



40°51' N 74°01' W  
40°51' N 74°03' W  
40°34' N 74°43' W  
32°59' N 80°02' W  
34°49' S 58°23' W  
23°32' S 46°37' W  
26°08' S 28°13' E  
37°51' S 145°06' E  
51°09' N 4°27' E  
51°01' N 4°28' E  
50°05' N 8°15' E  
48°08' N 11°34' E  
50°43' N 7°07' E  
53°49' N 1°35' W  
45°22' N 10°08' E  
50°31' N 3°07' E  
31°14' N 121°28' E  
22°17' N 114°08' E  
31°34' N 120°17' E  
3°08' N 101°42' E  
28°35' N 77°12' E  
35°41' N 139°46' E  
1°17' N 103°51' E  
37°34' N 126°58' E

**Agfa-Gevaert**  
**SUSTAINABILITY**  
**REPORT**

**Update 2008**



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## 1 ABOUT THIS REPORT

A full Sustainability Report is published once every two years, alternating with a concise Sustainability Report update. This update adds data for the fiscal year 2008 to the information presented in the 'Agfa-Gevaert Sustainability Report 2007'.

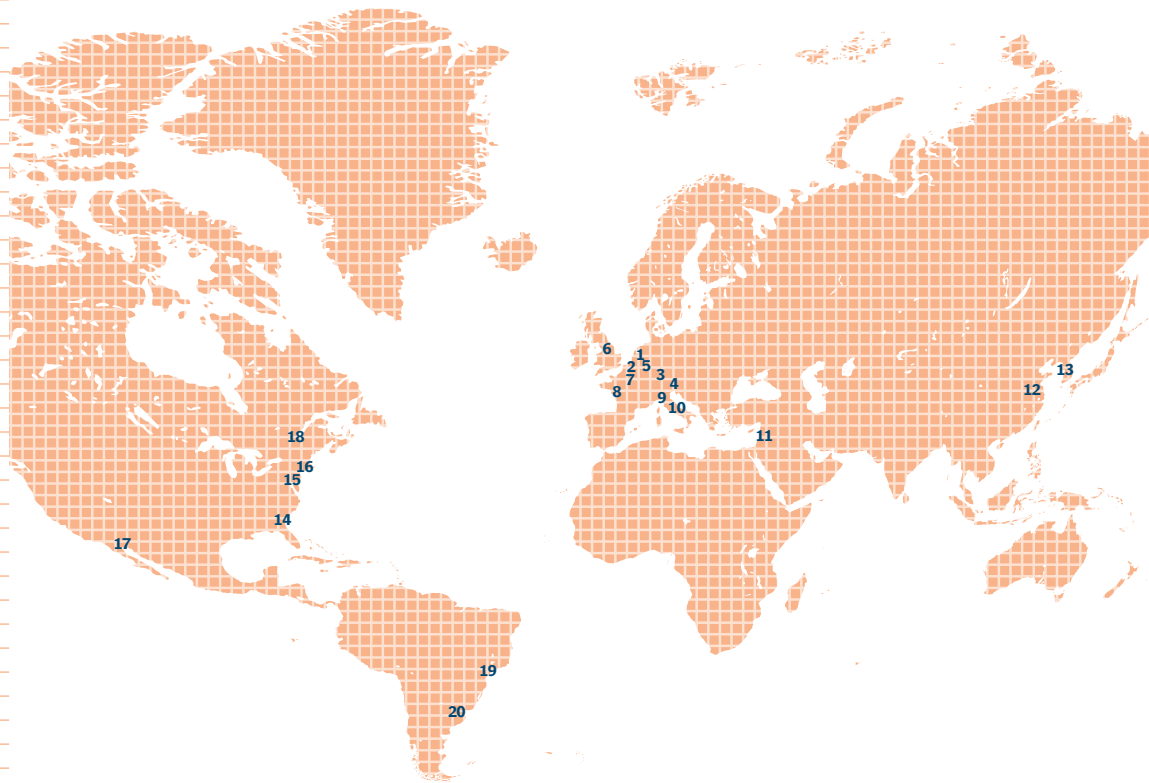
This update is published on Agfa's website: [www.agfa.com](http://www.agfa.com). The next full report will be available in June 2010.

## 2 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.

### 2.1 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. 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 more than 40 wholly owned sales organizations. In countries where Agfa does not have its own sales organization, the market is served by a network of agents and representatives.



#### Agfa's most important production and R&D centers

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

## 2 2 BUSINESSES

### 2 2 1 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 (CtF), computer-to-plate (CtP) 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.

### 2 2 2 Agfa HealthCare

Agfa HealthCare supplies hospitals and other healthcare centers with state-of-the-art systems for capturing, processing and managing diagnostic images. The business group has grown into a leader in the fast growing market for hospital-wide IT systems that integrate the workflows of the different departments of the healthcare enterprise. Thanks to these systems, healthcare facilities become more efficient and effective, with improved patient care as a result. Agfa HealthCare's imaging and IT solutions comprise Clinical Information Systems (CIS) and Hospital Information Systems (HIS), Radiology Information Systems (RIS), Picture Archiving and Communication Systems (PACS), as well as systems for reporting, cardiology, business planning, decision support, advanced clinical applications and data storage, systems for direct radiography and computed radiography, and classic x-ray film solutions.

### 2 2 3 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 film for non-destructive testing, motion picture film, film for the production of printed circuit boards (PCB's), aerial photography film and microfilm. Furthermore, the business group supplies products based on conductive polymers for the production of electroluminescent lamps or laminates for the packaging and protection of electronic components. The business group is also active in the market of identification cards. Agfa Specialty Products is also identifying opportunities to enter new target markets within and outside the imaging industry with innovating products based on its existing knowledge, experience and production infrastructure. Agfa's synthetic paper and membranes for use in bioreactors and fuel cells are some examples of this strategy.

More detailed information about Agfa-Gevaert's businesses, their strategies and their achievements in 2008 can be found in the Group's Annual Report and on [www.agfa.com](http://www.agfa.com).

## 2 3 RESEARCH & DEVELOPMENT

Agfa's R&D expenses decreased by 8.4% to 175 million Euro in 2008. 34.3% of R&D expenditure was related to Graphics, 61.1% to HealthCare and 4.6% to Specialty Products.

### 2 3 1 Agfa Graphics

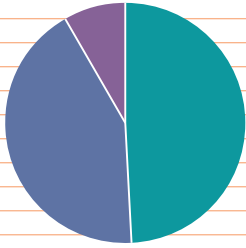
In 2008, Agfa Graphics invested further in the development of innovative systems and UV-inks for the growing industrial inkjet market, launching two new wide format systems, the :Anapurna Mv and the :Anapurna M4f. The :Anapurna Mv uses an Agfa developed UV inkjet varnish to add value to wide format prints. 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 :Azura TS (thermal printing plate for the commercial market) and :N92-VCF (violet printing plate for the newspaper market) were introduced. Both plates combine the ecological advantages of chemistry-free systems with low investment and operating costs and high reliability and speed.

### 2 3 2 *Agfa HealthCare*

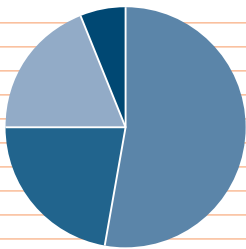
For Agfa HealthCare, improved and expanded product offerings in image based diagnostic domains – such as Radiology and Cardiology – were again within the highlights of 2008. Agfa HealthCare is focusing its R&D efforts on consolidating the technology initiatives into one shared application platform which will ensure a high level of customer satisfaction and will enable the company to roll out and support its products with substantially less effort. ORBIS – with its strong hold in the administrative and clinical information systems market – has been further expanded into new clinical domains as well as new geographies. Agfa HealthCare’s fully integrated health informatics solutions continue to enable its installed base with quantifiable returns on their investment by improving the quality of care while reducing the cost to deliver it.

### 2 3 3 *Agfa Specialty Products*

Agfa Specialty Products focussed its R&D efforts on the development of its New Business segment. Based on Agfa’s core competencies in polyester manufacturing and coating expertise, Agfa has launched an innovative synthetic paper, Synaps, in 2008. Secondly, membranes for use in electrolysis and for waste water treatment were developed. Further R&D investment improved Agfa’s materials for the production of identity cards with built-in security features as well as for conductive inks, films and coatings that can be used in the electronics industry. In the same context, several projects have been started 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.

**Share of Group Sales 2008****Percent by business group**

Agfa Graphics	50.2%
Agfa HealthCare	40.3%
Agfa Specialty Products	9.5%

**Percent by region**

Europe	55%
NAFTA	19%
Asia/Oceania/Africa	19%
Latin America	7%

**3 ECONOMIC PERFORMANCE IN 2008**

In 2008, the Group's sales decreased 7.6% to 3,032 million Euro (3,283 million Euro in 2007). High raw material prices and the strong Euro had a negative impact on Agfa's sales in the first half of 2008, whereas the effects of the deteriorating economic conditions became more visible in the second half of the year. Excluding currency effects, the sales decline was limited to 4.2%.

In the first half of the year, **Agfa Graphics'** growth in digital computer-to-plate (CtP) was able to offset the combined effect of the economic slowdown in the USA and the market-driven decline in the analog computer-to-film (CtF) segment.

At *drupa*, the four-yearly graphic trade show in Düsseldorf, Germany, the business group signed significant orders for its prepress and industrial inkjet portfolio.

In the second half of the year the economic slowdown affected the CtF and CtP segment. As a result, Agfa Graphics' sales decreased 5.9% (excluding currency effects 2.2%) to 1,522 million Euro.

In **Agfa HealthCare**, the traditional film segment continued its market-driven decline, whereas the hardcopy segment outperformed the market and remained relatively stable.

In the first half of 2008, the strong Euro led to price erosion and a weaker competitive position of Agfa HealthCare, especially in North America and the UK. In the fourth quarter, the impact of the economic slowdown became more apparent as some care organizations postponed their investments in Enterprise IT, Imaging IT and Computed Radiography (CR) equipment. Sales of Agfa HealthCare decreased 12.1% (excluding currency effects 8.6%) to 1,223 million Euro.

**Agfa Specialty Products** posted a positive sales trend during the first three quarters of the year. However, the declining trend for some of the traditional film products continued and in the fourth quarter the economic crisis affected the markets in which Specialty Products' large industrial customers operate. Specialty Products' sales increased 5.6% (including currency effects 4.7%) and reached 287 million Euro.

In 2008, the Group applied an impairment loss on goodwill and other intangible assets of 119 million Euro as a result of the revised economic assumptions of the five-year plan. Including this impairment loss, the 2008 operating result of the Group was minus 20 million Euro, versus 125 million Euro in the previous year. The financial result was minus 86 million Euro, versus minus 63 million Euro in 2007.

Income before taxes thus reached minus 106 million Euro, against 62 million Euro in 2007. In 2008, the Group applied an exceptional tax charge of 34 million Euro related to the reversal of deferred tax assets as a result of the revised economic assumptions of the five-year plan.

The Group's 2008 net result, including the impairment loss and the exceptional deferred tax charge, amounted to minus 167 million Euro or minus 134 cents per share, compared to a net profit of 42 million Euro or 34 cents per share in 2007.

Excluding the impairment loss, the exceptional tax charge and the restructuring costs, the Group would have posted a positive net result.

More detailed information about Agfa-Gevaert's economic performance in 2008 and the 2008 financial statements can be found in the Group's Annual Report and on [www.agfa.com](http://www.agfa.com).

## 4 ENVIRONMENT

### 4.1 OVERVIEW OF THE SITES INVOLVED

In the course of the fiscal year, 2008, the site in Wilmington (USA) has been closed. As a result, the number of sites taken into account for the corporate sustainability report has been reduced by one site, compared to the previous year.

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

The cut-off dates with regard to data input for this report were set at 01.01.2008 and 31.12.2008 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
France	Pont-à-Marcq	film, printing plates, chemicals
Germany	Munich	equipment
	Peissenberg	equipment
	Peiting	equipment, accessories
	Schrobenhausen	accessories
Italy	Wiesbaden	printing plates
	Vallese	printing plates
	Manerbio	printing plates
South Korea	Banwol	printing plates, chemicals
United Kingdom	Leeds	printing plates
USA	Branchburg	printing plates
	Bushy Park	conversion of film
	Teterboro	chemicals

### 4.2 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. Paper and triacetate 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 of 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.



### 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.

## 4 3 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.

## 4 4 ENVIRONMENTAL INDICATORS

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

Water consumption	m <sup>3</sup> /year
Water consumption/Specific	m <sup>3</sup> /tonne of product
Water consumption excluding cooling water	m <sup>3</sup> /year
Water consumption excluding cooling water/Specific	m <sup>3</sup> /tonne of product
Wastewater loads	tonnes/year
Wastewater loads/Specific	tonnes/tonne of product
CO <sub>2</sub> emissions to air	tonnes/year
CO <sub>2</sub> emissions to air/Specific	tonnes/tonne of product
NO <sub>x</sub> , SO <sub>2</sub> , VOC, VIC emissions to air	tonnes/year
NO <sub>x</sub> , SO <sub>2</sub> , VOC, VIC emissions to air/Specific	tonnes/tonne of product
VOC emissions to air/Specific	tonnes/tonne of product
Waste volumes	tonnes/year
Waste volumes/Specific	tonnes/tonne of product
Hazardous waste/Specific	tonnes/tonne of product
Energy consumption	TeraJoule/year
Energy consumption/Specific	TeraJoule/tonne of product
Environmental incidents and complaints	number

## 4 5 SUMMARY OF ENVIRONMENTAL ACHIEVEMENTS

Agfa performed well in achieving its five-year corporate environmental objectives.

In all manufacturing sites an internal management system for environmental issues according to the principles of the ISO 14001 standard is in place. In addition, all the main manufacturing plants are formally ISO 14001 certified by an external auditor.

To a large extent, Agfa’s 2008 achievements were in line with the Company’s target for continuous improvement. The Company performed better for most absolute and specific environmental indicators.

The total production volume decreased by 2.1% compared to 2007. The growth of the production activities in the printing plate manufacturing sites was counterbalanced by a decrease in the production of the sites that produce film and chemicals.

This confirms Agfa’s technology and business model aimed at replacing our customers’ systems which consume relatively high amounts of chemical resources by sustainable systems using less chemistry and energy.

The total water consumption decreased 5.0% compared to 2007. Cooling water consumption went down by 4.8%. Water consumption, cooling water excluded, fell by 5.1%, mainly due to the decreased production volume.

The specific water consumption, cooling water excluded, remained stable at 13 m<sup>3</sup> per tonne of product.

In 2008, the waste water load diminished by 555 tonnes or 24.6%, due to a decreased Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD) in Mortsel, which improved its production processes.

CO<sub>2</sub> direct emissions were reduced by 6,692 tonnes or 5.1%, mainly in Mortsel and Wiesbaden. In Mortsel, this was due to the reduced production volume. Since 2008, an active CO<sub>2</sub> reduction program allows the Wiesbaden plant to operate for 32% on electricity from CO<sub>2</sub> neutral sustainable sources. Suzano operates for 100% on CO<sub>2</sub> emission-free electricity from renewable origins.

Total emissions to air, CO<sub>2</sub> excluded, increased by 14.7 tonnes or 3.6% compared to 2007 due to the use of a combined heat and power plant in Mortsel. Volatile Organic Compounds (VOC) emissions were reduced by 5.0%. Volatile Inorganic Compounds (VIC) emissions remained stable.

The total waste volume in absolute figures went further down by 9.7% since 2007. The reduction was mainly recorded in Mortsel due to less aluminum waste as well as to a successful waste reduction plan. The hazardous waste volume, as well as the specific hazardous waste, went down by ca. 11% and the non hazardous waste volume went down by 8.1% in 2008.

As a result, hazardous waste remained stable in relative importance.

Total energy consumption was reduced by 0.7% in 2008. Natural gas consumption went up by 4.0%. This increase is due to the use of a combined heat and power plant in Mortsel. It was almost offset by gas savings in Wiesbaden, Leeds, Pont-à-Marcq, Wuxi Printing and Branchburg. Consumption of electricity fell by 9.2% in 2008 compared to 2007. Mortsel now produces about 25% of its own electricity demand.

Specific energy consumption almost remained constant over the same period. Mortsel reported 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 remained stable.

Leeds also reported two environmental incidents to its authorities, concerning events potentially giving rise to pollution. On the other hand, both Leeds and Wiesbaden received awards for their environmental performances. Leeds received the Process Premier Award at the Business Commitment to the Environment Environmental Leadership Awards. Wiesbaden obtained an *ökoprofit* certificate from the city of Wiesbaden.

Only Mortsel reported external complaints in 2008. They mainly concerned noise. The number of complaints was halved compared to 2007, thanks to the company's policy of open communication with its neighbors. As part of a regular consultation procedure with the neighborhood committee, corrective measures to solve these problems have been discussed and agreed upon.

In 2008 no sites reported environmental fines.

#### 4 6 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.

In line with its environmental targets, Agfa succeeded in considerably reducing the usage of natural resources and in diminishing the emissions to the air. Comparing the situation at the end of 2001 with that of December 2008 resulted in the following observations:

The consumption of water, excluding cooling water, has been cut back by 30.8% and the consumption of energy decreased by 22.6% thanks to the restructuring of global manufacturing. The emission of VOC was reduced by 76.4% due to the closure of the triacetate department in Mortsel and the installation of a regenerative thermal oxidizer in

Mortsel and Suzano. CO<sub>2</sub> emissions decreased strongly by 45.4%. The main reason for this success is the global reorganization of Agfa's manufacturing sites.

Although Agfa's manufacturing plants have made excellent progress in improving the eco-efficiency for many environmental parameters, the Company is convinced that there is still room for improvement. This is reflected in the 2005-2009 corporate environmental targets: continuous improvement of the above mentioned environmental parameters is the main goal. The operating plants have defined targets and are pursuing specific local environmental objectives.

The major manufacturing plants are updating and completing their inventory of areas and installations with historical and current risks of soil and/or groundwater contamination. They will also develop plans to monitor and remedy possible contamination. To maintain or to implement the ISO 14001 standard is a priority for all manufacturing sites.

**4 7 ENVIRONMENTAL PERFORMANCE OF THE AGFA-GEVAERT GROUP OVER THE LAST ELEVEN YEARS**

In the comments below, the environmental performance of fiscal year 2008 is compared with the performance of fiscal year 2007.

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 eleven years.

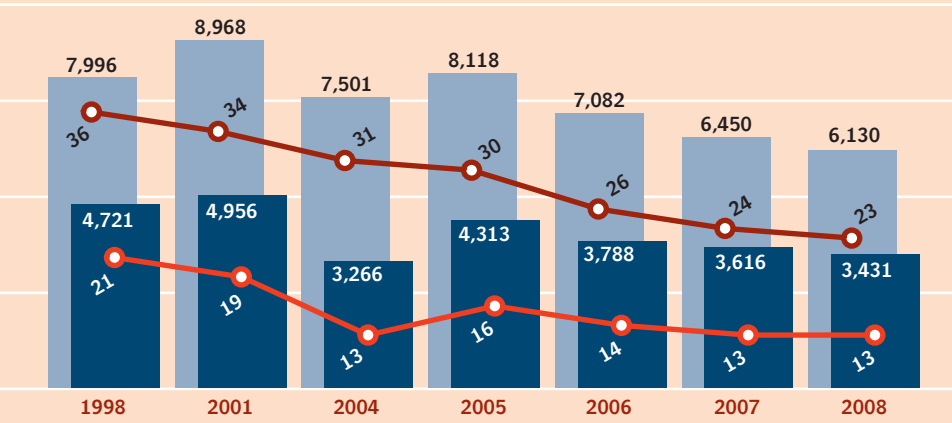
Compared to 2007, the Group's production volume went down by 2.1%. The growth of the production activities at the printing plate manufacturing sites was counterbalanced by a decrease in production at the sites producing film and chemicals. This confirms Agfa's technology and business model: the company strives to replace its customers' systems that consume relatively high volumes of chemicals by sustainable systems using less chemistry and energy.

tonnes/year	1998	2001	2004	2005	2006	2007	2008
Volume	224,933	261,274	245,691	274,978	273,619	270,567	265,002

**Water consumption**

**Water consumption 1998 to 2008**  
(1,000 m<sup>3</sup>/year)

- water consumption
- water consumption excluding cooling water
- Specific water consumption (m<sup>3</sup>/tonne of product)
- Specific water consumption excluding cooling water (m<sup>3</sup>/tonne of product)



In 2008, the total water consumption amounted to 6,130,098 m<sup>3</sup>, mainly consisting of process and sanitary water (55.4%) and cooling water (44.0%).

The total water consumption decreased by 319,826 m<sup>3</sup> or 5.0% compared to 2007.

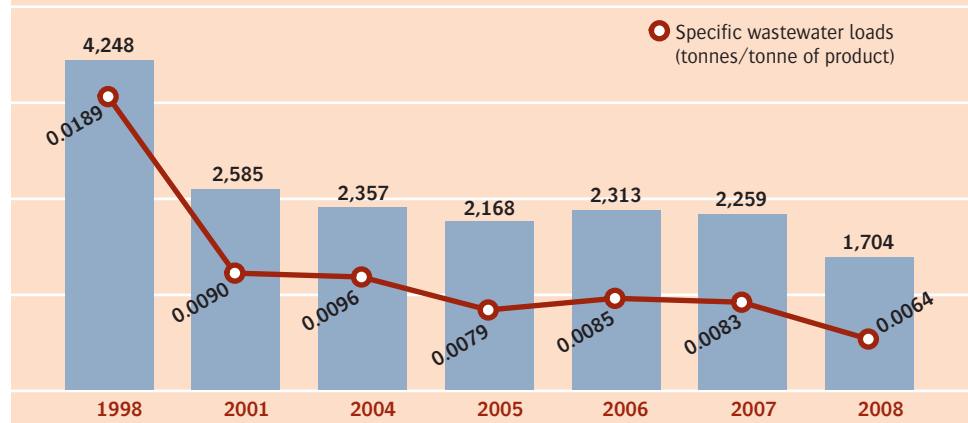
Cooling water consumption went down by 134,858 m<sup>3</sup> or 4.8%. This reduction is mainly due to projects on reducing specific cooling water consumption in Wiesbaden and Manerbio. Water consumption, cooling water excluded, fell by 184,968 m<sup>3</sup> (or 5.1%), mainly due to a process water reduction program in Manerbio and Vallese and a decreased production volume in Mortsel.

As a result, specific water consumption, cooling water excluded, remained almost stable at 13 m<sup>3</sup> per tonne of product.

#### Wastewater loads

Volume tonnes/year	1998	2001	2004	2005	2006	2007	2008
COD	4,018.4	2,375.4	2,095.5	1,952.4	2,015.4	1,958.6	1,476.8
N	200.8	175.3	244.1	196.8	122.4	94.1	97.8
P	26.8	29.8	14.9	13.3	172.3	203.7	17.6
AOX	1.1	3.4	1.4	4.9	2.4	1.8	1.4
Heavy metals	0.9	0.9	0.7	0.7	0.9	0.6	0.5
<b>TOTAL</b>	<b>4,247.9</b>	<b>2,584.8</b>	<b>2,356.6</b>	<b>2,168.0</b>	<b>2,313.3</b>	<b>2,258.7</b>	<b>1,704.1</b>

Wastewater loads 1998 to 2008  
(tonnes/year)



External biological treatment plants process the wastewater flows from most of the manufacturing sites. 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.

Almost 87% of the wastewater load consists of COD.

In Mortsel, the sum of the COD and BOD loads decreased by about 538 tonnes, mainly because of improvements in production processes.

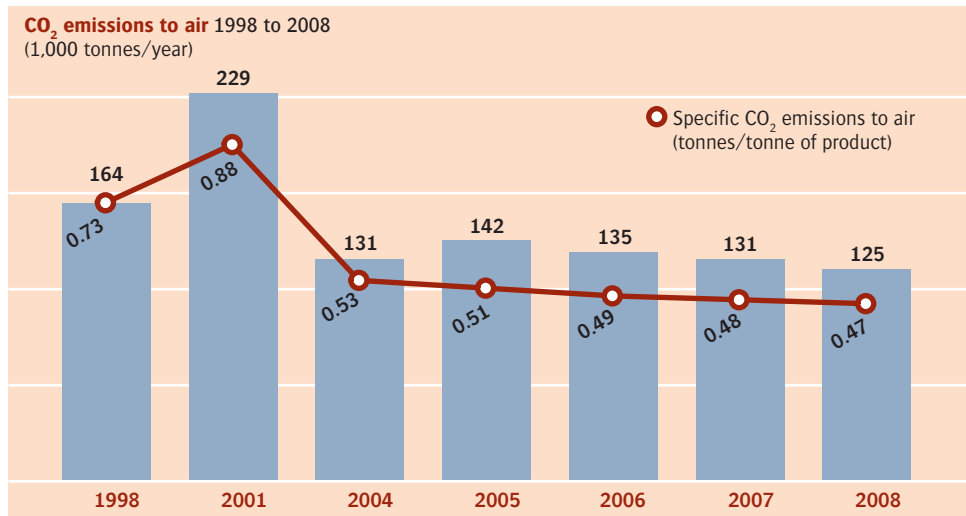
As a result, the wastewater load diminished by 555 tonnes or 24.6% in 2008.

The specific wastewater load fell by 23.0% compared to 2007.

**Emissions to air**

**CO<sub>2</sub> emissions to air**

**CO<sub>2</sub> emissions to air 1998 to 2008**  
(1,000 tonnes/year)



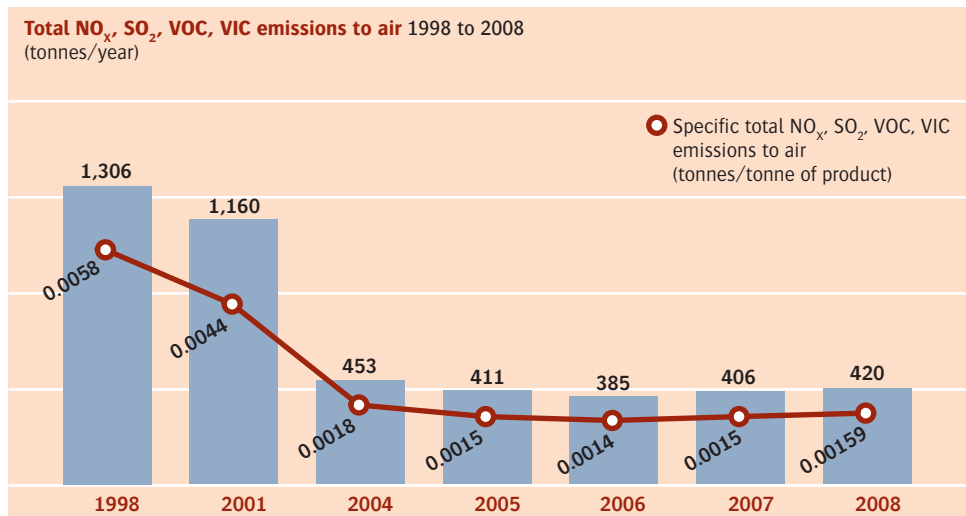
Compared to 2007, a further decrease of 6,692 tonnes or 5.1% was reported. This result was mainly obtained in Mortsel – due to the decreased production volume – and Wiesbaden – due to the active CO<sub>2</sub> reduction program. Since 2008, Wiesbaden is able to obtain 32% of its electricity from CO<sub>2</sub> neutral sustainable energy sources. Suzano operates for 100% on CO<sub>2</sub> emission free electricity from renewable sources.

Specific emissions decreased by 3%.

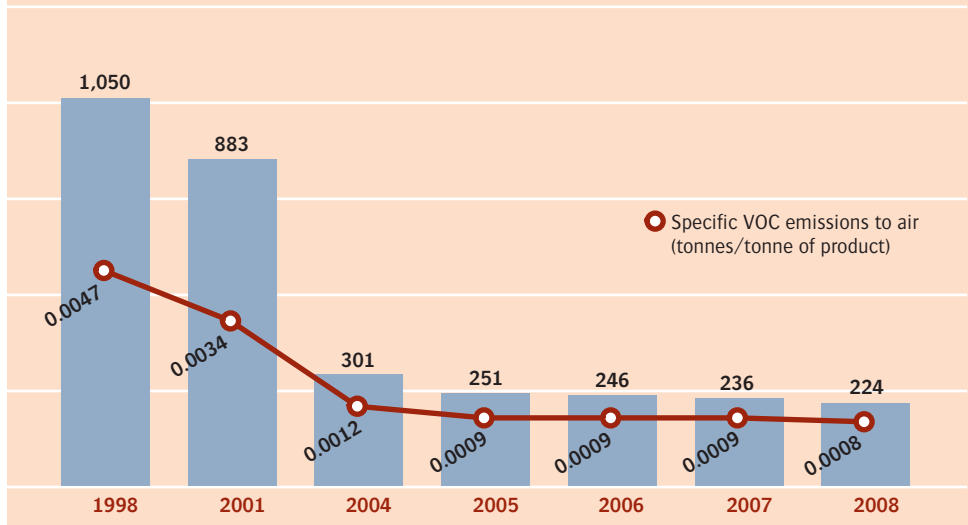
**NO<sub>x</sub>, SO<sub>2</sub>, VOC, VIC emissions to air**

Volume tonnes/year	1998	2001	2004	2005	2006	2007	2008
NO <sub>x</sub>	186	189	136	137	127	157	164
SO <sub>2</sub>	58	76	3	11	7	8	28
VOC	1,050	883	301	251	246	236	224
VIC	12	11	12	12	5	5	4
<b>TOTAL</b>	<b>1,306</b>	<b>1,160</b>	<b>453</b>	<b>411</b>	<b>385</b>	<b>406</b>	<b>420</b>

**Total NO<sub>x</sub>, SO<sub>2</sub>, VOC, VIC emissions to air 1998 to 2008**  
(tonnes/year)



**VOC emissions to air 1998 to 2008**  
(tonnes/year)



The total volume of emissions, CO<sub>2</sub> excluded, increased by 14.7 tonnes or 3.6% compared to 2007 due to the use of a combined heat and power plant in Mortsel.

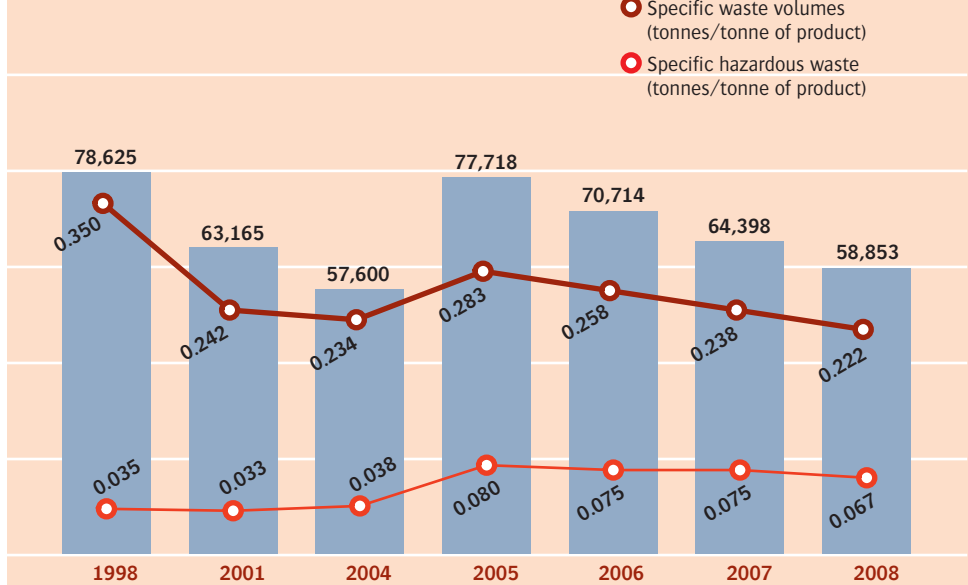
VOC emissions were reduced by 78.7% since 1998, of which 12 tonnes (5.0%) since 2007. VIC emissions remained stable.

The specific VOC emissions to air remained stable during the last four years.

**Waste**

Volume tonnes/year	1998	2001	2004	2005	2006	2007	2008
Landfill	12,685	13,339	7,940	8,721	2,868	1,482	1,715
Incineration	539	585	403	843	247	262	203
Recycling	42,706	39,784	40,698	60,687	60,608	56,475	51,604
Energy recovery	4,062	3,289	2,267	1,792	1,997	2,032	1,674
Physico-chemical treatment	880	1,348	1,450	1,655	1,159	946	705
Valorization	17,753	4,820	4,842	4,020	3,835	3,202	2,952
<b>TOTAL</b>	<b>78,625</b>	<b>63,165</b>	<b>57,600</b>	<b>77,718</b>	<b>70,714</b>	<b>64,398</b>	<b>58,853</b>
Non-hazardous	90%	86%	84%	72%	71%	69%	70%
Hazardous	10%	14%	16%	28%	29%	31%	30%

**Waste volumes 1998 to 2007**  
(tonnes/year)



The total waste volume in absolute figures went down by 9.7% compared to 2007. Mortsel reached the strongest decline due to the reduction of aluminum waste as well as to a waste reduction plan.

Landfill decreased by 19% in 2008.

Recycling went down by 8.8% compared to 2007, mainly in Mortsel, Manerbio and Pont-à-Marcq. In Mortsel, pretreatment was optimized (distillation and filtration) and the volume of aluminum waste was reduced.

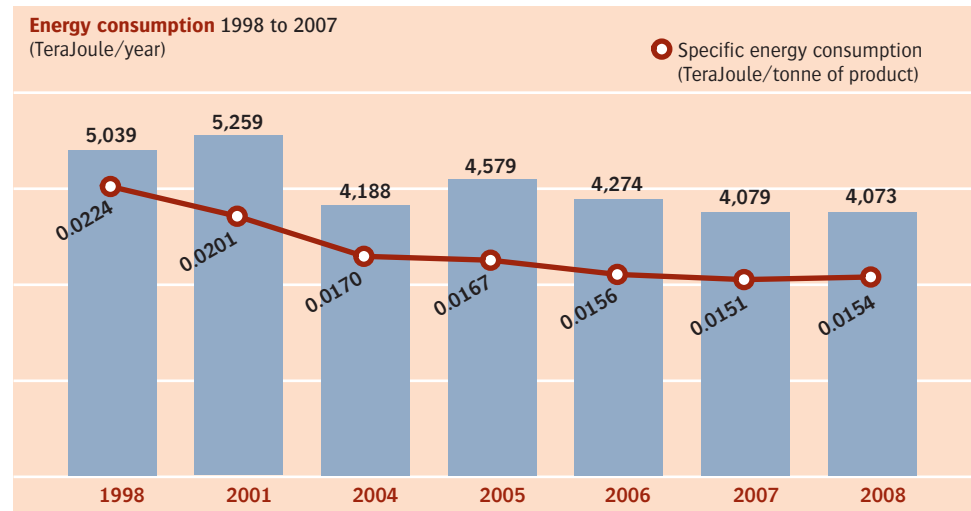
Incineration fell by 22.5%, mainly in Vallese and Wiesbaden, due to reduced production volumes, a changed product/mix and a shift in Wiesbaden from incineration to biological treatment.

Energy recovery decreased by 17.6% and physico-chemical treatment by 26.3%, both mainly in Mortsel due to a change in product/mix and to a waste reduction plan.

The hazardous waste volume as well as the specific hazardous waste went down by ca. 11%, while the non-hazardous waste volume went down by 8.1% in 2008.

As a result, hazardous waste remained stable in relative importance.

### Energy



Total energy consumption decreased by 0.7% in 2008.

Natural gas consumption went up by 4.0% due to the use of a combined heat and power plant in Mortsel. However, this effect was almost fully offset by gas savings in Wiesbaden, Leeds, Pont-à-Marcq, Wuxi Printing and Branchburg.

Natural gas represented 61.5% of the total energy consumption in 2008 (58.7% in 2007 and 54.8% in 2006).

Compared to 2007, the consumption of electricity fell by 9.2% in 2008. Thanks to its energy plant, Mortsel now produces about 25% of its own electricity requirements.

The specific energy consumption remained almost stable over the same period.

The proportion of electricity continued to decrease from 41.1% in 2006 over 36.7% in 2007 to 33.6% in 2008.

**Environmental incidents, complaints and fines*****Incidents and complaints***

In 2008, Mortsel reported 14 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 remained stable.

Leeds reported 2 environmental incidents to its authorities. The incidents concerned events that potentially could cause pollution.

Both Leeds and Wiesbaden received awards for their environmental performances: Leeds received the Process Premier Award at the Business Commitment to the Environment Environmental Leadership Awards and Wiesbaden obtained an *ökoprofit* certificate from the city of Wiesbaden.

Mortsel was the only site to report external complaints in 2008. They mainly concerned noise pollution. The number of complaints was halved in comparison to 2007, thanks to the company's policy of open communication with its neighbors. The Mortsel neighborhood committee deals with these complaints.

***Fines***

In 2008, no sites reported environmental fines.



## 5 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 108 legal entities worldwide. The further increase of the number of legal entities compared to the previous years is due to the continued establishment of business group dedicated entities in 2008.

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

- 14 legal entities (4 manufacturing sites and 10 sales or administrative organizations) belong to the Agfa Materials business group (which consists of Specialty Products and all the film manufacturing activities of the Agfa-Gevaert Group);
- 48 legal entities (42 sales organizations and 6 manufacturing sites) belong to the Agfa Graphics business group;
- 46 legal entities (45 sales organizations and 1 manufacturing site) belong to the Agfa HealthCare business group.

The report covers 100% of Agfa's total workforce.

### 5 1 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.

### 5 2 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 policies and practices
- Internal communication practices
- Corporate Citizenship & Community Participation

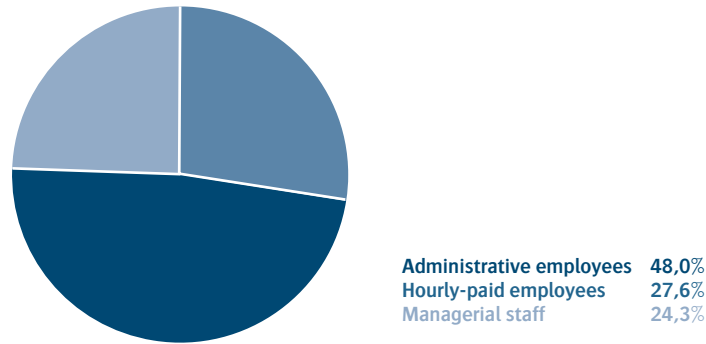
### 5.3 LABOR PRACTICES

#### 5.3.1 Workforce characteristics

The report is based on data on 12,521 employees, which is the total workforce of the Agfa Group at the end of December 2008. At the end of 2007, the total workforce amounted to 13,789 employees.

##### 5.3.1.1 Job categories

The workforce comprises 27.6% hourly-paid employees, 48.0% administrative employees and 24.3% managerial staff.



##### 5.3.1.2 Employees by business group

2,826 employees are employed by the Agfa Materials business group, 4,671 employees by the Agfa Graphics business group and 5,024 employees by the Agfa HealthCare business group.

#### 5.3.2 Diversity

For 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.

Reflecting the decline of the traditional analog imaging business in favor of the increasing digitalization, the female workforce has further increased to 22.2% of the total workforce, compared to 21.9% in 2007. Especially in the Agfa HealthCare business group (27.4% of the total workforce), the presence of females is significantly higher than in the more traditional Agfa Materials business group (11.4% of the total workforce). In Agfa Graphics, women represent 23.0% of the workforce.

The percentage of females in a management position has only increased slightly from 2.5% in 2007 to 2.9% in 2008.

In countries where minority reporting is applied, 5.6% 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.

#### 5.3.3 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, 80.0% of the total workforce or 10,018 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.

### 5.3.4 In- and outflow

Agfa hired 1,172 new employees in 2008, while 4,798 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 cost reduction initiatives.

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.

### 5.3.5 Labor contract characteristics

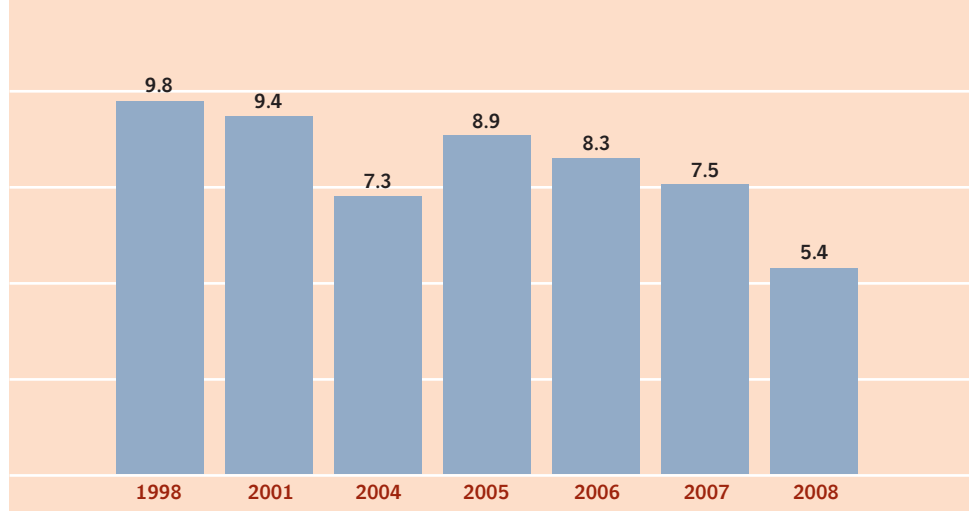
In 2008, 90.6% of Agfa's employees had a full time employment contract and 8.1% had a part time contract. Temporarily employment represented 1.3% of the total employment.

### 5.3.6 Employee assistance programs

Besides the rigorous implementation of the Code of Conduct, more than 69% 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.

## 5.4 OCCUPATIONAL HEALTH & SAFETY

Reportable accidents 1998 to 2008  
(per million working Hours)



Following a decrease of 6.7% in 2006 and a further decrease of 10% in 2007, the number of reportable injuries per million working hours went down by 28% in 2008. Actions will be taken to further reduce the actual frequency rate of 5.4 accidents per million working hours. Six sites had no reportable injuries. The frequency rate of reportable injuries in the film manufacturing sites and equipment factories decreased in comparison with 2007 and is lower than the overall Agfa average. Although the frequency rate of the printing plate factories decreased by 5% due to the stricter implementation of clear safety and health practices, reportable incidents are still above average.

## 5.5 HUMAN TALENT MANAGEMENT PRACTICES

### 5.5.1 Performance management

Agfa's Performance Management Process helps employees to focus on results and promotes key behaviors and success attributes. Agfa aims to reward performance, seeing to it that the evaluation of each individual is 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
- co-operation & teamwork
- customer focus
- leadership
- planning & execution
- problem analysis and judgment

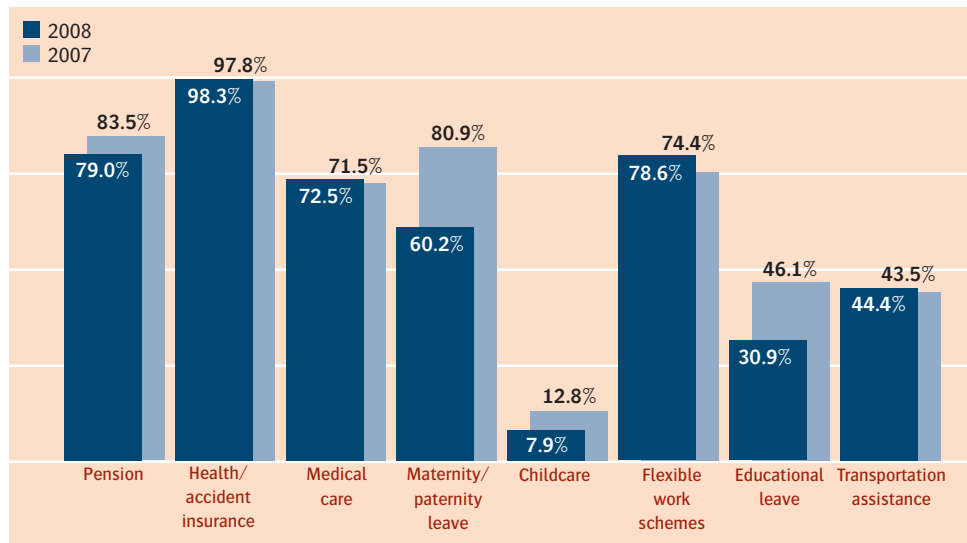
**5 5 2 Training and development initiatives**

During 2008, a reported total number of 116,119 hours were spent on training. The majority of the total reported training is used by administrative employees (48.7%). Hourly-paid employees were given 19.4% of the total training and 32.1% is used by the managerial staff.

**5 5 3 Reward policy and practices**

**5 5 3 1 Benefits**

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



### 5 5 3 2 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 local policies.

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.

### 5 6 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.

In 2008, the following channels were used most:

- 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 to a selection of managers who present the information to their teams.
- Nice-to-know is a newsletter that is sent out to all executives, containing relevant information concerning Agfa, the competition, related sectors and the economic climate.
- Each of the business groups has developed additional tools to inform their employees on an ad-hoc basis.

### 5 7 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.

A few examples illustrate the commitment of Agfa and its employees:

- The project '**Música é Imagem**' is sponsored by Agfa in Suzano city (Brazil). More than 70 children take choir classes and participate in sports activities and after school tutoring three times a week.
- In Colombia, Agfa donates cash contributions to an institution called '**Colombia Herida**' which supports soldiers injured in combat.
- Agfa USA matches employee contributions to the '**United Way**' project. Contributors to this project can specify which philanthropic causes they wish to support.
- In 2008, Agfa HealthCare donated two CR 30-X digitizers and three DRYSTAR 5302 printers via the Chinese Red Cross organization in order to support the province of **Sichuan** which was hit by a heavy earthquake on May 12, 2008.
- Agfa Graphics organized a genuine auction of Agfa products on its booth during the 2008 *drupa* trade show. Also, works of art were put on sale from renowned Belgian artists Panamarenko, Luc Tuymans and Agfa colleague Marc Van Boom, as well as sports t-shirts signed by Pele and wide-format prints.

With the money raised, a water pump project in **Dara, Burkina Faso** was sponsored. It is located close to a small hospital, three kilometers outside of Dara and will provide more than 10,000 people with daily fresh water.

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 colleagues 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): water supply projects.
- **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 gipsies.
- **Azia** (Nigeria): support for the construction of a school.

The **Kalutara project** in Sri Lanka, for which Agfa Aid offered support and materials for building houses and a local school, is completed.

## 6 GLOSSARY

<b>AOX</b>	Sum of organic halogen compounds in water that can be adsorbed by activated carbon under standardized conditions
<b>Biodegradable</b>	Property that makes chemical compounds degradable by biological treatment
<b>Biological wastewater treatment</b>	Micro-organisms are capable of breaking down substances in surface waters: wastewater treatment plants make selective use of this natural process
<b>CO<sub>2</sub></b>	Carbon dioxide, generated by combustion of fuel
<b>COD</b>	Chemical oxygen demand, the amount of oxygen needed for chemical oxidation of constituents of water
<b>EBIT</b>	Earnings before Interest and Tax
<b>EBITDA</b>	Earnings before Interest and Tax, Depreciation and Amortization
<b>Equipment Information Sheet (EIS)</b>	Document explaining the environmental, safety and health aspects of equipment
<b>ISO 14001</b>	International standard for environmental management systems.
<b>Landfill</b>	Place where waste can be stored or kept
<b>N</b>	Nitrogen
<b>NO<sub>x</sub></b>	Nitrogen oxide, generated for example as a result of combustion with air
<b>OHSAS 18001</b>	International standard for health and safety management systems (OHSAS stands for Occupational Health and Safety Assessment System)
<b>P</b>	Phosphor
<b>Recycling Pass</b>	Document explaining presence and location of hazardous and valuable elements in equipment and how to handle them
<b>RoHS</b>	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
<b>SO<sub>2</sub></b>	Sulfur dioxide, released as a by-product in the combustion of sulfur-containing fuels
<b>Specific</b>	Property per unit of manufactured product
<b>Terajoule (TJ)</b>	Joule is the unit of labor, energy and heat Tera = 10 <sup>12</sup>
<b>Valorization</b>	Reuse of waste for useful applications outside the production process
<b>VIC</b>	Volatile Inorganic Compounds
<b>VOC</b>	Volatile Organic Compounds
<b>Wastewater load</b>	Emissions of chemical and physical substances from processes in water
<b>WEEE</b>	Waste Electrical and Electronic Equipment, refers to an EU directive to improve the overall impact of equipment on the environment

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