

Agfa-Gevaert

SUSTAINABILITY REPORT 2011

Contents

3	MESSAGE FROM THE CEO
4	ABOUT THIS REPORT
5	COMPANY PROFILE
8	CORPORATE SUSTAINABILITY
11	ECONOMY
13	ENVIRONMENT
29	WORKING @ AGFA
33	GLOSSARY

Message from the CEO

In today's corporate communication, the terms Sustainability, Corporate Social Responsibility and Corporate Governance are omnipresent. Some time ago I even saw a new, composed term make its appearance: Responsible Corporate Governance. This confirmed me in my opinion that all these words are closely linked and increasingly become integrated. To make things easy, I always blend them together in one term that – in my opinion – says it all: good citizenship.

Furthermore, I always find that these terms often have a defensive connotation. Many think of them as a necessary evil and an obligation that – above all – costs a lot of time and money.

Agfa 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. For many years, we have been doing this voluntarily and in many cases we go well beyond compliance.

We do so because we firmly believe that – with the right mindset – it does not take more effort to do business in a responsible, sustainable and transparent way. At the same time, entrepreneurs who are willing to think 'out of the box' will see new opportunities arising.

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

In 2011, we did not cut back on our efforts to reduce the environmental impact of our activities, in spite of the difficult economic situation. Last year we took our second combined heat and power unit into operation. At our production plant and HQ in Mortsel (Belgium), the two units now provide for more than 60% of our electricity needs and more than 50%



of our heat requirements. Also in Mortsel, a new wastewater treatment plant was started up. No less than 40% of the wastewater is made re-usable and pumped back into the production process.

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

Finally, I would like to point out that this will be the last Sustainability Report published in this form. Based on the observations I already described, we are convinced that it makes more sense to integrate our financial, sustainability and corporate governance communication. To this aim, Agfa is adopting the Global Reporting Initiative framework in its communication.

A handwritten signature in black ink, appearing to read 'Christian Reinaldo'. The signature is fluid and stylized, with a long horizontal stroke extending to the left.

CHRISTIAN REINAUDO
PRESIDENT AND 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 reference and applies them in an incremental way.

SCOPE OF REPORTING

Economy _____

The information on economic matters in the current Sustainability Report is based on the Agfa Annual Financial Report 2011.

Environment _____

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

Historical data on former production sites, which were divested before 2011, 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

GLOBAL PRODUCTION AND SALES NETWORK

Agfa's headquarters and parent company are located in Mortsel (Belgium). The Group's operational 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. Agfa-Gevaert 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.

AGFA'S MAJOR PRODUCTION AND R&D CENTERS

- | | |
|--------------------------------|---------------------------------|
| 1 Mortsel, Belgium | 12 Wuxi, China |
| 2 Ghent, Belgium | 13 Banwol, South Korea |
| 3 Wiesbaden, Germany | 14 Bushy Park, SC, US |
| 4 Munich, Germany | 15 Branchburg, NJ, US |
| 5 Bonn, Germany | 16 Westerly, RI, US |
| 6 Leeds, United Kingdom | 17 Thousand Oaks, CA, US |
| 7 Pont-à-Marcq, France | 18 Waterloo, Canada |
| 8 Bordeaux, France | 19 Mississauga, Canada |
| 9 Manerbio, Italy | 20 Suzano, Brazil |
| 10 Macerata, Italy | 21 Recife, Brazil |
| 11 Yokneam Elit, Israel | 22 Varela, Argentina |

BUSINESSES

Agfa Graphics

Agfa Graphics is a leading supplier of integrated prepress solutions and advanced industrial inkjet systems. All over the world, professional printers and publishers rely on the business group's experience and first-rate technology. Prepress 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 for the newspaper publishing markets.

Agfa Graphics' inkjet systems are powerful solutions for various industrial and wide-format applications such as posters, banners, signage, displays, labels and packaging materials. The industrial inkjet offering comprises a wide range of inkjet printing machines, workflow software, high-quality inks and services.

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 business group is also a key player on the healthcare enterprise IT market, integrating administrative, financial and clinical workflows for individual hospitals and hospital groups. 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 products to large business-to-business customers outside the graphic and healthcare markets. On the one hand, the business group produces classic film-based products, such as film for non-destructive testing, motion pictures, aerial photography,

microfilm and film for the production of printed circuit boards. On the other hand, Agfa Specialty Products targets promising growth markets with innovative solutions. Examples are materials for high-security ID documents, conductive polymers, synthetic papers and membranes for hydrogen production.

More detailed information about Agfa-Gevaert's businesses, their strategies and their achievements in 2011 can be found in the Group's Annual Financial Report and on www.agfa.com.

RESEARCH & DEVELOPMENT

The Agfa-Gevaert Group's R&D expenses amounted to 162 million Euro in 2011. 30% of R&D expenditure was related to Graphics, 64% to HealthCare and 6% to Specialty Products.

In 2011, Agfa Graphics continued to strengthen its leading position in chemistry-free printing plate systems. R&D efforts now focus on making chemistry-free plate solutions even more robust to answer the needs for more demanding markets with higher printing speeds or longer print runs. Next to product improvements, Agfa Graphics also focuses strongly on ways to make its manufacturing and logistic processes more sustainable, thereby reducing the impact on the environment.

Agfa Graphics' software solution :Apogee Suite for commercial printers continues to integrate with more digital print engines and Management Information Systems. There is also a strong focus on automating file delivery to printers through the internet. To this aim, Agfa Graphics creates software that allows printers to set up web-to-print solutions. Agfa Graphics' :Arkitex Suite for newspapers was prepared to integrate the interface between the newspaper production process and e-publishing/e-reading. New trends for industrial server based applications focus on hardware independent platforms, as well as cloud-based computing and SaaS (Software as a Service) solutions.

Agfa Graphics invested further in the development of UV inks and equipment for the growing industrial inkjet market, thereby aligning innovation projects in Belgium and Canada (former Gandi Innovations). The :Jeti 3020 Titan was introduced as the first :Jeti printer with a high degree of flexibility and upgradeability. The :Anapurna 2540FB, based on the same technology as the successful :Anapurna 2050, introduces true flatbed printing in Agfa Graphics' entry level industrial inkjet offering. In the high-

end segment of industrial inkjet, Agfa Graphics introduced a semi automatic iM-Press Leopard flatbed press targeting customers demanding high print quality.

In 2011, Agfa HealthCare focused its R&D efforts on expanding and strengthening its portfolio. The next generation of affordable Computed Radiography solutions, the further expansion of the Direct Radiography product line, the introduction of its latest IMPAX solution, the expansion of its Data Center & zero footprint viewer technologies to provide secure access to images and reports in locations throughout a hospital (or across an entire region) as well as the continued upgrading of its leading HIS/CIS solution ORBIS were key focuses.

The business group successfully introduced many of these solutions in 2011. Examples are the next generation CR 30-X, the automated DX-D 600 DR room, the mobile DX-D 100 DR system and the wireless DX-D 30 Cesium based DR detector; the IMPAX 6.5 solution and IDC/XERO 2.0 solutions.

Agfa Specialty Products focused its R&D efforts on the development of products for growth areas based on Agfa's core competencies in polymeric materials, ink, film and coating technology. In 2008, Synaps was launched, a polyester based synthetic paper. Development efforts have been concentrated on extending the synthetic paper portfolio to electro photographic printing and copying systems. For the high-end smartcard market, the new PETix products were developed and launched. These polyester films are compatible with all major personalization and security techniques. The performance of conductive pastes, inks and coatings for the electronics industry, based on the Orgacon technology, has been further enhanced. In the industrial ink segment, the R&D efforts were focused on the development of UV inks for packaging applications, and on water-based inks for the decorative market. In 2011, Agfa Specialty Products also participated in a number of pre-competitive longer term research projects.

MILESTONES

- 1867** Founding of the Aktiengesellschaft für Anilinfabrikation (Agfa), Berlin (Germany) specialized in color dyes.
- 1894** Founding of L. Gevaert en Cie., Antwerp (Belgium) specialized in photographic paper.
- 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 (US).
- 1999** IPO - On June 1, 1999, the Agfa shares were introduced to the stock market.
- 2004** Acquisitions 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 the Consumer Imaging division.
- 2005** Acquisition of GWI (Germany), developer of hospital information systems, and Heartlab (US), developer of digital image and information networks for cardiology.
- 2009** Acquisition of Insight Agents (Germany), a European developer and producer of contrast media, and of Gandhi Innovations (Canada), a global leader in large format inkjet systems.
- 2010** Agfa Graphics and Shenzhen Brothers create the joint venture Agfa Graphics Asia to reinforce their position in the Greater China and ASEAN region. Acquisition of Harold M. Pitman Company, a leading US supplier of prepress, industrial inkjet, pressroom and packaging printing products and systems.
- 2011** Acquisition of WPD, a leading HIS company in Brazil.

Corporate sustainability

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 is another important tool to constantly and systematically improve the way our company is managed and the way our company looks after the interest of shareholders and stakeholders.

Since its listing on the Euronext Brussels stock exchange in June 1999, Agfa-Gevaert has paid great attention to transparent policies that determine the governance of the company. Most of Agfa-Gevaert's existing policies were already in conformity with the Belgian Code on Corporate Governance for stock quoted companies as it was issued at the end of 2004. In conformity with the provisions of the Belgian Corporate Governance Code ("Code 2009"), the Corporate Governance Charter is updated as often as needed to reflect the company's corporate governance at any time. Moreover, the Agfa Board regularly conducts a comprehensive review of the Corporate Governance Charter, to assess whether it still is aligned with the latest principles, provisions and guidelines on Corporate Governance. The Board has done so in 2008, and again in 2011.

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 Financial 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

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 mixtures and the relevant health, safety and environmental information.

Article Information Sheets (AIS) contain data about articles such as film or printing plates.

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

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

After each quarter in 2011, a press release containing information about the results of the Group and its business groups was issued and published on the Group's website, which also contained Agfa's detailed key figures. After every quarter a phone conference covering the results was 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 were 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 were 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 Press section of the Group's website. The company's Annual Financial 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 2011

In 2011, the Agfa-Gevaert Group's revenue grew 2.5% to 3,023 million Euro (2,948 million Euro in 2010). Excluding currency effects, the increase amounted to 3.7%.

The first half of the year was characterized by a strong increase in revenues, due to both internal growth from the innovative digital solutions and the contribution of the recent strategic moves. In the third quarter, the accelerating decline of traditional film sales, adverse currency effects and the uncertain economic situation impacted the Group's top line. In the fourth quarter, both the Agfa Graphics and the Agfa HealthCare business groups performed well quarter on quarter, the latter clearly benefiting from its strong IT order book.

Agfa Graphics' full year revenue increased by 2.0% to 1,596 million Euro. Excluding currency effects, the increase amounted to 3.1%. The business group's top line was driven by the double-digit growth in wide-format segment of the industrial inkjet business, as well as by the strategic moves made in 2010. In the prepress segment, volumes in the digital computer-to-plate (CtP) business continued to grow. The decline in analogue computer-to-film (CtF) accelerated due to the film price increases that were implemented in reaction to the high raw material prices.

Excluding currency effects, Agfa HealthCare's full year revenue increased by 0.3% to 1,177 million Euro. Excluding currency effects, the full year revenue increased by 0.9%. As expected, 2011 became the first year in which the digital and IT solutions were able to compensate for the decline in the traditional film business.

In the Imaging segment, the market-driven decline for traditional X-ray products accelerated, while the digital radiology business continued to grow, with Direct Radiography (DR) almost tripling in value. Powered by the strong performance in the fourth quarter, the Imaging IT segment's revenue remained stable in spite of the adverse economic conditions. The Enterprise IT segment recorded satisfactory revenue growth.

Mainly due to a very strong first half of the year, Agfa Specialty Products' full year revenue grew significantly with 23.2% from 203 million Euro in 2010 to 250 million Euro in 2011. The growth was attributable to the Functional Foils segment and to the non-destructive testing segment.

The net finance costs amounted to 84 million Euro in 2011, versus 94 million Euro in 2010. Income tax expense amounted to 23 million Euro, compared to 36 million Euro in 2010.

The results from operating activities decreased to 36 million Euro, versus 234 million Euro in the previous year. The loss before taxes thus reached 48 million Euro in 2011, against a profit before income taxes of 140 million Euro in 2010.

A result attributable to the owners of the Company of minus 73 million Euro was booked, compared to 105 million Euro in 2010. This result is largely explained by the decision taken in the fourth quarter to implement extra restructuring measures. The major part of these measures is taken to tackle the structural changes in the film industry and to refocus some of the other businesses. They aim at immediate and sustainable profitability improvements.



More detailed information about Agfa-Gevaert's economic performance in 2011 and the Financial Statements for 2011 can be found in the Group's Annual Financial Report 2011 on www.agfa.com.

Environment



- ▲ AGFA CONTINUES TO INVEST IN PROJECTS TO FURTHER REDUCE THE ENVIRONMENTAL IMPACT OF ITS ACTIVITIES. AT THE END OF 2011, A SECOND COMBINED HEAT AND POWER PLANT CAME INTO SERVICE IN MORTSEL.

ENVIRONMENTAL MANAGEMENT

Environment management system

Corporate Safety, Health and Environment

The Corporate Safety, Health and Environment department reports directly to the Executive Management. The department is responsible for defining the corporate policy in the field of Safety, Health and Environment, for coordinating and auditing the implementation of this policy and for advising all Agfa organizations.

Safety, Health and Environment Management Committee

The Corporate Safety, Health and Environment Management Committee (SH&E-MC) sets the environmental, health and

safety policies, targets and priorities for Agfa's business groups and business units.

The Committee includes a Member of the Executive Committee, responsible for the Environment, the Coordinator of Corporate Safety, Health and Environment, the Operations Vice Presidents of Agfa Graphics, Agfa HealthCare, Agfa Global Production Materials and the R&D Vice President of Materials Technology Centre.

Product Safety and Ecology

The department Chemical Product Regulations 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;
- coordinating (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.

Product Safety and Ecology Information Committee

The Product Safety and Ecology Information Committee (PSE-IC), chaired by the Coordinator of Corporate Safety, Health and 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 and the department Chemical Product Regulations. 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 Coordinators

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 Coordinators 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 department Chemical Product Regulations.

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 coordinator 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 coordinate 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.

Environmental, safety and energy management systems ISO 14 001, DIN EN 16 001, OHSAS 18 001 & ISO 50 001

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 environmental and safety management systems in compliance with the international standards ISO 14 001, DIN EN 16 001, OHSAS 18 001 and ISO 50 001.

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

SITE	COUNTRY	ISO 14 001 ENVIRONMENT	OHSAS 18 001 SAFETY	ISO 50 001 DIN EN 16 001 ENERGY
BANWOL	SOUTH KOREA	Y	Y	PLANNED
BRANCHBURG	USA	Y	Y	PLANNED
BUSHY PARK	USA	N	N	N
GHENT	BELGIUM	N	N	N
LASTRA	ITALY	N	N	N
LEEDS	UK	Y	Y	Y
MANERBIO	ITALY	PLANNED	LS	PLANNED
MISSISSAUGA	CANADA	N	N	N
MORTSEL	BELGIUM	Y	N	N
MÜNCHEN	GERMANY	N	N	N
PEISSENBERG	GERMANY	N	N	Y
PEITING	GERMANY	N	N	N
PONT-À-MARCQ	FRANCE	Y	Y	PLANNED
SCHROBENHAUSEN	GERMANY	N	N	N
SUZANO	BRAZIL	Y	Y	PLANNED
TETERBORO	USA	N	N	N
VALLESE	ITALY	PLANNED	LS	PLANNED
VARELA	ARGENTINA	Y	N	N
WIESBADEN	GERMANY	Y	Y	PLANNED
WUXI IMAGING	CHINA	Y	N	N
WUXI PRINTING	CHINA	Y	Y	PLANNED

LS = LABORO SICORO = LOCAL SAFETY LEGISLATION



- ▲ IN THE AUTUMN OF 2011, A NEW BIOLOGICAL WATER TREATMENT INSTALLATION CAME INTO OPERATION AT AGFA-GEVAERT'S SITE IN MORTSEL. THANKS TO THE INSTALLATION, ABOUT 40% OF THE INDUSTRIAL WASTEWATER CAN BE RE-USED IN THE MANUFACTURING PROCESS.

STAKEHOLDER RELATIONS

Safety, Health and Environment for Agfa staff

Agfa considers the safety, health and environment of equal value to operational efficiency and product and service quality. Safety, health and environment 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 safety, health and environment guidelines and for upgrading safety, health and environment characteristics.

Information on safety, health and environment activities is also published on the Agfa Internet and Intranet websites.

Safety, Health and Environment 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.

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).

Safety, Health and Environment information for suppliers

Agfa includes safety, health and environmental conditions in the contracts made with finished product and raw material suppliers. These conditions relate to the presence in products of specific substances of concern.

Safety, Health and Environment 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.

Safety, Health and Environment 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 aspects related to safety, health and environment.

Safety, Health and Environment Information for shareholders/investors

In its Annual Financial 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

At all our manufacturing sites around the globe, we meticulously measure and analyze the elements that can impact the environment: emissions to air, water and soil, depletion of resources, consumption of energy, ... Based on the data resulting from these analyses, we define our strategy to continuously reduce the ecological footprint of our operations. In these efforts, we are guided by the ISO (International Standards Organization) standards. Furthermore, we conscientiously adhere to the environmental legislations of the countries in which we operate. A large number of our production plants obtained the ISO 14 001 certificate, covering environmental management. Following the example of the Leeds plant, several sites are planning measures to comply with the ISO 50 001 energy management standard.

Wherever possible, our company does not hesitate to go beyond compliance. Around the world, we invest in waste and recycling programs, sustainable energy production, sustainable logistics, as well as packaging and water recycling. In 2011, we succeeded in further reducing our greenhouse gas emissions and energy use thanks to investments in energy efficient processes, the occupation of more energy efficient buildings and the focus on energy loss control. We also reduced the wastewater load and the share of hazardous waste.

In the course of the year, our Mortsel site brought its own biological wastewater treatment plant into use. The installation purifies the silver-bearing wastewater of the film production factory. As a result, the Mortsel site is able to re-use 40% of the wastewater in the production process. As bacteria are doing most of the hard work, only a limited amount of chemicals is needed during the purification process.

Also in Mortsel, a second Combined Heat and Power Plant (CHPP) was installed in 2011. Thanks to their highly efficient gas turbines, the CHPP units require less fuel and emit far less CO₂ than traditional separated heat and power generators. Together, the two units provide for over 60% of the electricity needs and over 50% of the heat requirements of the Mortsel site.

We are very proud of the fact that our efforts are recognized by governments and independent organizations alike. Recently, several manufacturing sites received awards and certificates for their environmental efforts.

The Chinese authorities honored the strong environmental performance of our Wuxi Printing Plate site with a ‘Green Plant’ recognition.

The Branchburg site (New Jersey - USA) received an Environmental Stewardship certificate from the New Jersey Department of Environmental Protection (NJDEP). Agfa was cited for its “voluntary and proactive measures to go beyond compliance in an effort to improve the environment and ensure a sustainable future”. The NJDEP honored our company in various categories, including Environmental Policy, Materials Conservation and Hazardous Materials Reduction.

The production plant in Leeds (UK) won the Arup Award for Sustainable Manufacturing at the Manufacturing Excellence Awards, organized by the Institution of Mechanical Engineers. With the award, the institution praised Agfa for its efforts to eliminate waste and encourage biodiversity. The Leeds plant has a policy of zero general waste to landfill. The Manufacturing Excellence program is considered to be the most successful and long established manufacturing support program in the UK.

Overview of the sites involved

In 2011, three equipment manufacturing sites were added to the list of sites contributing to the data in the Corporate Sustainability Report: the Ghent site in Belgium, the former Gandi sites in Mississauga, Canada and the Lastra site in Italy.

In the table below, ‘Mortsel’ groups the plants in the Belgian towns of Mortsel, Wilrijk, Edegem and Westerlo.

COUNTRY	SITE	TYPE OF PRODUCTS
ARGENTINA	VARELA	FILM, CHEMICALS
BELGIUM	GHENT	EQUIPMENT
	MORTSEL	FILM, PAPER, CHEMICALS, INKS
BRAZIL	SUZANO	PRINTING PLATES, CHEMICALS
CANADA	MISSISSAUGA	EQUIPMENT
CHINA	WUXI IMAGING	CONVERSION OF FILM
	WUXI PRINTING PLATE	PRINTING PLATES
FRANCE	PONT-À-MARCQ	FILM, PRINTING PLATES, CHEMICALS
GERMANY	MUNICH	EQUIPMENT
	PEISSENBERG	EQUIPMENT
	PEITING	EQUIPMENT, ACCESSORIES
	SCHROBENHAUSEN	ACCESSORIES
ITALY	WIESBADEN	PRINTING PLATES
	MANERBIO	PRINTING PLATES, EQUIPMENT
	VALLESE DI OPPEANO	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 film and/or synthetic paper
- production of printing plates
- production of processing chemicals and/or inks
- production of equipment

Production of film and/or synthetic paper

Only the Mortsel site produces polyester film base and synthetic paper. Film base and synthetic paper are 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 other Agfa sites. The final step in film and paper 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 pre-treated and coated at the plate manufacturing sites. The final steps in the printing plate production process are converting and packaging.

Production of processing chemicals and/or inks

After being exposed to a light source, most types of film and most printing plates need to be chemically processed to deliver a visible image.

For its high-end industrial inkjet printers, Agfa produces a dedicated range of inks.

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

Production of equipment

Production of equipment includes mechanics, electronics, optics and software. Chemical and other pre-treatment is required during the production process.

Environmental Impact

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

Furthermore, a lot of attention goes to the safety aspects of the operations and to efforts to avoid environmental incidents and complaints.

Environmental Indicators

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

Environmental Performance of The Agfa-Gevaert Group

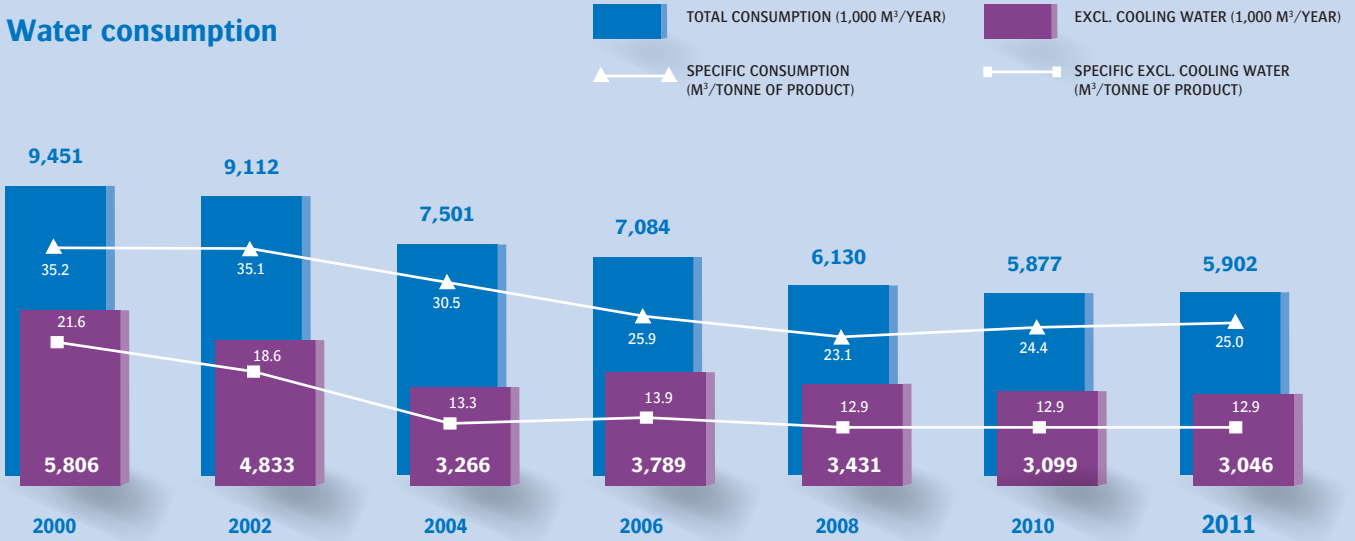
In the comments below, the environmental performance in 2011 is compared with the performance in 2010. The graphs and tables illustrate the evolution since 2000.

Production volumes

YEAR	2000	2002	2004	2006	2008	2010	2011
TONNES/YEAR	268,425	259,740	245,691	273,124	265,002	241,047	235,783

The production volumes of the Agfa Graphics and Agfa HealthCare business groups increased by 3.5% and 25.6% respectively. This was counterbalanced by the market-driven decline in classic film demand and Agfa's growth strategy to assist its customers in their shift from analog to digital imaging technologies. As a result, overall volumes of the Group decreased by 2.2% versus 2010.

Water consumption



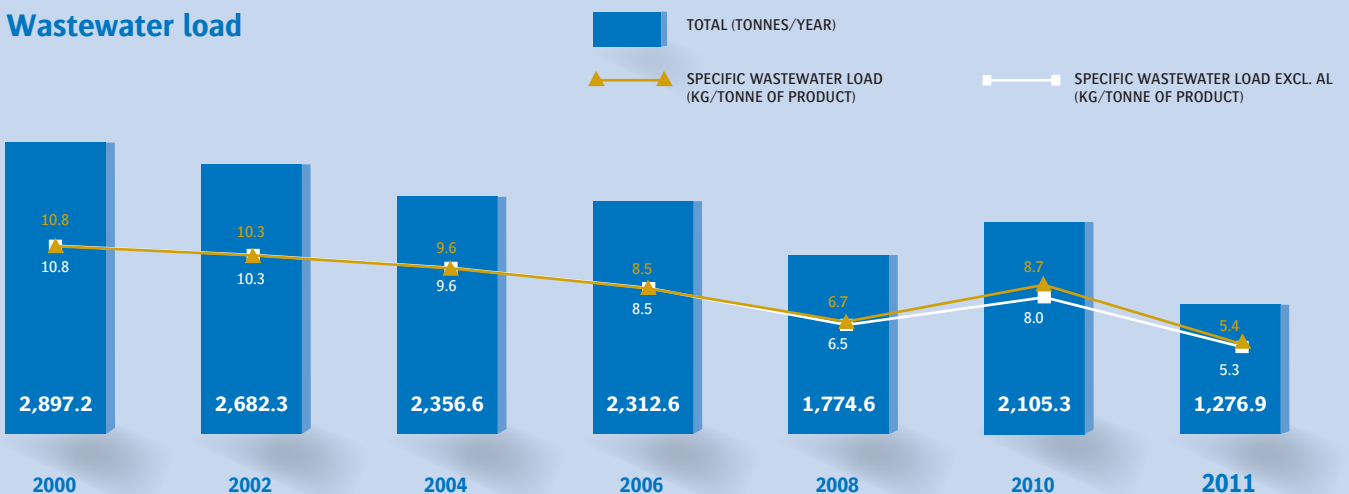
Total water consumption remained almost stable versus 2010.

Optimization efforts at the Munich site and the declining share of classic film products in the overall production volumes at the Belgian plants had a beneficial effect on the Group’s water consumption.

Wastewater load

VOLUMES (TONNES/YEAR)	2000	2002	2004	2006	2008	2010	2011
COD	2,705.1	2,497.2	2,095.5	2,015.4	1,486.5	1,727.1	1,101.7
N	177.8	170.4	244.1	122.4	97.8	90.8	46.1
P	11.1	10.1	14.9	172.3	127.8	118.7	97.6
AOX	2.0	3.7	1.4	1.5	1.3	0.8	0.6
HEAVY METALS EXCL. AL	1.1	0.9	0.7	0.9	0.5	0.5	0.4
ALUMINUM	0.0	0.0	0.0	0.1	60.7	167.5	30.5
TOTAL	2,897.2	2,682.3	2,356.6	2,312.6	1,774.6	2,105.3	1,276.9

Wastewater load

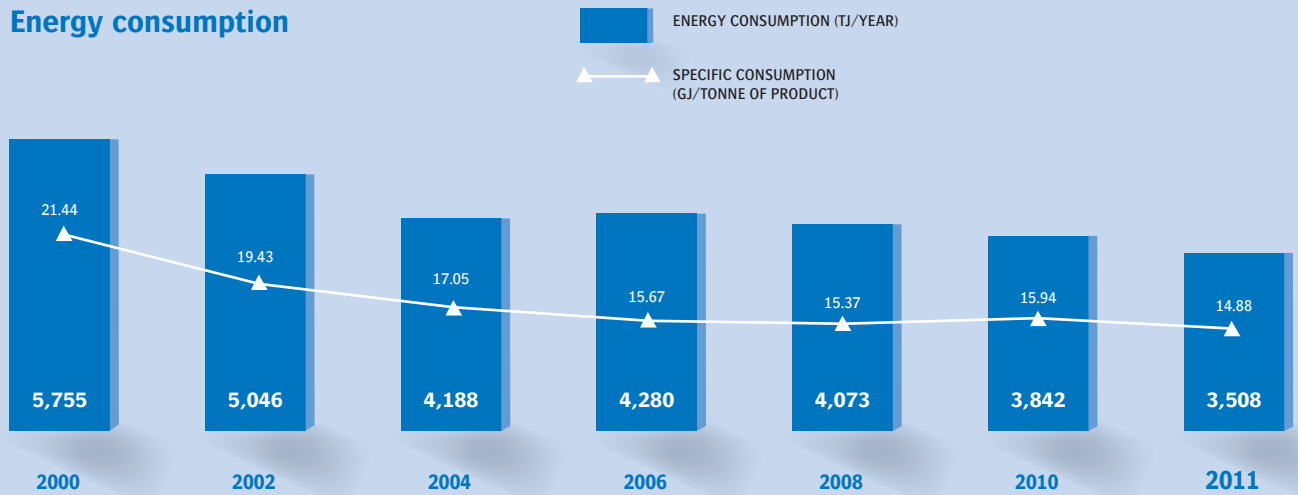


The wastewater flows from most of the manufacturing plants are processed by external biological treatment plants. In order to adapt the composition of the wastewater to meet the requirements of external treatment plants, the wastewater is pretreated at the Agfa sites to remove non-biodegradable substances.

In 2011, the Group succeeded in reducing its wastewater loads by no less than 40%. This was mainly the result of the start-up of the biological wastewater treatment plant at the site in Mortsel (see above). Furthermore, the installation of a new filtering system at the printing plate factory in Wiesbaden resulted in a strong drop in Agfa's aluminum load.

Energy

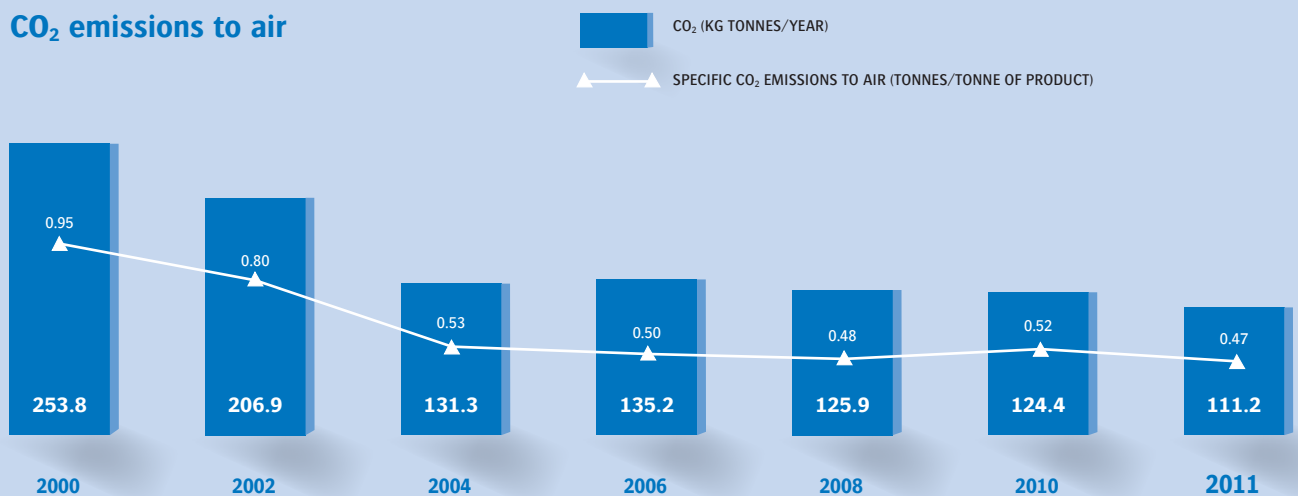
Energy consumption



The significant drop in energy consumption versus 2010 is partly due to Agfa's continuous efforts in this field. In its facilities around the world, the company invested in the reduction of no-load losses, energy efficient buildings and installations as well as systems that allow to use the heat from production processes for the heating of buildings.

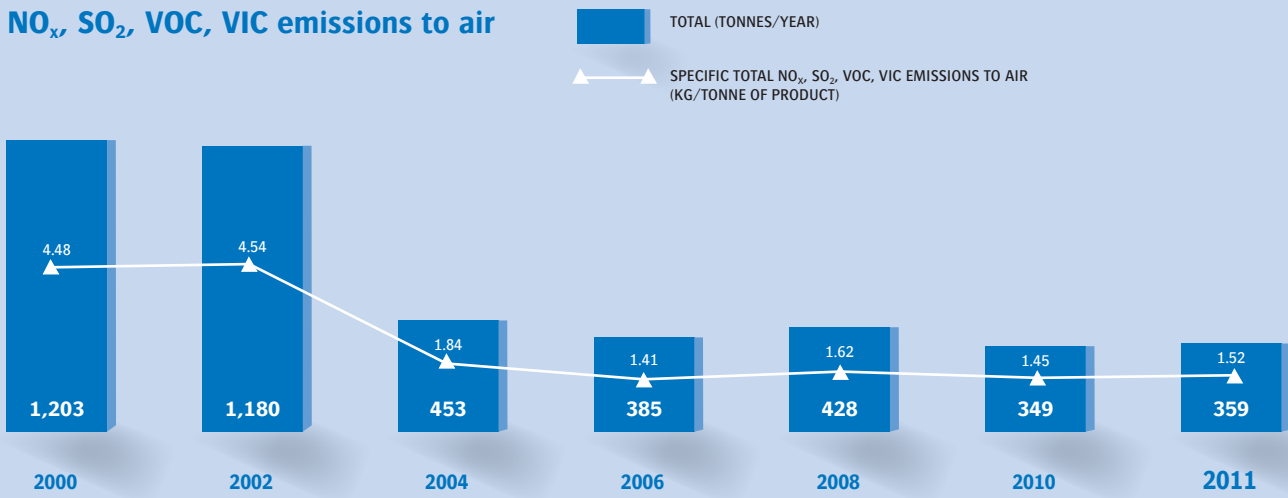
Emissions to air

CO₂ emissions to air



In close connection with the energy consumption (see above), CO₂ emissions were reduced by over 10%.

NO_x, SO₂, VOC, VIC emissions to air

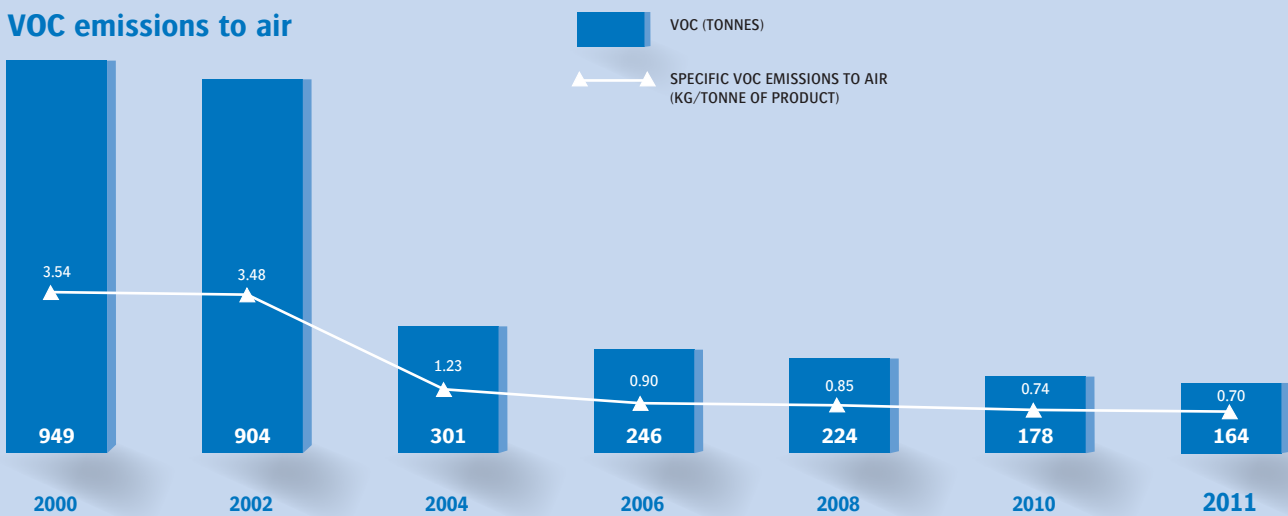


VOLUMES (TONNES/YEAR)	2000	2002	2004	2006	2008	2010	2011
NO _x	199	184	136	127	172	161	151
SO ₂	43	82	3	7	28	6	41
VOC	949	904	301	246	224	178	164
VIC	13	10	12	5	4	4	4
TOTAL	1,203	1,180	453	385	428	349	359

Total emissions to air (CO₂ emissions excluded) remained almost stable compared to 2010.

The emissions of volatile organic compounds (VOC) and NO_x decreased by 14 and 10 tonnes respectively. At the end of 2011, the first Combined Heat and Power Plant at the site in Mortsel (in service since 2007 - see above) was put through to a thorough maintenance check in order to tackle the increase in SO₂ emissions.

VOC emissions to air

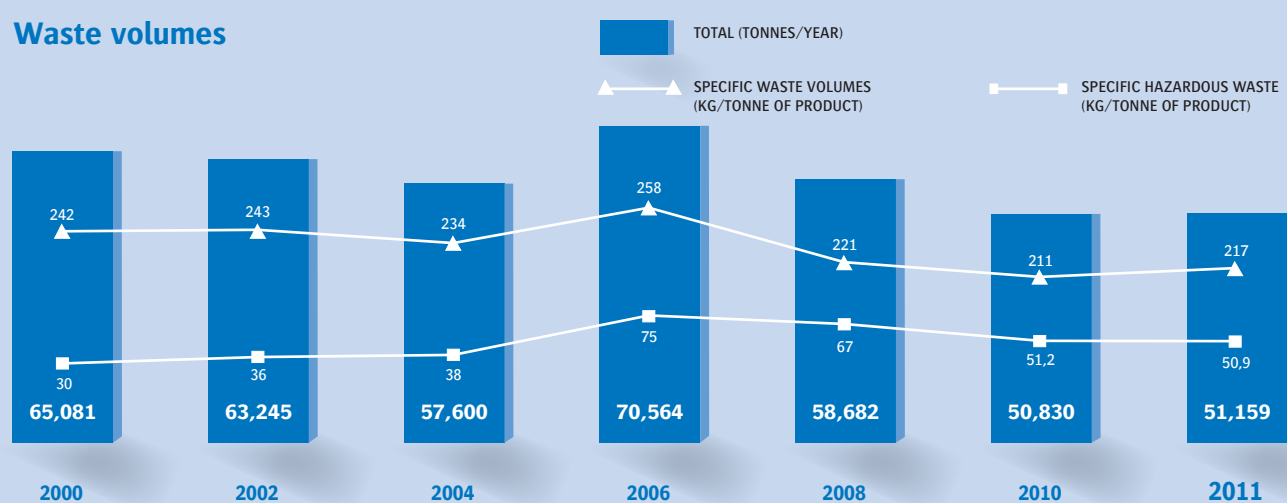


VOC emissions continued the downward trend of the previous years, partly due to process optimizations at the plant in Westerlo (Belgium).

Waste

VOLUMES (TONNES/YEAR)	2000	2002	2004	2006	2008	2010	2011
LANDFILL	15,789	12,276	7,940	2,868	1,715	5,661	6,131
INCINERATION	229	560	403	247	203	274	387
RECYCLING	37,920	40,819	40,698	60,608	51,604	39,896	39,694
ENERGY RECOVERY	4,374	3,132	2,267	1,997	1,674	1,388	1,512
PHYSICO-CHEMICAL TREATMENT	1,988	1,138	1,450	1,009	534	716	701
VALORIZATION	4,781	5,321	4,842	3,835	2,952	2,894	2,733
TOTAL	65,081	63,245	57,600	70,564	58,682	50,830	51,159
NON-HAZARDOUS	87%	85%	84%	71%	70%	76%	77%
HAZARDOUS	13%	15%	16%	29%	30%	24%	23%

Waste volumes



The total waste volume remained almost stable, as the start-up of the new biological wastewater treatment plant in Mortsel (see above) compensated for the effects of two one-off events: an inventory reduction program for film products and the cleaning of the former wastewater installation in Mortsel.

Confirming the trend since 2005, the specific hazardous waste volume went down by 0.7% versus 2010. Hazardous waste represents only 23% of the total waste volume.

Environmental incidents, complaints and fines

Incidents

In 2011, Mortsel reported 13 environmental incidents to the Belgian authorities. They mainly concerned minor violations of the wastewater permit.

Banwol reported one violation of the COD limit due to the malfunctioning of a methanol pump. A fine was paid.

Complaints

Only Mortsel reported external complaints from neighbors in 2011. These complaints mainly concerned noise nuisance related to the start up of a second combined heat and power unit and a biological wastewater treatment plant. Adequate measures were taken.

Fines

Banwol and Varela reported environmental fines for a total amount of 9,049 Euro.

PRODUCT-RELATED ENVIRONMENTAL PROTECTION

A Dutch proverb says that everyone should sweep in front of his own front door. At Agfa, we want to do more than just that. Besides reducing our own ecological footprint, we offer our customers products and tools that help them to reduce the footprint of their activities and to make their industry more sustainable.

In the field of sustainability, our [Agfa Graphics](#) business group is a forerunner in the graphic industry. We offer our customers the means to eliminate toxic chemicals, reduce waste, lower ink and water consumption and save energy. Our chemistry-free printing plates are the perfect example of eco-friendly products that really make a difference. We are proud to be the undisputed technology and market leader for chemistry-free printing plates.

Our commitment doesn't stop there. We actively support our customers in their shift to greener practices. In North America, for instance, we created the Environmental Recognition Awards Program. With the program, we recognize and honor printers that integrate, support and promote environmentally sound practices in their activities. Since 2007, we have recognized close to 200 printers in the USA and Canada.

With the growing world population in mind, our [Agfa HealthCare](#) business group continuously invests in the development of imaging and IT solutions that help to keep healthcare affordable and sustainable for the generations to come. We actively support hospitals in their efforts to adopt innovative imaging systems and information systems that connect all their medical departments and administrative departments into one virtual network. The digitization of healthcare not only brings advantages in terms of efficiency and costs. Our innovative solutions also help to reduce the ecological footprint of the healthcare industry. For instance, they reduce the use of consumables and chemistry, and eliminate the need to transport files on film and paper from one department or site to another.

With our [Agfa Specialty Products](#) business group, we strive to offer durable products to our industrial customers. Furthermore, we cooperate with various partners to develop products for eco-oriented industries. Together with VITO (Flemish Institute for Technology Research), for instance, we developed our Zirfon Pearl membrane for hydrogen production.

The assortment of eco products of the Agfa Graphics business group

As is the case in other industries, the pressure to work more ecologically friendly is increasing on the printing sector. Agfa Graphics is a forerunner in developing imaging technologies that reduce the ecological footprint of the printing industry.

Prepress: printing plates

Agfa Graphics puts a lot of effort in reducing the environmental impact of the use of its printing plates. Thanks to these efforts, the company has become the global market leader for chemistry-free printing plates. Contrary to traditional printing plates, chemistry-free printing plates do not require chemical processing before going to the printing press.

Agfa Graphics is a pioneer in the field of chemistry-free thermal printing plate technology for commercial printers. The thermal printing plates are based on Agfa Graphics' patented thermal Thermofuse™ technology, which allows the elimination of the energy-consuming developing process, as well as the use of caustic developer chemicals and rinsing water. For the printer, an additional advantage of chemistry-free CtP technology is the stability and predictability of the process: together with the chemical process, a lot of variables are eliminated.

In 2004, Agfa Graphics introduced :Azura, its first chemistry-free thermal printing plate for commercial printers. In 2010, Agfa launched the 2nd generation of this technology, called :Azura TS.

Also based on Thermofuse is the low-chemistry printing plate :Amigo TS, designed for commercial printers demanding longer press runs. Although not completely chemistry-free, :Amigo TS only needs half the volume of chemistry than comparable traditional printing plates.

In 2010, Agfa Graphics added :Azura Vi to its printing plate range for commercial printers. The :Azura Vi chemistry-free printing plate is designed for use on all mainstream violet CtP platesetters.

In 2011, VITO (Flemish Institute for Technology Research) performed a life cycle analysis (LCA) study on a number of Agfa Graphics' CtP printing plates. :Azura TS and :Amigo TS clearly are the best performing printing plates in terms of LCA footprint (see fig. 1 on p. 25).

Remark: the LCA study was performed on :Azura TS with a classic clean-out unit. Hence, the recent improvements due to the introduction of new clean-out units (see next page) are not reflected.



FIG. 1: COMPARISON OF ECOSYSTEM RELATED IMPACT CATEGORIES OF THE AGFA CtP LCA STUDY (AUTHOR: VITO NV-2011)

Also in the newspaper sector Agfa Graphics strives to be a leader in the field of eco-friendly printing plate systems. In 2011, the company introduced its chemistry-free violet :N94-VCF printing plate to the newspaper market. The :N94-VCF plate does not require a pre-washing treatment, nor chemical development, which allows the printer to eliminate the use of high pH chemistry and to significantly reduce chemical waste volumes and water consumption. The above mentioned LCA study compares the predecessor of the :N94-VCF (:N92-VCF) to the chemically developed :N92 V. The :N94-VCF and the :N92-VCF have a comparable LCA footprint. The graph shows a clear advantage over chemically processed alternatives.

Agfa Graphics also strives to reduce the ecological footprint of its conventional, chemically processed printing plates. In 2011, the company introduced the :Energy Elite Pro printing plate, the next generation of its no-bake :Energy Elite thermal printing plate. Unlike most thermal printing

plates, Agfa Graphics' no-bake plates do not need to be baked in an oven to reach long print-runs. As a consequence, printers can significantly reduce their energy consumption. Furthermore, the no-bake plates drive back the emission of volatile organic compounds, as they allow the printer to reduce the use of alcohol (a major source of VOC) on press.

Prepress: equipment

Agfa Graphics' prepress equipment is developed to offer printers maximum productivity and quality. Furthermore, Agfa Graphics' machines help them to save costs and reduce the impact of their activities on the environment.

For commercial printers, Agfa Graphics introduced two new thermal platesetters in different speed versions in 2011. Both the :Avalon N8-60 and the :Avalon N8-80 feature a next-generation laser imager. The systems combine enhanced image quality, reliability and throughput with reduced power consumption.

At the IGAS trade show in Japan, Agfa Graphics demonstrated its high-capacity thermal :Azura TS CtP system, which combines the :Avalon N8-80 XT platesetter with new high-capacity clean-out units (:Azura CX85 and CX125) and the :Azura TS chemistry-free printing plate. Easily handling over 40,000 m² of printing plates per year, the system is the ideal eco-friendly solution for high-volume commercial printers. Thanks to a special cascade system for the gumming solution, the new clean-out units reduce the gum consumption of the :Azura TS plates by 66%.

Also for the newspaper industry, Agfa Graphics offers a range of eco-friendly prepress systems. At the IFRA 2011 trade show, Agfa Graphics demonstrated its new comprehensive eco-friendly CtP solution, including the :Advantage platesetter, the :N94-VCF printing plates and the high-speed :VXCF85 clean-out unit.

Prepress: software

Agfa Graphics' software solutions are powerful tools for printers aiming for efficiency, quality and sustainability.

In 2011, Agfa Graphics introduced additions to its workflow management suites for commercial printers (the :Apogee Prepress suite) and newspapers (the :Arkitex suite).

The software suites offer commercial and newspaper printers solutions that save time, money and waste, for instance by eliminating paper job jackets. Both suites have applications that are able to reduce ink consumption by up to 25%. Both :Arkitex OptiInk (for newspapers) and :ApogeeX InkSave (for commercial printers) allow printers to use less drying powder and shorten the start-up time for their presses, resulting in substantially reduced paper and ink waste volumes. Furthermore, the tools lead to more stable print-runs. The :Arkitex AutoInk (for newspapers) and :ApogeeX InkDrive (for commercial printers) automatic ink adjustment software solutions provide faster press start-ups, which also results in less paper waste.

Agfa Graphics also offers commercial printers a solution that allows them to extend the use of their:Apogee Prepress tools to their digital printing presses. Again, the software helps the printer to reduce waste and save time and money.

The :Apogee WebApproval soft proofing solution offers printers and publishers the opportunity to replace hardcopy proofs by on-screen proofing. As their customers can check the printwork they ordered on their computer screen instead of by means of a hardcopy proof, sent to them by courier, the software helps to save ink and paper, reduce fuel

consumption and eliminate cartridge waste. As the solution improves the communication and collaboration between the different stakeholders of the approval cycle, it helps to reduce errors and reworks, which again is good news for the environment.

Supply chain efficiency

Until recently a number of printing plate factories were not able to produce all of Agfa Graphics' printing plates. As a consequence, printing plates that could only be produced in one factory, but were sold worldwide, caused complex logistic operations. In 2009, Agfa Graphics started a program to set up a regional production and distribution model. The idea behind the program is that every factory should be able to produce all printing plates that are sold in its specific region. This should lead to less complex logistics processes, cost savings and a reduced logistics footprint. During 2010 and 2011, Agfa Graphics invested 20 million Euro in its printing plate factories in Brazil, Italy and China. Further investments are planned for 2012.

Wide format printing systems

In the wide format printing segment, Agfa Graphics further expanded its portfolio of inkjet printing machines. The company has a broad range of entry-level and mid-range printers (:Anapurna and :Jeti machines), as well as high-end industrial flatbed presses (:M-Press machines). These machines typically replace screen printing and flexo printing equipment, hereby drastically reducing the environmental footprint of the prints produced. The production of screens and flexographic printing plates involves various chemistry and energy consuming steps. The replacement of these technologies by inkjet technology eliminates these steps. Moreover less ink is used in the inkjet process and less energy is needed to dry the prints.

:Anapurna and :Jeti printing systems are typically – but not exclusively – used to produce posters, banners and displays on all kinds of substrates. Two new systems were added to the already broad range of :Anapurna systems. The :Anapurna M1600 prints in four colors plus white on roll-to-roll substrates and rigid substrates including mirror glass and plexiglass. The versatile :Anapurna M2540 FB flatbed engine is able to print all sizes of applications, up to a maximum of 2.54 meter in width.

The :Jeti family of wide format printers also welcomed several new members. The :Jeti 3020 Titan FTR, for instance, is a high-production hybrid inkjet printer. Thanks to its modular approach, its color and speed capabilities can be easily extended to keep up with the owner's changing needs.

In the segment of high-end industrial flatbed presses, the market leading :M-Press Tiger engine was joined by the new :M-Press Leopard. The :M-Press range is able to replace traditional equipment for all possible screen print work. Whereas the :M-Press Tiger is suited for long run-length digital printing, the :M-Press Leopard is designed for short to medium run-lengths.

In addition to its inkjet equipment, Agfa Graphics also continues to develop UV curable inkjet inks. Contrary to solvent inks, Agfa Graphics' UV curable inks are free of solvents and VOC's. Furthermore, only a limited amount of energy is needed to dry UV solvent inks, which is an important advantage over water based inks. When selecting the reactive monomers for its UV curable inks, Agfa Graphics carefully considers the possible health & safety issues of these compounds.

The Agfa HealthCare business group's product-related environmental efforts

Over the years, Agfa HealthCare has evolved from a provider of X-ray film to a specialist in digital radiography and healthcare IT. Agfa HealthCare actively supports its clients in their transition from analog to digital radiography. Thanks to Agfa HealthCare's image processing software, radiologists have high-quality digital images at their disposal, which are suitable for on-screen diagnosis. As a consequence, the use of traditional, silver-containing X-ray film and the related processing chemicals is eliminated. With its Picture Archiving and Communication Systems (PACS) and Radiology Information Systems (RIS), Agfa HealthCare offers radiology departments (and other image-intensive departments) the tools to efficiently store, manage and distribute digital medical images from various imaging modalities. Care organizations can also link all their image intensive departments into one digital network, even if those departments are based at various hospital sites. With Agfa HealthCare's data center technology, it is even possible to centrally store the data from all image intensive departments of all care organizations in entire regions. Digital radiography and advanced imaging IT solutions reduce the use of resources and energy, as hardcopy printing, the copying of files and the transportation of data on physical media are eliminated.

Agfa HealthCare also goes beyond medical imaging. With its ORBIS Hospital Information System/Clinical Information System and HYDMedia electronic archiving solution the company is also active in the Enterprise IT market. With these systems, Agfa HealthCare is able to connect medical

departments and administrative departments of hospitals in one virtual network. The Enterprise IT solutions not only allow hospitals to increase productivity, improve the delivery of care and save cost. They also help care facilities to reduce their ecological footprint by cutting back the use of paper documents and reducing the need for physical archiving space. Agfa HealthCare is gradually introducing its Enterprise IT solutions in additional markets. In 2011, ORBIS was introduced in the UK, while HYDMedia became available in France.

Sustainable medical devices

Agfa HealthCare has a broad range of medical devices, such as Computed Radiography (CR) digitizers, Direct Radiography (DR) systems and hardcopy printers.

Regulations on medical devices guide designers with requirements on efficiency, as well as on safety for users and patients. Therefore, environmental concerns may seem to be of secondary importance in the design process. Products such as the new CR 10-X digitizer prove that Agfa HealthCare's designers do take energy consumption and the sustainability of components into consideration. The lightweight CR 10-X digitizer with reduced energy consumption brings innovative imaging technology to smaller clinics and imaging centers.

Agfa HealthCare's design processes comply with the requirements of EU directives on RoHS (Restriction on Hazardous Substances), REACH (Registration, Evaluation, Authorization, and Restriction of CHemicals), and WEEE (Waste Electrical and Electronic Equipment). In the field of RoHS, Agfa HealthCare already avoids the restricted substances, even if for medical devices the regulatory obligation will only come in force in 2014.

Agfa HealthCare supports COCIR in its efforts to establish a self-regulatory initiative (SRI) for complying with requirements of the European EcoDesign directive on energy related products (ERP). COCIR is a non-profit trade association representing the medical technology industry in Europe. The self regulatory program extends over several years and every year new application fields are added. It is based on equipment life cycle analyses and sets targets for energy reduction without compromising the expected performance of the equipment. In 2011, the program as well as the targets and the first follow-up results were presented to the European authorities, who accepted the program as well as the targets and recommended the program as an example for the industry.

The Agfa Specialty Products business group's eco-friendly products

Agfa Specialty Products offers materials for a wide range of markets and applications. When products are developed or enhanced, durability, recyclability and reusability are key focus points. Several products are used in environment-friendly applications.

After the launch of its synthetic paper range in 2008, Agfa now commercializes its Synaps papers 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 its range of PETix materials in November 2009. Based on PET technology, the PETix materials are very reliable and robust. PETix substantially extends the lifetime of smartcards, thereby significantly reducing the ecological footprint of the cards produced.

Since 2009, Agfa Specialty Products commercializes its Zirfon Pearl separator membranes for hydrogen production. Modern hydrogen production facilities use the Zirfon Pearl membranes to improve their efficiency and productivity.

Working @ AGFA

HUMAN RESOURCES POLICIES AND PRACTICES & CORPORATE CITIZENSHIP

For some years, Agfa has been working on a comprehensive transformation process. From a market leader in analog imaging, we wish to develop into an international player in digital imaging systems and IT solutions. The main markets we are targeting are the graphic industry and the healthcare sector. In order to make this project a success, it is essential that all colleagues in the company join forces.

In the course of this process, we increasingly leave the familiar path of film-based imaging technology and we further enter into the domain of the rapidly evolving information technology. It goes without saying that this has a strong impact on the required profiles of our employees. Innovation, flexibility, education and entrepreneurship are key.

Innovation is essential to develop new products and solutions. To introduce these products and to successfully enter new markets is impossible without adequate entrepreneurial skills. On the one hand, mastering the necessary skills to succeed demands a lot of efforts. On the other hand, it also demands that people are receptive for mobility and change. In one word: flexibility.

Agfa's HR policy is aimed at the development of a number of processes in the field of training, leading, internal mobility and performance management. Furthermore, a lot of attention is given to safety, communication and equal rights.

In 2011, the implementation of the Leading@Agfa training and development program was continued. The program is aimed at all Agfa managers. It gives them access to a range of tools for self-analysis, packages for self-training and group training sessions about the various aspects of leadership.

By means of modern intranet technology, the Academy Learning Platform was created and made available to all Agfa colleagues. In this online training catalog, they find product related training tools, as well as behavioral training programs in the field of communication, management and client orientation.

Early 2012, a new Performance Management process was introduced. The motto of the process is It's up to you! In the new process, the targets of each employee are better aligned to the overall targets of the company. Furthermore, the employee is more involved in the assessment process. A lot of attention also goes to the personal development plan. Together with the internal mobility strategy mentioned above, these are the HR focus points for the coming years.

HUMAN RESOURCES ORGANIZATION

At the end of 2010, the HR departments of the three business groups merged into a single HR global shared service of 153 people (145 Full Time Equivalents). The merger brought a number of benefits to our organization and our people:

- increased efficiency and the opportunity to leverage HR best practices across the Agfa Group.
- better leverage of the financial investments in HR tools, as one technical solution often suits the needs of the different business groups.
- improved job mobility opportunities for the Agfa employees across all business groups.

The HR organization consists of three Centers of Excellence and an HR Process Office. The Centers of Excellence cover three main activities:

- Compensation & Benefits
- Learning & Development including Performance Management
- Staffing

They are responsible for the launch of new rules or policies which can be used worldwide in Agfa's different organizations. This approach will bring a lot of benefits in the field of cost efficiency, transparency and uniformity.

The HR Process Office manages the HR operational tools and processes.

HUMAN RESOURCES PROGRAMS AND POLICIES

Performance Management

Performance Management is a recurring and ongoing business process of goal setting, development and evaluation focused on realizing the strategy of the company through the performance of the employees.

Agfa's performance management processes ensure that employees are evaluated and receive formal and informal feed-back on their achievements against a number of agreed targets.

Financial rewards to employees are to some extent based on the outcome of the performance management process. The evaluation focuses on both the evaluation of the achieved results (What) and the behaviors shown to achieve those results (How).

Competency Management

Competency management is a program that facilitates managers and employees to create personal development plans that are in line with the business objectives and the employee's professional aspirations.

Generic competencies, and an increasing number of job specific competencies, have been defined and are measured against a predefined proficiency level. Any skills gaps are prioritized and addressed through development targets. The Academy Learning Platform is accessible to all employees and offers a wide variety of technical and non-technical training options to employees.

Talent Management

At least once a year all senior managers participate in HR boards to proactively identify key talents in the organization, organize mobility or job rotations and to deal with retention of key employees.

A Global Leadership Program has been implemented to increase the visibility, coaching and development of global talent. On top of this, various regions have also put local talent programs in place.

Reward policy and practices

The employment of people is a long term investment. Today, global organizations face more and more competitive pressure in attracting and retaining staff. Therefore, Agfa offers competitive Compensation & Benefits packages to all employees. Most management employees have a variable

share in their total salary package. Payout of this variable bonus depends on the performance of the Agfa group, the respective business group or region and the individual performance (Global Bonus Plan).

In order to ensure that compensation is in line with the market, Agfa uses a formal job evaluation system and participates in salary surveys to continuously benchmark its pay (Total Target Cash).

Agfa targets to have Total Target Cash on average at the 67th percentile of the general market. The package of individual employees is differentiated based on performance and the level of expertise of the employee.

Agfa aims to offer competitive but cost effective short term and long term benefits. The most important benefits are: a pension plan, life insurance, disability insurance and medical coverage. The benefits that are offered may vary significantly across countries depending on local regulations and practices.

LABOR PRACTICES

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.

Diversity

To Agfa diversity is an important concern and the company has implemented policies and procedures in this respect. They are described in the company's Code of Conduct and in the non-discrimination policy as described in the Ethical Business Policy Statement.

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 or other organizations legally representing employees in their relation to Agfa as employer.

In every country where it is present Agfa participates in the dialogue, and where needed negotiation, with representatives of the employees. Typically in most European countries, Works Councils will take the role of employee representation bodies. At a European level a European Works Council is in place. For Health & Safety issues local committees, consisting of representatives of employees and employer, are often in place as well as required by local legislation.

Employee assistance programs

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

Local HR contacts are also available for every site so that employees can address individual concerns – if needed – in a confidential manner.

INTERNAL COMMUNICATION

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 on all company related matters.

To this aim, the Agfa's intranet is used as an important 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. In 2012, the Agfa intranet is undergoing a comprehensive make-over in order to respond to today's communication needs. Colleagues who don't have access to the intranet at their workplace, are being informed via alternative media such as printed newsletters.

Secondly, all employees receive an update on the quarterly results and any other important business topics, through the quarterly Infotour presentations that are organized at every site. During these meetings, the company's as well as the business groups' performance and results are commented in detail. Participants are invited to discuss these and related topics with their management at these occasions.

Finally, local communication initiatives, such as staff magazines, newsletters, staff meetings,... complement the above communications.

HR KEY FIGURES

At the end of 2011 Agfa employed 12,555 people which corresponds to 12,156 Full Time Equivalents. At the end of 2010 the number of Full Time Equivalents was 12,191 and at the end of 2009 11,169 Full Time Equivalents were employed.

Of the total number of 12,555 employees, 226 employees have a temporary contract.

The total number of employees is distributed as follows:

• Corporate Centers	74 employees
• Global Shared Services (HR, ICS, Purchasing,...)	558 employees
• Graphics Business Group	4,578 employees
• HealthCare Business Group	4,887 employees
• Materials/ Specialty Products Business Group	2,458 employees

The countries where Agfa has its largest presence (>500 employees) are Belgium, Germany, US, France and Canada.

The percentage of female workforce in 2011 has increased to 21.5% of the total workforce compared to 21.1% at the end of 2010. The percentage of female workers in management positions has increased from 4.1% to 15.6% in 2011.

Agfa hired or acquired 1,212 employees in 2011 while 1,288 employees left the company due to a combination of

- voluntary leavers (resignations);
- restructurings and individual terminations initiated by Agfa and
- retirements.

Most hirings take place in Agfa HealthCare, in the first place, and Agfa Graphics, in the second place.

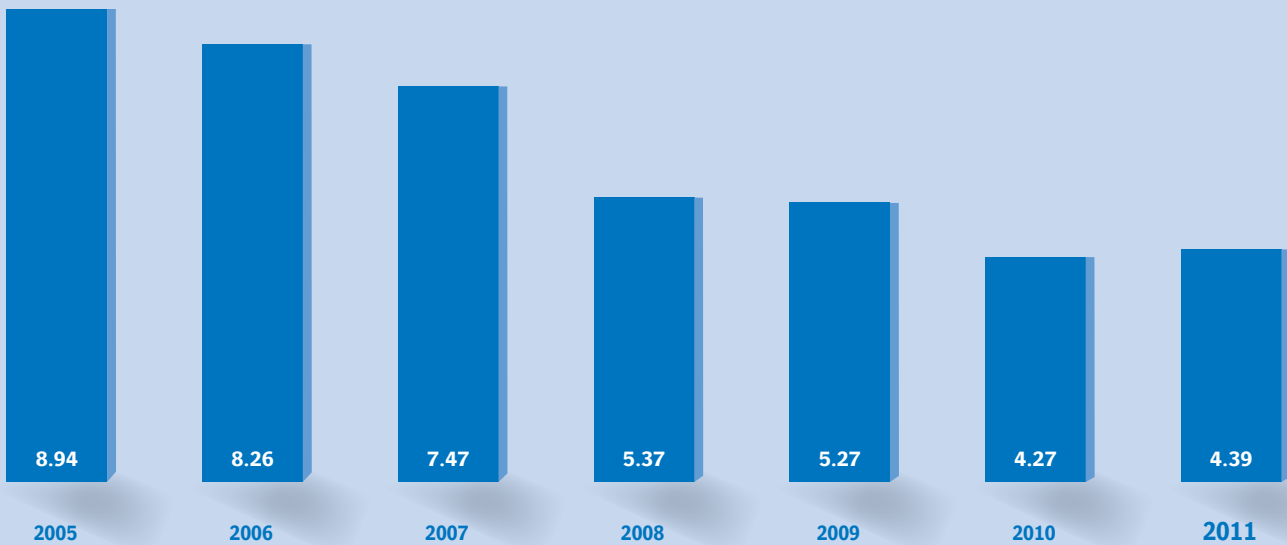
OCCUPATIONAL HEALTH & SAFETY - NUMBER OF OCCUPATIONAL INJURIES

In 2011, the frequency rate of reportable injuries increased slightly due to an increase in the frequency rate in the film manufacturing sites. Thanks to a sustained safety program

the printing plate manufacturing sites saw a further decrease if the frequency rate.

Reportable accidents

(PER MILLION WORKING HOURS)



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 across the world, mainly focused on children. Agfa colleagues are directly involved in these projects. Agfa Aid raises funds through benefit concerts and the collection of donations.

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 water: 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.

ISO 14 001

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 18 001

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 KPI

KPI Property per unit of manufactured product.

TeraJoule (TJ)

Joule is the unit of labor, energy and heat; Tera = 10¹².

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.

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