investor Relations section of the company's website. The Charter contains ongoing information on Agfa, information on the procedures for general meetings of shareholders and the principles involved in, for example, the assignment and the composition of the Board of Directors, the Executive Management and specialized committees. It also contains a chapter concerning the supervision of the company. An extensive Corporate Governance chapter is also included in the company's Annual Report.

PRINCIPLES, RULES OF BEHAVIOR

RISK MANAGEMENT

Risk Management is a central part of Agfa's management focus. Its mission is to assess methodically the risks related to the Group's activities in order to avoid the negative consequences of any events that might push Agfa's financial performance below expectation.

The Board of Directors therefore created the Corporate Risk Management Committee and the position of Corporate Risk Manager. The Corporate Risk Management Committee has the authority to enforce the implementation of Risk Management across the organization. It defines and monitors the company's risk policy and sets priorities for improvements in risk control procedures.

The Corporate Risk Manager monitors the risk management activities across the Group. He provides support, guidance and best practice recommendations to the risk owners and evaluates the effectiveness of the risk assessment method used by the risk owners.

In order to ensure the effectiveness of Agfa's risk management, internal audits are performed on processes in all business groups and departments

where significant risks can occur. Internal audit resources are linked to Agfa's risk profile and can be monitored through the execution of the audit plan.

CODE OF CONDUCT

It has always been Agfa's belief that it should accept full responsibility as a corporate citizen in all the countries in which it operates. The Code of Conduct is a reflection of the company's goal to compete vigorously, independently, ethically and fairly in all its markets. All employees are required to observe the rules and concepts in the document, as they mirror Agfa's goal of growing in a sustainable manner, always taking into account the wishes and the welfare of its customers, employees, neighbors and suppliers and of future generations; in short the wishes and welfare of its stakeholders.

The rules and principles in the Code of Conduct are broken down into six categories. These principles relate to the way in which the company wishes to interact with its personnel and the outside world.

They are listed here, followed by the main concept behind the set of rules and principles:

- **Use of corporate funds, accounting and record keeping**
The use of corporate funds for any purpose which would be in violation of any applicable law or regulation or would be otherwise improper is strictly prohibited.
- **Conflict of interest – Insider trading**
Employees must be free from the influence of personal interests which interfere, might interfere, or be thought to interfere with their duties and responsibilities to the Company. Employee's acts must be motivated by the Company's best interests rather than any consideration of potential or actual personal advantage.
- **Antitrust**
It is each employee's personal obligation to understand and to adhere to the Company's long-standing policy of complete compliance with the antitrust laws of the European Union and its Member States, the United States and any other foreign nation which may have laws regulating competitive practices.
- **Employee work environment**
The company does not tolerate any form of harassment or discrimination based on race, color, religion, political opinion, sex, age, national origin or disability.

- **Safety, health and environment**

The Company is committed to conserving natural resources, to operating its facilities safely, to protecting the health and safety of its employees, its customers and the community and to minimizing the environmental impact of its activities and products.

The Company accepts responsibility for its products and supports the international 'Responsible Care' initiative, a voluntary program drawn up by the Chemical Industry. Product Stewardship is one of the Company's corporate commitments. It is 'Responsible Care' applied to products, in other words, accepting responsibility for one's products by critically examining the safety, health and environmental issues throughout each stage of the product's life cycle.

- **Patent, copyright and secrecy**

It is the policy of the Company to maintain strict confidentiality with respect to its intellectual property and trade secrets and to respect the intellectual property rights of others.

Ethical conduct does not limit itself to compliance with the text of the Code. The Code of Conduct is a summary of the most important principles of daily management, and is thus not exhaustive. The principles and rules it contains are developed in greater detail in corporate policies or policies developed for the different business groups or subsidiaries.

ETHICAL BUSINESS POLICY STATEMENT

On March 3, 2003, the Board of Directors of Agfa stated in its Ethical Business Policy that the Group will act in accordance with the highest standards of ethical conduct and integrity and will consider its responsibility to protect the environment and the health and safety of its employees, customers and communities to be of primary importance in the conduct of its business.

The Code of Conduct and the Ethical Business Policy Statement are included in the Group's Corporate Governance Charter which can be found in the Investor Relations section of Agfa's website.

ENVIRONMENTAL POLICY

Corporate Safety, Health and Environment Policy
Agfa is committed to the conservation of natural resources, operating its facilities safely and minimizing the environmental impact of its activities and products.

The Group accepts responsibility for its products and supports the 'Responsible Care' initiative, a

voluntary program drawn up by the Chemical Industry. 'Product Stewardship' is another corporate commitment through which Agfa accepts responsibility for its products by critically examining the environmental and safety issues throughout each stage of the product's life cycle.

The general principles of Agfa's Environmental Policy are:

- Comprehensive environmental protection and maximum safety are given the same priority as product quality and operational efficiency;
- Products are designed, developed and manufactured so that the production process, the transportation, the storage and the use of products, as well as the waste treatment at the end of the life cycle have minimal impact upon the environment;
- Agfa is committed to systematically developing environmentally acceptable products and production processes;
- Agfa advises its customers, its employees and the relevant authorities with an evaluation of its products and manufacturing processes, in all matters pertaining to health, safety and environment;
- Agfa does not restrict its activities to merely complying with legal requirements relative to the environment but will take additional measures, on its own initiative and based on its proper sense of responsibility.

Agfa provides safety and environmental information about its products. Product Safety Data Sheets (SDS) contain data about the composition of chemical substances and preparations and the relevant health, safety and environmental information.

Article Information Sheets (AIS) contain data about articles such as film or printing plates. Recycling Passes (RP) contain relevant environmental information about equipment and explain whether hazardous components are present, where they are located and how they can be removed at the end of the product life cycle.

Responsible care

Agfa commits itself to:

- Implement sustainable development concepts aimed at conserving natural resources for the benefit of future generations;
- Operate a management system that sets, reviews and continues to develop targets for improvement in the areas of product stewardship, environmental protection, plant safety, hazard prevention, occupational safety and health;
- Report to all employees and to the public on the current company status and results, and to maintain a dialog, actively responding to their opinions and requests, which will be taken into account when developing future corporate objectives.

Economy

FINANCIAL REPORTING

The Agfa-Gevaert Group considers open communication of paramount importance.

The Group is therefore committed to regularly inform employees, shareholders, financial analysts, the media and the public about its results and activities as stipulated in the statutory regulations.

After each quarter a press release containing information about the results of the Group and its business groups is issued and published on the Group's website, which also contains Agfa's detailed key figures. After every quarter a phone conference covering the results is organized for financial analysts and, on the occasion of the publication of the full year and half-year results, a press conference and a meeting for analysts are organized in the Group's headquarters in Mortsel, Belgium. The conference call and analysts' meeting presentations can be downloaded from Agfa's website. In dedicated meetings, Agfa's employees are given the opportunity to discuss the quarterly results with members of the management team.

Agfa's general and financial press releases can be downloaded from the News and Events section of the Group's website. The company's Annual Report, key figures, financial calendar, analyst presentations and information on the Annual General Meeting can be found in the Investor Relations section of the website. This section also contains a dedicated 'Contact Us' form for questions related to investor relations.

ECONOMIC PERFORMANCE IN 2009

In 2009, the Agfa-Gevaert Group's revenue decreased 9.1% to 2,755 million Euro (3,032 million Euro in 2008). The economic crisis affected businesses in the first half of the year. In the second half of the year, the crisis-driven decline in Agfa-Gevaert's markets started to bottom out.

Agfa Graphics' revenue decreased 11.9 percent compared to 2008. The effects of the economic slowdown – which surfaced in the course of 2008 – persisted in the first quarters of 2009. In the second half of the year the crisis-driven decline started to bottom-out. In the last months of 2009, both the prepress and the inkjet market started to recover, mainly in North America and the emerging countries. However, the crisis-related increased competitive pressure in the Computer-to-Plate segment continued throughout the year.

Agfa HealthCare's revenue decreased 3.7 percent compared to the previous year. The business group was able to limit the effects of the economic crisis. Although some care organizations were postponing their investments in equipment and IT, Agfa HealthCare was able to safeguard its sales. In line with expectations, the revenue growth in IT did not suffice to fully compensate for the market driven revenue decline in Imaging.

Mainly because of the weak economic conditions, the market-driven decline for some of the Classic Film products and the shift of part of the film business to Agfa Graphics in the fourth quarter, Agfa Specialty Products' revenue decreased 17.8 percent compared to 2008. Year-on-year sales of the New Business products improved and in the last months of the year, some of the markets for traditional film products started to recover from the effects of the economic crisis.

The Group's net finance costs amounted to minus 114 million Euro, compared to minus 83 million Euro in 2008. This increase was due to the increased pension deficit, which was caused by the evolution of the stock markets in 2008.

Income tax expense amounted to 49 million Euro versus 60 million Euro in 2008. Current tax expense amounted to 14 million Euro and deferred tax expense amounted to 35 million Euro (non-cash item).

In 2009, the result from operating activities amounted to 170 million Euro, versus minus 23 million Euro in the previous year. Income before taxes thus reached 56 million Euro, against minus 106 million Euro in 2008.

Mainly due to the strong operational performance in all business groups in the last quarters of the year, a positive net result of 6 million Euro, or 0.05 Euro per share, was booked, compared to minus 167 million Euro, or minus 1.34 Euro, in 2008. The 2008 result was subject to an important impairment loss, an exceptional tax charge and considerable restructuring costs.

More detailed information about Agfa-Gevaert's economic performance in 2009 and the 2009 financial statements can be found in the Group's Annual Report on www.agfa.com.

Environment

ENVIRONMENTAL MANAGEMENT

ENVIRONMENT MANAGEMENT SYSTEM

Corporate Environment

The Corporate Environment department reports directly to the Chief Operating Officer, a member of the Executive Committee. The department is responsible for defining the corporate policy in the field of Safety, Health and Environment, for co-ordinating and auditing the implementation of this policy and for advising all Agfa organizations.

Product Safety and Ecology

The Product Safety and Ecology department deals with enviro-technical and enviro-legal aspects of products that are manufactured and distributed worldwide.

This department is responsible for:

- The information disclosed in Agfa's SDS (Safety Data Sheets), AIS (Article Information Sheets) and on Product Labels for Agfa's commercial chemicals;
- Providing expert advice to Research and Development about the safety, health and environmental aspects of chemical substances and preparations, before these are used in new Agfa systems;
- Co-ordinating (eco-)toxicological studies on new chemical products used by Agfa;
- Filing technical and legal dossiers with authorities;
- Assisting the Agfa sales organizations worldwide with respect to technical and legal environmental questions from the markets concerned.

Eco-design of Equipment

The Equipment Eco-design department holds responsibility for eco-design of equipment, Life Cycle Analysis (LCA) and recycling of equipment and for the transfer of this knowledge and expertise to the business groups.

It also performs Recycling Assessments during the development of new equipment and supports manufacturers in compiling Recycling Passes for equipment.

Safety, Health and Environment Management Committee

The corporate Safety, Health and Environment Management Committee (SHE-MC) sets the environmental, health and safety policies, targets and priorities for the business groups and business units.

The Committee includes one Member of the Executive Committee, responsible for the Environment, the Head of Corporate Environment, the Operations Vice Presidents of Agfa Graphics, Agfa HealthCare and Agfa Global Production Materials.

Product Safety and Ecology Information Committee

The Product Safety and Ecology Information Committee (PSE-IC), chaired by the Head of Corporate Environment, informs, advises, supports and audits the business groups on customer oriented environmental business policies.

Members of the PSE-IC include representatives of the business groups, Eco-design of Equipment and the Product Safety and Ecology department. In order to fulfil this task, the PSE-IC keeps a close eye on legal developments worldwide, on customer problems and competitors' actions.

Environmental departments at the manufacturing sites

The local Management of Agfa's manufacturing sites is responsible for implementing the Corporate Safety, Health and Environment Policy and Guidelines and for complying with the local legislation that is applicable to the operation of the manufacturing site itself.

Management Systems Co-ordinators

In all local organizations where an environmental and occupational health and safety management system has been set up, Management assigns management representatives. Those Management System Co-ordinators are responsible for implementing and maintaining the Management Systems.

EHS assessment within the business groups

In the Agfa Graphics business group, the Marketing Manager and Application Manager take care of commercial issues related to safety, health and environmental aspects of products, systems and services. They have their counterparts in the various sales organizations, and take decisions within SLTs/PLTs (Segment Line Teams/Product Line Teams).

When the Agfa HealthCare business group brings medical products to the market, it applies a systematic approach to assess all requirements regarding safety, health and environment of products and solutions. For new products the environmental requirements are formally defined in an 'environmental assessment'. For product changes, those aspects are part of the 'change assessment', also defining environmental needs. Products can only be put on the market after it has been verified that all defined needs are met.

All business groups have representatives in the Product Safety and Ecology Information Committee and are supported by the Product Safety and Ecology department.

Packaging Committees

The business groups have Consistency Teams that monitor the safety and environmental aspects of packaging of products. The sales organizations can rely on a co-ordinator to gather data on packaging materials, needed for local packaging waste collection and recycling initiatives.

Local Environmental Committees

Local Environmental Committees have been installed in a number of sales organizations. It is their task to co-ordinate local environmental initiatives among the various business groups, and to improve communication with headquarters.

PRODUCT ENVIRONMENTAL ASSESSMENTS

Life Cycle Assessment (LCA) is a technique for assessing the environmental impact associated with a product during its entire life cycle. The most important applications are the analyses of the contribution of the different life cycle stages to the overall environmental impact, usually with the aim of prioritizing environmental improvements in products or processes, and the comparison between technologies, systems and products for internal or external communication.

Practice of LCA within the Agfa-Gevaert Group

Agfa applies two types of LCA: formal and simplified.

The formal LCA fully complies with the rules, requirements and proceedings as defined by the ISO 14040 and ISO 14044 standards. It considers all stages of the life cycle 'from cradle to grave' with wide but well defined system parameters.

The application of formal LCA's at Agfa began in the mid nineties in cooperation with VITO (Flemish Institute for Technological Research). Until now studies have been carried out regarding direct-to-paper digital color printing, film processing machines, film types used for the production of printed circuit boards, dry copy film for medical and graphic applications, treatment of photochemical waste, computer-to-plate printing plates and processless computer-to-plate printing plates.

Agfa uses formal LCA mainly to compare systems or technologies to identify and quantify improvement opportunities for its products and operations.

In 2009, Agfa Graphics commissioned VITO to perform a Carbon FootPrint-study of their CtP-systems.

QUALITY, ENVIRONMENTAL AND SAFETY MANAGEMENT SYSTEMS ISO 9001, 14001 & OHSAS 18001

In view of its commitment to the conservation of natural resources, to the safe operation of its facilities and to minimizing the environmental impact of its activities and products, Agfa installed quality, environmental and safety management systems in compliance with the international standards ISO 9001, ISO 14001 and OHSAS 18001.

The following table gives an overview of the certificates that are obtained by the different Agfa sites:

Site	Country	ISO 9001 Quality Management System	ISO 14001 Environmental Management System	OHSAS 18001 Safety Management System
Banwol	South Korea	✓	✓	✓
Branchburg	USA	✓	Planned	Planned
Heultje	Belgium	✓	✓	
Leeds	United Kingdom	✓	✓	✓
Manerbio	Italy	✓	Planned	Planned
Mortsel	Belgium	✓	✓	
Peissenberg	Germany	✓		
Pont-à-Marcq	France	✓	✓	Planned
Suzano	Brazil	✓	✓	✓
Vallese	Italy	✓	Planned	Planned
Varela	Argentina	✓	✓	
Wiesbaden	Germany	✓	✓	Planned
Wuxi Imaging	China	✓	✓	✓
Wuxi Printing Plate	China	✓	✓	✓

STAKEHOLDER RELATIONS

ENVIRONMENT AND SAFETY FOR AGFA STAFF

Agfa considers environmental issues and safety of equal value to operational efficiency and product and service quality. Environment and safety as concepts have therefore been fully integrated into the global Agfa organization.

Life Cycle Analysis is used wherever appropriate to take the right decisions.

Each business and product group has people responsible for the implementation of corporate environmental and safety guidelines and for upgrading environmental and safety characteristics.

Local Environmental Committees have been established in a number of sales organizations with representatives from all business groups.

Information on environmental and safety activities is also published on the Agfa Internet and Intranet websites.

ENVIRONMENTAL INFORMATION FOR AGFA CUSTOMERS

Safety Data Sheets (SDS)

Agfa has SDS available for all products that require them according to international and local regulations. SDS contain the information that is necessary for safely handling chemical products and their purpose is to prevent accidents. They are available

to business partners handling the products as well as to end-users.

Article Information Sheets (AIS)

Agfa also publishes AIS, which contain environmental and safety information related to 'articles' (products that have a fixed form like film, printing plates etc.) in the form of data sheets.

Recycling Passes (RP)

Agfa has initiated Recycling Passes for all new equipment that will be launched on the market. RPs contain relevant environmental information about the equipment and explain whether hazardous components are present, where they are located and how they can be removed at the end of the life cycle.

RPs are intended to inform customers about relevant environmental topics and to act as the guideline for waste treatment partners and companies that want to recycle life-expired Agfa equipment.

Brochures

Agfa publishes a sustainability report every two years.

In the intervening years, a concise interim report is published on the company's website.

Occasionally, a customer testimonial on the environmental performance of Agfa solutions is published in magazines issued by the business groups.

Websites

Environment related news can be found on Agfa's website www.agfa.com (About us/Our Company/Environment).

ENVIRONMENTAL INFORMATION FOR SUPPLIERS

Agfa includes environmental conditions in the contracts made with finished product and raw material suppliers. These conditions concern the presence in products of specific substances that are environmentally hazardous.

ENVIRONMENTAL INFORMATION FOR COMMUNITY RESIDENTS

Some of Agfa's large manufacturing sites are, for historical reasons, located in residential areas. They fully understand the need for effective neighborhood dialog. In Mortsel, a neighborhood committee has been operating successfully since 1995.

ENVIRONMENTAL INFORMATION FOR AUTHORITIES AND MEDIA

Agfa maintains constructive communication with authorities and media by adequately responding appropriately to requests for environmental research data and reports.

Agfa has numerous memberships worldwide of organizations that serve their industry and its environmental aspects.

ENVIRONMENTAL INFORMATION FOR SHAREHOLDERS/INVESTORS

In its Annual Report, Agfa discloses information about provisions for environmental protection.

This Sustainability Report gives information about the environmental and social performance of the Group.

PRODUCTION-RELATED ENVIRONMENTAL PROTECTION**OVERVIEW OF THE SITES INVOLVED**

In the fiscal year, 2009, the number of sites taken into account for the corporate sustainability report did not change compared to the previous year.

Mortsel includes the sites in the Belgian towns of Mortsel, Wilrijk, Edegem and Westerlo (Heultje).

The cut-off dates with regard to data input for this report were set at 01.01.2009 and 31.12.2009 for all sites.

Country	Site	Type of products
Argentina	Varela	Film, chemicals
Belgium	Mortsel	Film, paper, chemicals
Brazil	Suzano	Printing plates, chemicals
China	Wuxi Imaging	Conversion of film
	Wuxi Printing Plate	Printing plates
	Pont-à-Marcq	Film, printing plates, chemicals
	Munich	Equipment
Germany	Peissenberg	Equipment
	Peiting	Equipment, accessories
	Schrobenhausen	Accessories
	Wiesbaden	Printing plates
Italy	Manerbio	Printing plates
	Vallese	Printing plates
South Korea	Banwol	Printing plates, chemicals
United Kingdom	Leeds	Printing plates
USA	Branchburg	Printing plates
	Bushy Park	Conversion of film
	Teterboro	Chemicals

TYPE OF OPERATIONS

All sites are involved in one or more of the following operations:

- Production of photographic film and/or paper
- Production of printing plates
- Production of processing chemicals
- Production of equipment

Production of film and paper

Only the Mortsel site produces polyester film base. Other polymer film bases or paper are purchased from external suppliers. Film base or paper is coated with emulsion layers. The production of emulsion itself is a separate production process. Some of the chemical components of the emulsion layers are also produced at some of the other sites. The final step in film production comprises converting (cutting-to-size) and packaging.

Production of printing plates

The base for most printing plates is aluminum sheet which is purchased from external suppliers and further pretreated and coated at the plate manufacturing sites. Most emulsions do not contain silver, but there are some exceptions. The final step in the production of printing plates is, as for film, converting and packaging.

ENVIRONMENTAL INDICATORS

In line with above considerations, Agfa has selected the following main indicators to evaluate its environmental performance:

Water consumption	m ³ /year
Specific water consumption	m ³ /tonne of product
Water consumption excluding cooling water	m ³ /year
Specific water consumption excluding cooling water	m ³ /tonne of product
Wastewater loads	tonnes/year
Specific wastewater loads	tonnes/tonne of product
CO ₂ emissions to air	tonnes/year
Specific CO ₂ emissions to air	tonnes/tonne of product
NO _x , SO ₂ , VOC, VIC emissions to air	tonnes/year
Specific NO _x , SO ₂ , VOC, VIC emissions to air	tonnes/tonne of product
Specific VOC emissions to air	tonnes/tonne of product
Waste volumes	tonnes/year
Specific waste volumes	tonnes/tonne of product
Specific hazardous waste volumes	tonnes/tonne of product
Energy consumption	TeraJoule/year
Specific energy consumption	TeraJoule/tonne of product
Environmental incidents and complaints	number

Production of processing chemicals

After the exposure of films or printing plates to a light source by the customer, they need to be 'chemically developed' in order to obtain a visible image, although some plates are now chemistry-free and some types of film can be developed using heat.

The manufacture of processing chemicals mostly comprises the mixing of ingredients, bottling and packaging.

Production of equipment

Production of equipment includes mechanics, electronics, optics and software. Chemical and other pretreatment are required during the production of equipment.

ENVIRONMENTAL IMPACT

The environmental impact of production operations mainly consists of emissions to air, water and soil, depletion of resources and consumption of energy.

Equally important are the safety aspects of the operations and the efforts to avoid environmental incidents and complaints.

SUMMARY OF ENVIRONMENTAL ACHIEVEMENTS

The total production volume decreased by 12.3% compared to 2008. All manufacturing sites suffered from decreasing volumes due to the worldwide economic crisis that started end of 2008.

Despite the economically difficult period, Agfa performed well in achieving its corporate environmental objectives. The company performed better for all of the absolute environmental indicators. The specific environmental indicators remained stable or increased only slightly, whereas the specific waste volumes even improved significantly.

The total water consumption decreased by 2.2% compared to 2008. The water consumption, cooling water excluded, followed the drop in production volumes. The cooling water consumption, however, rose significantly with about 6.8%. This raise is the net result of relatively important increases in Manerbio and Wiesbaden (+ 390,000 m³) and of an important decrease in Wuxi (-190.000 m³). As a result the specific water consumption, cooling water excluded, remained stable, while the specific total water consumption increased.

Wastewater loads lie at about the same level as the preceding year, 2008. A higher COD and nitrogen-level is compensated by a lower phosphor level.

The total CO₂ emissions fell by 6.3%. In the manufacturing site in Wiesbaden an increase of CO₂ emissions occurred due to the fact that aqueous coatings with fewer solvents were increasingly used. The drying of these coatings demanded more energy. As a result the overall specific CO₂ emissions slightly increased.

VOC emissions were strongly reduced, not only by smaller production volumes but just as much by further reduction of the use of solvents in the coatings in Mortsel and Wiesbaden.

Total waste volumes went down more than could be expected based on the decreased production volumes. As a result the specific waste volume, as well as the specific hazardous waste volume shows a continuously decreasing trend since 2005. This proves the constant attention from Agfa to minimize losses and to reduce environmental impact.

Although energy consumption decreased, the specific energy consumption slightly raised. The reason is that, despite lower production volumes, heating and cooling of non-production buildings remain the same.

Mortsel reported environmental incidents that mainly concerned effluents. Only two fines were reported: one by Banwol and one by Wuxi Printing. Complaints from neighbors were reported only by Mortsel. They mainly concerned noise and green maintenance. As part of a regular consultation procedure with the neighborhood committee, corrective measures to solve these problems have been discussed and agreed upon.

ENVIRONMENTAL TARGETS AND PRIORITIES

Agfa is committed to conserving natural resources, operating its facilities safely and restricting the environmental impact of its activities to a minimum.

Despite the fact that 2009 was a very difficult and uncertain economic year Agfa succeeded in considerably reducing the usage of natural resources and in diminishing the emissions to air and water.

Agfa moreover succeeded in further reducing its absolute and specific waste volumes while maintaining stable or slightly increased specific water and energy consumption, air emissions and wastewater loads.

Agfa continues to invest in projects to diminish its environmental impact including investments in biological water treatment with water re-use and in energy production with a Combined Heat and Power Plant (CHPP).

Agfa HealthCare has been awarded the 'Factory of the Year' prize in a competition organized by the German magazine Production and management consulting firm AT Kearney. On 26th of October 2009, Agfa HealthCare's facility at Peissenberg, Germany, won in the category 'Outstanding Assembly'.

ENVIRONMENTAL PERFORMANCE OF THE AGFA-GEVAERT GROUP OVER THE LAST 12 YEARS

In the comments below, the environmental performance of fiscal year 2009 is compared with the performance of fiscal year 2008. The graphs and tables illustrate the general trends since 1998. Historical data from the former Consumer Imaging sites are not included.

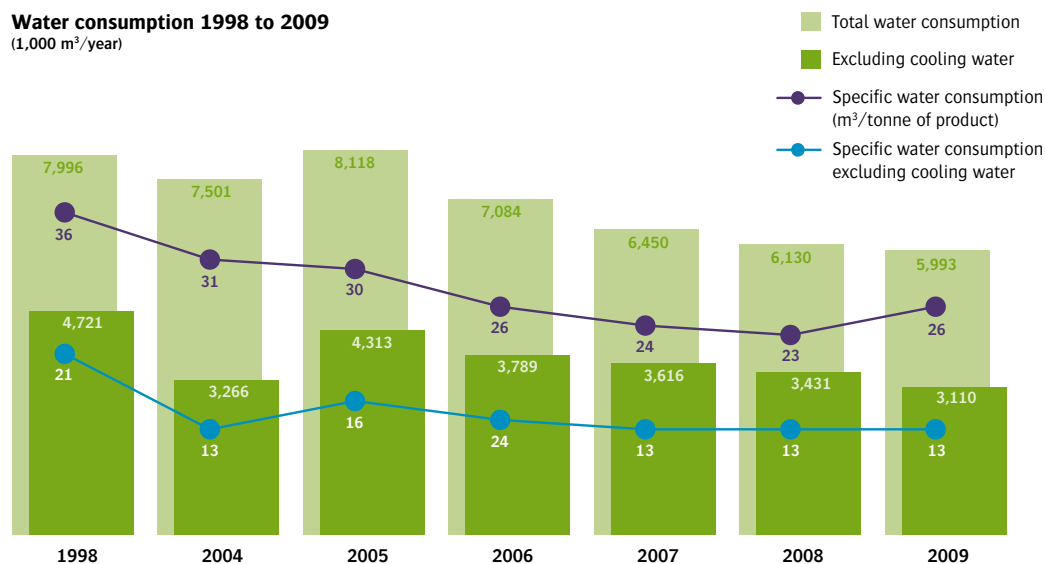
Production volumes

The table below gives an overview of the Group's production volumes for the last 12 years. Compared to 2008, the Group's volume went down by 12.3% due to the worldwide economic crisis.

Volume	1998	2001	2004	2005	2006	2007	2008	2009
Tonnes/year	224,933	261,274	245,691	274,978	273,612	270,567	265,002	232,434

Water consumption

Water consumption 1998 to 2009
(1,000 m³/year)



In 2009, the total water consumption amounted to 5,993,449 m³, mainly consisting of process and sanitary water (51.9%) and cooling water (48.1%).

Despite a significant decrease in production volume (-12%), the total water consumption decreased by only 136,649 m³ or 2.2% compared to 2008.

Water consumption, cooling water excluded, fell by 321,442 m³ (or 9.4%) mainly due to the decrease in production volumes.

Cooling water consumption, however, rose by 184,793 m³ or 6.8%. The reason was:

- a significant raise of the cooling water consumption due to a defect in the cooling system of an administrative building in Wiesbaden.
- the installation in Manerbio of a water counter on the cooling water. It came out that the estimated cooling water volumes from previous years were not correct.

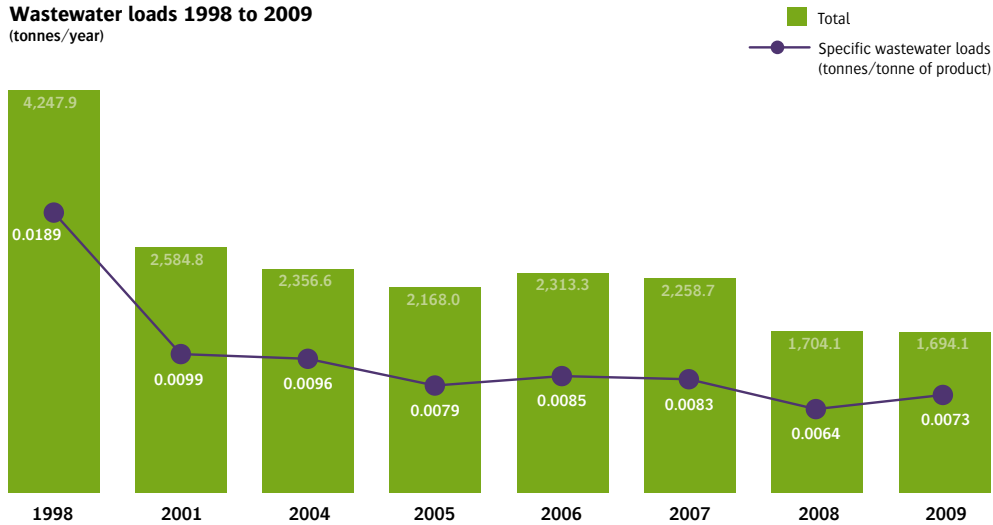
These two phenomena caused an increase of the figure for cooling water consumption of ca. 390,000 m³.

On the other hand, in the summer of 2009, the Wuxi Imaging plant was relocated. In the new plant no cooling water is needed. This is the reason for a strong decrease in cooling water consumption (-190,000 m³).

The above explains the increase of the overall specific water consumption from 23 to 26 m³/tonne of product. Specific water consumption, cooling water excluded, remains at a constant level of 13 m³/tonne of product.

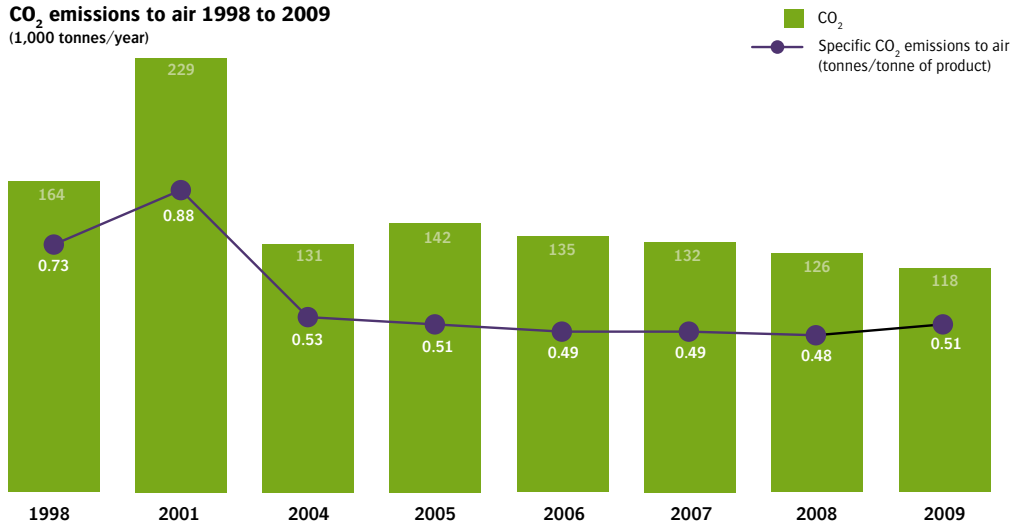
Wastewater loads

Year	1998	2001	2004	2005	2006	2007	2008	2009
COD	4,018.4	2,375.4	2,095.5	1,952.4	2,015.4	1,958.6	1,476.8	1,573.7
N	200.8	175.3	244.1	196.8	122.4	94.1	97.8	116.1
P	26.8	29.8	14.9	13.3	172.3	203.7	127.6	2.2
AOX	1.1	3.4	1.4	4.9	2.4	1.8	1.4	1.4
Heavy metals	0.9	0.9	0.7	0.7	0.9	0.6	0.5	0.8
Total	4,247.9	2,584.8	2,356.6	2,168.0	2,313.3	2,258.7	1,704.1	1,694.1

Wastewater loads 1998 to 2009
(tonnes/year)

The wastewater flows from most of the manufacturing plants are processed by external biological treatment plants. In order to adapt the composition of the wastewater to meet the requirements of external treatment plants, the wastewater is pretreated at the Agfa-sites to remove non-biodegradable substances.

The wastewater load lies at about the same level (ca. 1,700 tonnes) as the preceding year 2008.

Emissions to air
CO₂ emissions to air**CO₂ emissions to air 1998 to 2009**
(1,000 tonnes/year)

Compared to 2008, a further decrease of 7.9 tonnes or 6.3% was reported.

This follows the decrease in production volumes except for Wiesbaden where, despite the lower production volume and an active CO₂ reduction program, an increase of ca. 11% was noticed.

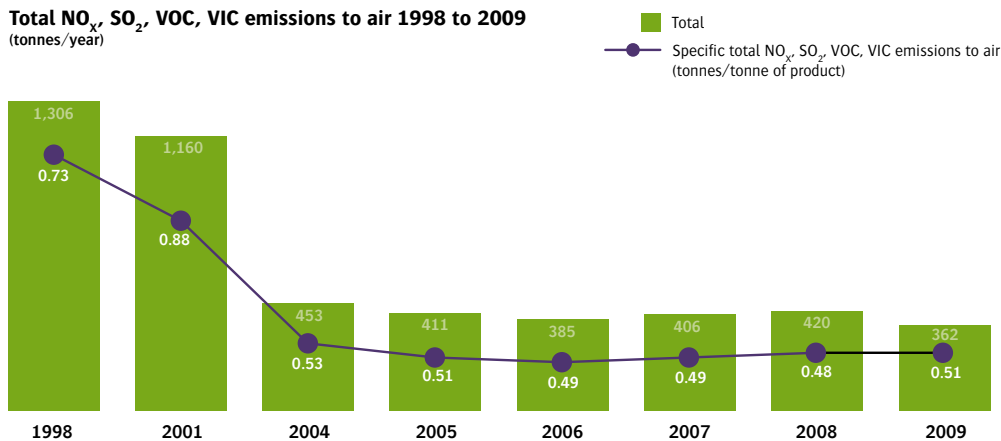
The latter was caused by a change in production where more aqueous coatings demanded more energy for drying with a relatively small raise of the specific CO₂ emissions as a consequence.

Since 2008 Wiesbaden is able to obtain 32% of its electricity from CO₂ neutral sustainable energy sources. Suzano operates for 100% on CO₂ emission free electricity from renewable sources.

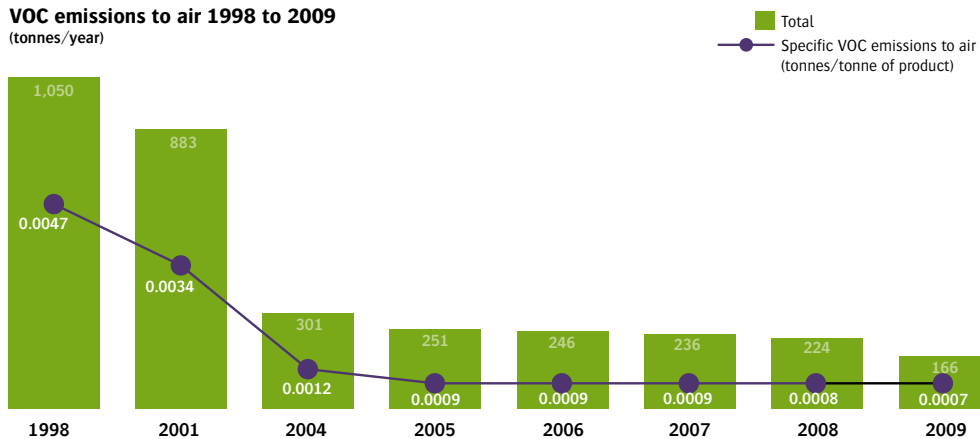
NO_x, SO₂, VOC, VIC emissions to air

Volume tonnes/year	1998	2001	2004	2005	2006	2007	2008	2009
NO _x	186	189	136	137	127	157	164	141
SO ₂	58	76	3	11	7	8	28	50
VOC	1,050	883	301	251	246	236	224	166
VIC	12	11	12	12	5	5	4	4
Total	1,306	1,160	453	411	385	406	420	362

Total NO_x, SO₂, VOC, VIC emissions to air 1998 to 2009
(tonnes/year)



VOC emissions to air 1998 to 2009
(tonnes/year)



The total volume of emissions, CO₂ excluded, fell with 58.7 tonnes or 14% compared to 2008. This is mainly caused by the fall of the production volume resulting in a specific volume of emissions, CO₂ excluded, that remains at the same level as in 2008.

Peiting no longer needs fuels for energy production: they use long-distance heating from landlords.

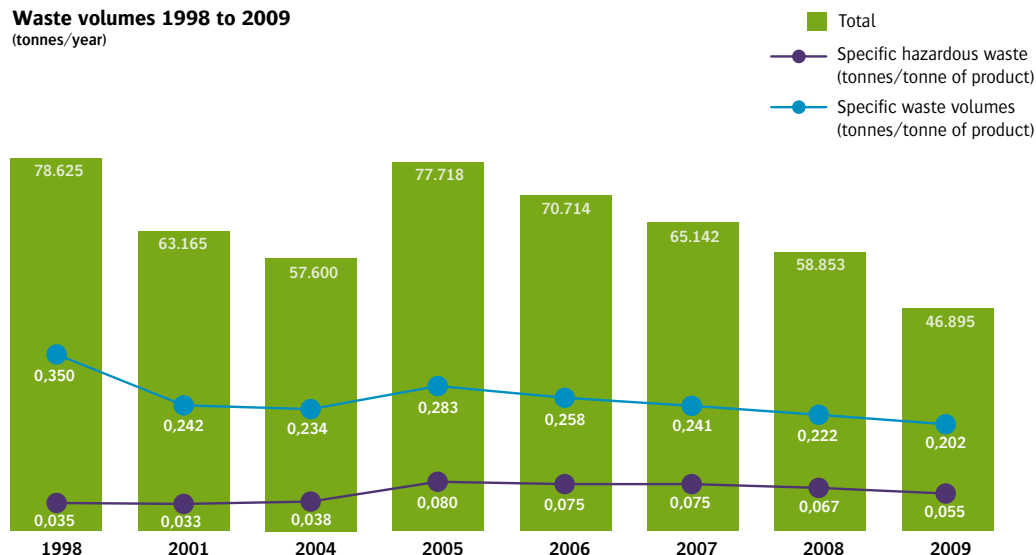
In Mortsel and München, the tanks that contained liquid fuel, were emptied. This is the cause for the rise of SO₂ emissions in 2009.

VOC emissions were reduced by 57.7 tonnes or 25.8% compared to 2008. Half of this reduction is explained by decreasing production volumes. The other half of this reduction is caused by a further reduction of solvents in the coatings in Mortsel and Wiesbaden.

Waste

Volume tonnes/year	1998	2001	2004	2005	2006	2007	2008	2009
Landfill	12,685	13,339	7,940	8,721	2,868	2,110	1,715	1,590
Incineration	539	585	403	843	247	262	203	192
Recycling	42,706	39,784	40,698	60,687	60,608	56,580	51,604	40,267
Energy recovery	4,062	3,289	2,267	1,792	1,997	2,032	1,674	1,301
Physico-chemical treatment	880	1,348	1,450	1,655	1,159	957	705	892
Valorization	17,753	4,820	4,842	4,020	3,835	3,202	2,652	2,652
Total	78,625	63,165	57,600	77,718	70,714	65,142	58,853	46,895
Non-hazardous	93%	86%	84%	72%	71%	69%	70%	74%
Hazardous	10%	14%	16%	28%	29%	31%	30%	27%

Waste volumes 1998 to 2009
(tonnes/year)



The total waste volume in absolute figures went down by 25.5% compared to 2008. The strongest declines were seen in Vallese (-2,787 tonnes), Manerbio (-2,615 tonnes) and Wuxi Printing (-1,970 tonnes) due to decreased production volumes.

For the second year in a row, Mortsel's specific waste volume ended up at less than 10% (9.4%) as a result of the on-going waste reduction plan.

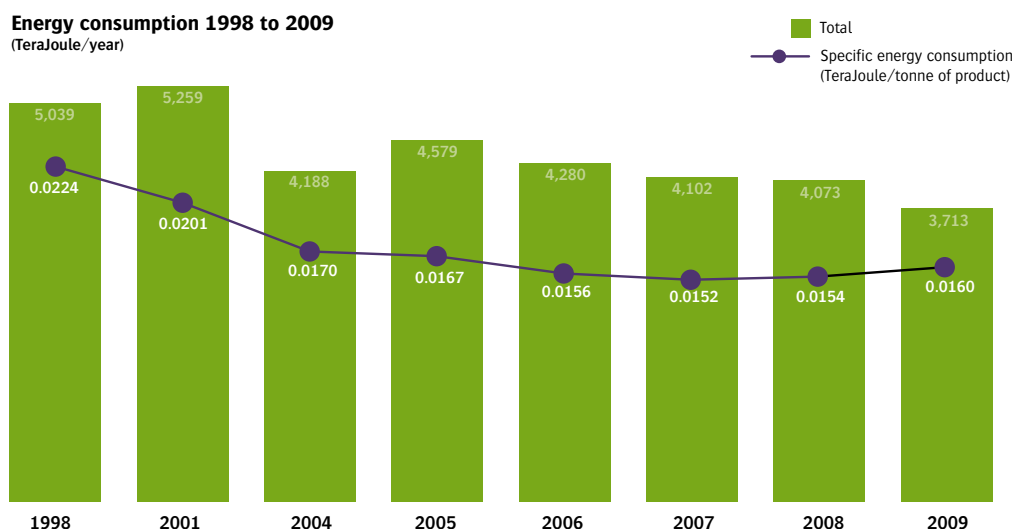
Since 2005, the specific waste volumes as well as the specific hazardous waste volumes show a continuously decreasing trend. This proves the continuing concern of Agfa to minimize losses and environmental impact.

Landfill decreased by 7.9% in 2009.

Recycling went down by 28% compared to 2008, mainly in Vallese, Wuxi Printing and Manerbio.

Energy recovery also fell by more than 28%, mainly in Mortsel and Wiesbaden.

Energy



Total energy consumption decreased by 8.8% in 2009, mainly due to the fall in production volumes.

The specific energy consumption slightly rose from 0.0154 to 0.0160. The reason is that, despite lower production volumes, heating and cooling of administrative buildings remains at about the same level.

Wiesbaden introduced a new cooling technology that resulted in a 7% drop of energy demand.

Environmental incidents, complaints and fines

Incidents

In 2009 Mortsel reported 12 environmental incidents to the Belgian authorities. They mainly concerned minor violations of the wastewater permit. In spite of the increasingly stringent legislation, the number of incidents slightly decreased in comparison with 2008 (from 14 to 12).

Banwol reported one incident. Wuxi Printing also reported one incident that concerned the violation of an emission limit.

Complaints

As in the previous years, only Mortsel reported external complaints from neighbours in 2009. These complaints concerned only noise pollution and green maintenance.

Fines

Banwol and Wuxi Printing reported environmental fines for a total amount of 5,288 Euro.

PRODUCT-RELATED ENVIRONMENTAL PROTECTION

THE RENEWAL ASSORTMENT OF ECO-PRODUCTS OF THE AGFA GRAPHICS BUSINESS GROUP

Digital Prepress (computer-to-plate or CtP)

Introduced in 2004, the :Azura chemistry-free thermal printing plate continues to be a success in the market of chemistry-free plate solutions. It employs Agfa's patented Thermofuse™ technology. To make :Azura plates, no caustic developer is needed and no rinsing water is used. :Azura has become the market leader in chemistry-free plate solutions with a market share of 80% of the chemistry-free market.

As reported by the VITO (Flemish Institute for Technology Research) the environmental index of the :Azura systems is a factor of approximately six lower than that of the more conventional thermal solutions. Not only is the :Azura plate more environment friendly because of the conceptual innovations, it also offers a more sustainable solution to the user. As there is no more developer like in a conventional system, there also is no more need to follow up the temperature, pH, water conditions etc in the system. Also is there no more warming-up of the chemistry, all introducing ease of use and reduction of resources. The system is considered convenient and timesaving.

Agfa now introduces more products that also use Thermofuse technology or apply similar working methods as to reduce waste and ecological impact, offering more stable solutions, easy to use and maintain. Agfa's :Amigo plate, designed for longer press runs, also employs Thermofuse technology. It uses less than half the volume of chemistry then the P970.

Agfa's high-productivity :Energy Elite plates facilitate the reduction of alcohol, the key source of VOC emissions (Volatile Organic Compounds), on press. The plate's substrate reduces the need to wash the blanket, reducing VOC emissions even further. Furthermore, :Energy Elite plates consume less energy because they do not require baking. Agfa's improved developer increases bath life, further reducing chemical waste.

The company's visible light violet-laser chemistry-free plate eliminates the use of high pH chemistry, significantly reducing chemical waste. Because they do not use pre-washing, they also reduce water consumption. This plate is being used in newspaper environments also looking for ecological solutions.

Pre-Press equipment

Agfa has launched a newer version of the :Avalon N8. Next to a series of changes to offer better efficiency, also the power consumption has been reduced with 25% due to a redesign of some of the cooling circuitry.

Press room chemistry

The :Azura CtP Plate Cleaner replaces Azurakleen, Polykleen, Lithostar Kleen and Thermokleen to dramatically less VOCs (from 44.4% to 20.7%).

Designed for Agfa plates, special press founts require lower dampening levels and less blanket washing, to reduce VOC emissions even further.

The :Anturafount AFS1 is a sheet-fed fountain solution developed for alcohol-free printing. The elimination of flammable, VOC producing solutions is consistent with Agfa's commitment to a cleaner and safer working environment. Not only is the system more environment friendly, also does it eliminate the need for customers to buy, store and use alcohol in the production process.

In 2009 Agfa Graphics launched :Anturafount CS1 in newspaper environments. As a result the printing press start-up time is considerably shortened and hence paper waste reduced.

Digital prepress systems: software

Linking business processes and prepress production, JDF (Job Definition Format) capability in Agfa workflow software eliminates paper job jackets, saving time, money and waste. Hybrid print support allows the re-use of existing workflow systems for other digital print devices, more suited for low volume printing, hereby reducing waste and saving time and money. Internal quality control has been improved by optimizing the preflight towards actual production plans in the workflow. The self-service mode of the portal product allows for an unattended submission of jobs to the prepress workflow system, reducing time and effort.

Ink and waste reduction

Agfa offers newspaper and commercial printers the means to reduce ink consumption by up to 25%. Thanks to :Arktix Optilink (for newspapers) and :ApogeeX InkSave (for commercial printing), printers can use less drying powder and shorten the start-up time for their presses and hence have less paper and ink waste. The software leads to more stable print-runs and dramatically reduced waste volumes. The :Arktix AutoInk (for newspapers) and :ApogeeX InkDrive (for commercial

printing) automatic ink adjustment software solutions provide faster press start-ups and less paper waste.

Soft proofing

Agfa's WebApproval soft proofing solution offers on-screen proofing, eliminating the need to print hardcopy proofs and therefore saving both ink and paper. It also eliminates ink cartridge waste and fuel-consumption during transport (for courier services). Agfa's state-of-the-art soft proofing technology allows communication and collaboration between the different stakeholders of the approval cycle. This level of efficiency saves both time and money, reduces errors and hence reducing environmental impact.

Blade configurations and virtualization

By supporting hardware blade configurations, modern server architectures and virtualization software (vmware), the number of hardware systems for existing customer installations can be significantly reduced, thereby reducing power consumption, heat dissipation, waste and costs.

Hardcopy proofing

When a hardcopy proof is essential, Agfa's proofing software determines the optimum page position to minimize paper waste. Integrated, automated calibration tools improve the efficiency of maintaining the hardcopy devices in a reference state.

Wide format printing and proofing systems

Over the last two years, Agfa has continued to develop water-based and eco-solvent inkjet inks, while more and more focusing on UV curable inkjet inks.

Agfa Graphics is moving into the industrial inkjet printing arena with UV curable inkjet inks that polymerize upon UV exposure. The Agfa UV curable inks are free of solvents and thus contain no VOCs, which is an important advantage over solvent-based inks. Agfa considers the health & safety issues of these compounds when selecting the reactive monomers used in UV curable inks.

Agfa Graphics' focus is on inkjet printing systems (:Dotrix, :M-Press, :Anapurna wide format printers) using UV curable inkjet inks. The company optimizes the inks to reduce ingredient waste during equipment washing between production runs.

Packaging

In 2008-2009 several packaging changes were implemented to either reduce the amount of packaging material used or to introduce greener packaging elements.

In 2009 actions were started to change the ordering pattern of customers to make the supply process leaner. This resulted in a reduction of 100 ton cardboard and paper used. Some 200 ton laminated cardboard were replaced by recyclable white cardboard.

The change in ordering patterns resulted in less frequent transport and direct transport between warehouse and customer. Large customers were switched to bulk packaging. All this resulted in less fuel emissions and less packaging waste.

Supply and chain efficiency

Programs for direct-from-factory delivery are continuously fine-tuned. Goal is the elimination of intermediate warehousing wherever possible. Streamlining, highly efficient customer delivery result in more efficient use of resources (like reduced deliveries, fuel emissions, ...) by a factor of three.

THE AGFA HEALTHCARE BUSINESS GROUP HAZARDOUS SUBSTANCE MANAGEMENT Restriction on Certain Hazardous Substances (RoHS)

The European Union enacted the Waste from Electrical and Electronic Equipment (WEEE) directive and the Restriction of the Use of Certain Hazardous Substances (RoHS) directive, both in 2003. This legislation focuses primarily on the reduction of damage to the environment arising from the use of certain hazardous substances and shall ensure that new electrical and electronic equipment put on the market does not contain any of the six restricted substances: lead, mercury, cadmium, hexavalent chromium, poly-brominated biphenyls (PBB) or polybrominated diphenyl ethers (PBDE) in quantities exceeding maximum thresholds.

Medical equipment is not currently covered by the RoHS Directive, but is scheduled to be considered by the European Commission for inclusion by January 2014 for Medical Equipment (except in vitro diagnostics in 2016 and active implants in 2020).

Nevertheless, Agfa HealthCare already started with the phase out of restricted substances by redesigning established products such as CR-30, DX-G and with the implementation of procedures and processes in view of RoHS compliance of new products, four years before the RoHS directive becomes effective to the medical industry.

REACH Regulation

The European Registration, Evaluation, Authorisation and restriction of CHemicals (REACH) Regulation addresses the production and use of chemical substances, and their potential impacts on both human health and the environment. Agfa HealthCare has implemented in-house procedures and processes to be compliant with this complex legislation. In addition, Agfa HealthCare has joined the BOMCHECK web based solution to demonstrate compliance with REACH requirements for substances in medical equipment.

Energy Related Products

The EcoDesign Requirements for Energy Using Products (EuP) Directive 2005/32/EC became law in EU Member States in August 2007. It provides a framework for setting EcoDesign requirements for any group of products which uses energy. The scope is deliberately broad so that an increasingly wide range of products can be targeted over the next few years. The EcoDesign requirements will require manufacturers to introduce design changes which reduce the environmental impact of their products across the life cycle, with a particular focus on energy.

Agfa HealthCare always set a high value on reduction of energy use during standby and continuous operation of its products and addresses this as a significant requirement for product development. Comparing the environmental effects regarding heat dissipation of the new DX-G to the forerunner CR 85-X, Agfa HealthCare achieved a reduction of energy use for standby and continuous operation of more than 70%. Agfa HealthCare as a member of the European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry (COCIR) supports the industry-led Self-Regulatory Initiative (SRI) of COCIR to fulfil the EcoDesign Requirements for Energy Using Products (EuP) Directive.

Focussing on the patient and dose reduction the DX-G supports both standard phosphor plates and needle-based detectors. With standard phosphor plates, the DX-G delivers excellent image quality. When used with DirectriX needle-based detectors the DX-G provides superb image quality with a much higher Detective Quantum Efficiency (DQE). This state-of-the-art image quality offers the potential to reduce patient dose.

THE AGFA SPECIALTY PRODUCTS BUSINESS GROUP

Specialty Products offers materials for a wide range of markets and applications. In all product developments and enhancements, durability, recyclability and re-use take an important place. Several products are used in environment friendly applications

After the launch in 2008, Agfa now commercializes synthetic paper, Synaps, for a growing range of printing applications. Synaps is based on PET film and can be completely recycled and re-used.

For the smartcard market, Agfa launched in November 2009 a range of PET films under the brand name PETix. Thanks to the greater robustness of the material, the lifetime of smartcards can be substantially enhanced.

Since 2009, Zirfon Pearl membranes are used in the latest hydrogen production facilities, allowing higher efficiency and higher output.

Human resources policies and practices & corporate citizenship

This chapter documents the policies and practices of Agfa-Gevaert as an employer and as a community citizen. The data reported reflect the situation in total 106 legal entities worldwide, compared to 108 in 2008.

The distribution of these legal entities over the different business groups is as follows:

- 14 legal entities in Business Group Materials, 4 of which are manufacturing sites and 10 sales or administrative organizations;
- 47 legal entities in Business Group Graphics, of which 42 are sales organizations and 6 manufacturing sites;
- 45 legal entities in Business Group HealthCare; all of which are sales organizations except for 1 manufacturing site.

The coverage of the report is 90.2% of Agfa's total workforce, and represents as such a valid view on the company overall.

HUMAN RESOURCES CHARTER

In the present rapidly changing business environment, the ability to learn and to quickly acquire new competencies is a key competitive advantage for future growth. All employees should therefore be able to continuously develop and learn new competencies.

To this aim, Agfa has implemented a wide set of policies, programs and actions.

Employability, from a company as well as from an individual perspective, is a key objective for Agfa's management in this period of intensive transformation of Agfa's industry and its company activities.

Agfa aims to be an employer with clearly defined and applied health and safety standards, respecting all legal requirements and adhering to the overall principles of the international declaration of human rights.

INDICATORS

The following indicators are used to document Agfa's overall practices:

- Labor Practices
 - Workforce characteristics
 - Diversity
 - Freedom of association
 - In- and outflow
 - Labor contract characteristics
 - Employee assistance programs
- Occupational Health & Safety – number of occupational injuries
- Human Talent Management Practices
 - Performance management
 - Training and development initiatives
 - Reward policy and practices
- Corporate Citizenship & community participation

LABOR PRACTICES

Workforce characteristics

The report is based on data on 10,905 employees, which is 90.2% of the total workforce of the Agfa Group. The total workforce of the Agfa Group is 12,090 heads or 11,169 expressed in full time equivalents (FTE's) at the end of December 2009. The number of FTE's at the end of 2008 was 12,152.

Job categories

The workforce comprises 29.3% hourly employees, 46.7% white collar employees and 24% exempt staff.

Employees by Business Group

2,855 employees are employed by the Materials Business Group, 4,416 employees are employed by the Graphics Business Group and 4,786 are employed by the HealthCare Business Group.

Diversity

To Agfa, diversity is a major point of focus and the company has implemented policies and procedures as guarantees. They are described in the company's Code of Conduct and the non-discrimination policy as described in the Ethical Business Policy Statement.

The percentage of female workforce has further increased to 23.5% of the total workforce, compared to 22.2% in 2008. Especially in the HealthCare Business Group the presence of females is significantly higher than in the other Business groups:

- 3.92% females in Materials Business Group;
- 20.81% females in Graphics Business Group;
- 32.20% in HealthCare Business Group.

The percentage of females in a management position has also further increased over the covered year: 2.9% in 2008 to 3.1% in 2009.

In countries where minority reporting is applied 4.2% of Agfa's total workforce are members of a 'minority segment'.

Local organizations define the term 'minority segment' according to the specific situation in their country or region. It may or may not include parameters such as race, nationality and religion.

Freedom of association

By adhering to the overall principles of the International Declaration of Human Rights, Agfa supports and respects the employees' right to associate with unions and other organizations, legally representing the workforce in social relations. Based on the data collected, 79.2% of the total workforce or 9,606 employees are represented by Unions or other representative organizations.

In every organization and every country where it is present, Agfa participates in dialogue and negotiations with the legal representatives of the employees.

Local Works Councils, Committees for Accident Prevention and Health as well as European Works Councils are in place and are functioning as platforms for dialogue within Agfa's organization.

In- and outflow

Agfa hired 815 new employees in 2009, while 1,492 employees left the company (total workforce figures) due to a combination of voluntary contract termination, individual terminations or social plans within the framework of Agfa's initiative to reduce costs.

It is Agfa's aim to continuously invest in people with the competencies required to face the company's challenges in its changing markets. This is done not only by recruiting new employees, but also by bridging possible competence gaps through training and by applying an extensive internal mobility policy.

Labor contract characteristics

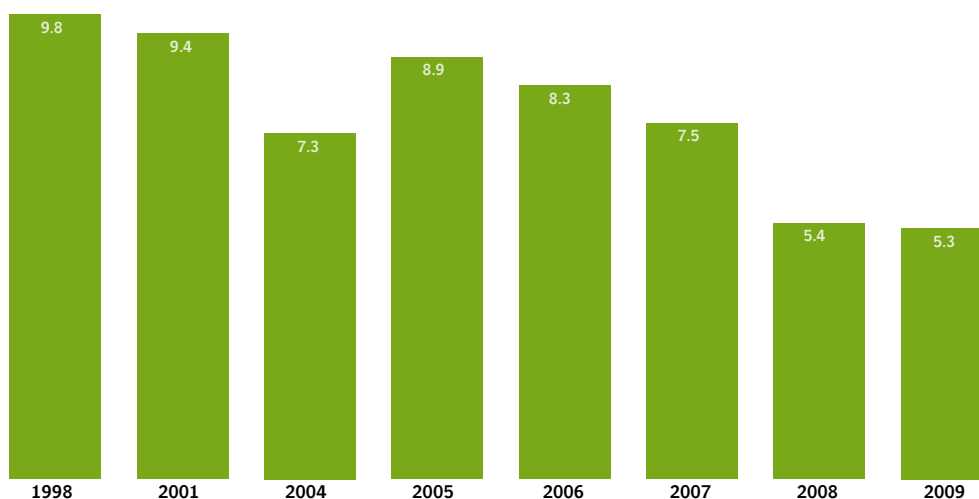
78.8% of Agfa's employees have a full time employment contract and 17.9% have a part time contract. Temporarily employment represents 1.7% of the total employment.

Employee assistance programs

Besides the rigorous implementation of the Code of Conduct, more than 73.1% of our subsidiaries have a formal system to assist employees who wish to report problems such as harassment, discrimination or conflict of interest cases. Complaints and concerns are handled in a systematic and confidential manner and dedicated and autonomous contact persons are in place.

OCCUPATIONAL HEALTH & SAFETY - NUMBER OF OCCUPATIONAL INJURIES

Reportable accidents 1998 to 2009
(per million working hours)



After the strong decrease of 10% in 2007 and 28% in 2008, the number of reportable injuries per million working hours in 2009 remained at about the same level as in 2008. This is the result of a combination of slightly increased frequency rates in equipment and printing plate factories and a strong decline in the Belgian film manufacturing sites. Seven sites had no reportable injuries.

The frequency rate of reportable injuries in the film manufacturing sites and equipment factories is lower than the reportable incidents in the printing plate factories.

HUMAN TALENT MANAGEMENT PRACTICES

Performance management

Agfa's performance management process helps employees to focus on results and promote key behaviors and success attributes. Agfa aims to reward performance, but the evaluation of each individual must be carried out objectively. The performance review helps managers to coach and to develop employees in the best possible way.

The performance review makes the performance visible and assigns accountability for business success to each and every employee. The performance standards also create alignment ensuring that all employees and departments are working on the implementation of the company strategy.

Performance on results

Results are the outputs, products, achievements, accomplishments – in other words: what is delivered.

Feedback on performance is given based on the targets that were set for the strategic parameters: managing people, managing results, managing processes.

Performance on behaviors and success attributes

Agfa has selected eight key performance indicators as the critical behaviors, skills and knowledge needed to achieve success. This selection is the result of a very careful analysis of what it typically takes in the current Agfa business environment to succeed, given the type of vision and strategy Agfa follows:

- Business sense;
- Change and innovation;
- Communication;
- Cooperation & teamwork;
- Customer focus;
- Leadership;
- Planning & execution;
- Problem analysis and judgement.

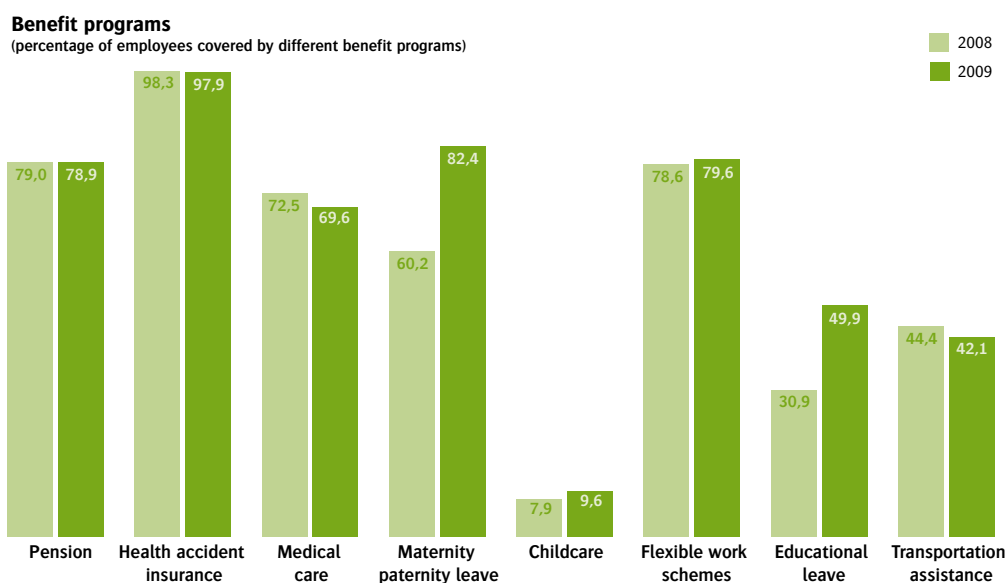
Training and development initiatives

During 2009 a reported total number of 82,721 hours were spent on training. The majority of the total reported training is used by the white collar employees (59.1%). Blue collar employees were given 20.6% of the total training and 18.4% is used by the management.

Reward policy and practices

Benefits

Agfa offers a comprehensive benefits program to its employees, following the characteristics of each local market in which it operates. The graphic below indicates the percentage of employees covered by different benefit programs.



Remuneration practices

Agfa has global remuneration practices in the area of corporate bonus and sales incentive plans as well as job classification for managerial levels. Other local practices are governed by global policies.

Agfa's global policy aims at market based compensation, targeting the total target cash at 67th percentile of the general market comparison.

Agfa's global classification system for managerial levels covers every job or position, guaranteeing that the same rules are applied, and is the basis for market-benchmarking on a regular base targeting market equity.

INTERNAL COMMUNICATION PRACTICES

In order to ensure proper one-voice internal communication, Agfa has set up specific communication channels to inform its personnel in a professional and objective manner. 92.2% of the total workforce receives communication of company results.

In 2009, the following channels were mostly used:

- The *Intranet* is the first internal medium that regroups all corporate or departmental related information, on a local or global basis. The information is frequently updated and covers all the levels of the Agfa organization and its industries.
- The *Infotour* is a quarterly worldwide internal communication tool that contains a presentation on strategy, objectives, results and accomplishments of the most recent financial quarter. The information is sent out via the Agfa Intranet to a selection of managers who present the information to their teams.
- *Nice-to-know* is a monthly newsletter that is sent out to all executives, containing relevant information concerning Agfa, the competition, related sectors and the economical climate.
- Each of the business groups has developed additional tools to inform their employees on a ad-hoc basis.

CORPORATE CITIZENSHIP & COMMUNITY PARTICIPATION

Agfa invests time, money and effort in forging strong and sustainable relationships with the communities in which it operates. In many of the countries where Agfa is active, the company is confronted with social, economic and environmental challenges, which are outside the normal scope of its business activities.

By taking a dedicated and active interest in resolving issues, by improving the quality of life in local communities, and by taking a proactive stance with stakeholder groups, Agfa aims to make a tangible difference to people's lives.

The Group also supports *Agfa Aid*, an organization of Agfa volunteers. The mission of Agfa Aid is to support small-scale projects, mainly focused on children. Agfa employees are directly involved in these projects. Agfa Aid raises funds through benefit concerts and the collection of donations.

Agfa Aid has projects all over the world:

- *Centro Andino* (South America): material and financial support for hospitals and schools.
- *SOS Brazil* (Brazil): a horticultural school, community house and workshop project.
- *Hogar Para Todos* (Ecuador): scholarships and support to schools and orphanages.
- *Gammol* (Gambia): a fish market, dispensary and school.
- *Bayti* (Morocco): literacy project and day center for street children.
- *Moeders voor Moeders* (Belgium): food and material support to underprivileged families in Antwerp.
- *De Markgrave* (Belgium): activity center for the blind and partially sighted.
- *Fepts* (India): support for an orphanage and a school.
- *Talmid* (Rumania): educational support for Roma gypsies.
- *Azia* (Nigeria): support for the construction of a school.
- *Kiemma* (Belgium): organizational support for activities for the children of homeless and needy families in Antwerp.
- *Haiti*: financial support on the occasion of the earthquake at the end of 2009.



Kempen Capital management re-screened Agfa-Gevaert on three criteria: Business Ethics, Social Performance and Environmental Performance. They concluded that:

“The logo attached indicates that your company has passed our criteria and can be considered a company that demonstrates good SRI practice. Agfa-Gevaert Group is clearly working hard to be a responsible citizen in the communities in which they operate. The SRI logo can be used in your corporate literature.

Our overall findings were positive and we are very pleased with what has been implemented to date: Agfa Gevaert has an extensive corporate governance charter that outlines clear ethical standards that all employees are required to observe.

In the most recent sustainability report the company provides a comprehensive overview of its social policy, including targets, measures and performance indicators. Agfa Gevaert’s human resources, contains career programmes for employees, an anti discrimination policy, a health and safety policy and details on the works council.

The company shows a declining accident rate. Through Agfa aid, an organization of Agfa volunteers, the company clearly shows it is involved in community development programmes. Agfa Gevaert has a strong environmental policy. The company is committed to eco-design. Agfa Gevaert has implemented a life cycle analysis and a monitoring system to reduce the impact of its operations. The sustainability report contains a list of main indicators to evaluate its environmental performances. Important indicators as waste volumes, CO₂ emission and the use of water, show a declining trend. The environmental policy is supported by a management system that is certified according to ISO 14001 and implemented in all main manufactories.

The focus on corporate responsibility is being intensified by increasing scrutiny from investors. The level of responsibility demanded will continue to increase.”

Glossary

AOX	Sum of organic halogen compounds in water that can be adsorbed by activated carbon under standardized conditions
Biodegradable	Property that makes chemical compounds degradable by biological treatment
Biological wastewater treatment	Micro-organisms are capable of breaking down substances in surface waters: wastewater treatment plants make selective use of this natural process
CO₂	Carbon dioxide, generated by combustion of fuel
COD	Chemical oxygen demand, the amount of oxygen needed for chemical oxidation of constituents of water
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before Interest and Tax, Depreciation and Amortization
Equipment Information Sheet (EIS)	Document explaining the environmental, safety and health aspects of equipment
ISO 14001	International standard for environmental management systems.
Landfill	Place where waste can be stored or kept
N	Nitrogen
NO_x	Nitrogen oxide, generated for example as a result of combustion with air
OHSAS 18001	International standard for health and safety management systems (OHSAS stands for Occupational Health and Safety Assessment System)
P	Phosphor
Recycling Pass	Document explaining presence and location of hazardous and valuable elements in equipment and how to handle them
RoHS	Restriction of the use of certain Hazardous Substances in electrical and electronic equipment, refers to an EU directive that is intended to improve the overall impact of equipment on the environment
SO₂	Sulfur dioxide, released as a by-product in the combustion of sulfur-containing fuels
Specific	Property per unit of manufactured product
TeraJoule (TJ)	Joule is the unit of labor, energy and heat; Tera = 10 ¹²
Valorization	Re-use of waste for useful applications outside the production process
VIC	Volatile Inorganic Compounds
VOC	Volatile Organic Compounds
Wastewater load	Emissions of chemical and physical substances from processes in water
WEEE	Waste Electrical and Electronic Equipment, refers to an EU directive to improve the overall impact of equipment on the environment

CONTACT

Dr. Eddy Michiels
Corporate Environmental Coordinator
Septestraat 27
2640 Mortsel · Belgium
Tel.: +32 (0)3 444 55 00
Fax: +32 (0)3 444 55 03
E-mail: eddy.michiels@agfa.com

This report is available on Agfa's website
at www.agfa.com



