

Agfa-Gevaert

Sustainability Report

Update **2010**



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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 2010 to the information presented in the 'Agfa-Gevaert Sustainability Report 2009'.

This update is published on Agfa's website: www.agfa.com.
The next full report will be available in June 2012.

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.

AGFA'S MOST IMPORTANT PRODUCTION AND R&D CENTERS

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

GLOBAL PRODUCTION AND SALES NETWORK

Agfa's headquarters and parent company are located in Mortsels, 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 wholly owned sales organizations in more than 40 countries. In countries where Agfa does not have its own sales organization, the market is served by a network of agents and representatives.

BUSINESSES

AGFA GRAPHICS

Agfa Graphics offers integrated prepress solutions to the printing industry. These solutions comprise consumables, hardware, software and services for production workflow, project and color management. Agfa Graphics is a worldwide leader with its computer-to-film (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.

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 entire, and even multiple, hospitals. Today Agfa HealthCare offers over 100 markets access to its leading technologies and solutions, which range from Clinical Information Systems (CIS) and Hospital Information Systems (HIS), Radiology

Information Systems (RIS), Picture Archiving and Communication Systems (PACS), Data Centers, as well as advanced systems for reporting, cardiology, decision support, advanced clinical applications and data storage, systems for Direct Radiography (DR) and Computed Radiography (CR), classic X-ray film solutions and contrast media.

AGFA SPECIALTY PRODUCTS

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

Furthermore, the business group is active in growth areas within and outside the imaging industry with products based on its core competences: materials for smart cards, conductive polymers and related products, synthetic paper and membranes for gas separation.

More detailed information about Agfa-Gevaert's businesses, their strategies and their achievements in 2010 can be found in the Group's Annual Report and on www.agfa.com.

RESEARCH & DEVELOPMENT

The Agfa-Gevaert Group's R&D expenses amounted to 153 million Euro in 2010. 26% of R&D expenditure was related to Agfa Graphics, 66% to Agfa HealthCare and 8% to Agfa Specialty Products.

AGFA GRAPHICS

In 2010, Agfa Graphics continued to invest 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 1224 HDC was introduced as the first :Jeti printer with Agfa's :Anuvia inks, which are also used in the :M-Press Tiger. The :Anapurna 2500 LED is the first industrial large format solution that enables UV curing with LED technology to save on energy and waste heat. For the :Dotrix press, low-migration inks were developed with six colors to extend the color gamut of applications on primary and secondary food packaging substrates.

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, the :N92-VCF was launched to offer stable chemistry-free violet sensitive polymer plates for newspaper applications. The plate combines the ecological advantages of chemistry-free systems with low investment and operating costs, high reliability and speed.

Agfa Graphics' software :Apogee Suite (for commercial printers) was renewed to offer new preflighting and a revolutionary fully automated imposition solution. With another series of enhancements, :Apogee integrates also with digital print engines as an extension to conventional printing solutions. New applications integrate job creation and content submission and web-to-print features. Agfa Graphics' :Arkitex suite (for newspapers) was enhanced to integrate the interface between the newspaper production and their publishers with :Arkitex Portal.

AGFA HEALTHCARE

In 2010, Agfa HealthCare focused its R&D efforts on expanding and strengthening its portfolio. The delivery of next-generation Computed Radiography solutions, the introduction of a Direct Radiography product line, the introduction of its latest IMPAX solution and associated information systems, the expansion of solutions for its Data Center technologies to meet an increasing demand for regional image management, 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 2010. Examples are the DX-D 300 and DX-D 100 DR solutions and the portable DX-10 and DX-20 DR detectors, the DX-M CR system for mammography and general radiology and the IMPAX 6.5 solution. In 2010, Agfa HealthCare also focused its research on new consumables, which eventually should compensate for the revenue decline caused by the decline of the market for traditional X-ray film products. Through the acquisition of Insight Agents and the development of new generic products, Agfa HealthCare entered the market of contrast media.

AGFA SPECIALTY PRODUCTS

Agfa Specialty Products focused the 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[®], a polyester based synthetic paper, was launched. Since then development efforts have been concentrated on creating a large range of applications for the printing market. In 2010, the Synaps portfolio was extended with the introduction of the self adhesive foils Synaps AP and Synaps AR.

Furthermore, membranes for gas separation have been developed and are in a first phase of commercialization.

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 2010, Agfa Specialty Products also participated in a number of pre-competitive longer term research projects.

Economic performance in 2010

In 2010, the Agfa-Gevaert Group's revenue grew 7.0% to 2,948 million Euro (2,755 million Euro in 2009). About half of this increase was related to Agfa Graphics' joint venture in China and the acquisition of the Harold M. Pitman Company. The exchange rate conditions had a beneficial impact of 3.8% on the Group's top line business performance.

The revenue of the **Agfa Graphics** business group increased by 16.7% (12.2% excluding currency effects) to 1,565 million Euro.

In the first half of the year, prepress revenue increased significantly in spite of the strong competitive pressure. The growth was due to a marked upturn in the digital computer-to-plate business and the business group's success in the analogue computer-to-film market.

In the second half of the year, prepress revenue growth was driven by the acquisition of the Harold M. Pitman Company, as well as the go-live of the Agfa Graphics Asia joint venture.

In the industrial inkjet segment, increasing equipment and ink volumes contributed to the strong revenue growth. Agfa Graphics' revenue increase mainly comes from the USA and the emerging countries, whereas the recovery in most European countries was lagging behind the rest of the world.

Agfa HealthCare's full year revenue remained almost stable at 1,180 million Euro. Excluding currency effects, a decrease of 3.3% would have been posted. As expected, the growth in the IT division did not yet offset the revenue decline in the traditional business.

In IT, the Imaging IT business performed according to expectations, with strong growth figures in the emerging markets and growing market shares in North America and Europe.

The Enterprise IT business performed well in the German speaking part of Europe, where Agfa HealthCare's ORBIS solution is well established. In France, Belgium and Luxembourg, the business is still in the investment phase.

In Imaging, the market for traditional film products continued to decline, whereas Computed Radiography and Direct Radiography performed well.

Agfa Specialty Products' revenue decreased by 33 million Euro, mainly due to the shift of part of its film business to Agfa Graphics and the market-driven decline for some of the Classic Film products. The Printed Circuit Board film business performed well.

The **Agfa-Gevaert Group's** profit from operating activities amounted to 234 million Euro, versus 170 million Euro in the previous year. Income before taxes thus reached 140 million Euro, against 56 million Euro in 2009. A positive net result of 105 million Euro – or 0.80 Euro per share – was booked in 2010, compared to 6 million Euro – or 0.05 Euro per share – in 2009.

More detailed information about Agfa-Gevaert's economic performance in 2010 and the 2010 financial statements can be found in the Group's Annual Report and on www.agfa.com.

Environment

OVERVIEW OF THE SITES INVOLVED

In the fiscal year 2010, the number of sites taken into account for the corporate sustainability report did not change compared to the previous year.

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

The cut-off dates with regard to data input for this report were set at January 1, 2010 and December 31, 2010 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
	Wiesbaden	Printing plates
Italy	Manerbio	Printing plates
	Vallese	Printing plates
South Korea	Banwol	Printing plates, chemicals
United Kingdom	Leeds	Printing plates
USA	Branchburg	Printing plates
	Bushy Park	Conversion of film
	Teterboro	Chemicals

TYPE OF OPERATIONS

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

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

Production of film and paper

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

Production of printing plates

The base for most printing plates is aluminum sheet which is purchased from external suppliers and further pretreated and coated at the plate manufactur-

ing sites. Most printing plates do not contain silver, but there are some exceptions. As for film, the final step in the production of printing plates is 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.

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.

ENVIRONMENTAL INDICATORS

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

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

SUMMARY OF ENVIRONMENTAL ACHIEVEMENTS

The total production volume increased with 3.7% compared to 2009 due to an increase of printing plate production in the Agfa Graphics business group. The production of mainly photographic film and related chemicals for all three business groups decreased with about 1%.

Agfa performed well in achieving its corporate environmental objectives. The company performed better for most of its specific environmental indicators.

The total water consumption decreased with nearly 2%, despite the increased production volume, resulting in lower specific water consumption. Process water consumption dropped in Vallese (Italy) due to the increase of production efficiency. Especially cooling water consumption dropped remarkably due to the relocation of the Wuxi site (China).

The specific wastewater load increased compared to 2009, due to the increasing Chemical Oxygen Demand (COD), caused by the increase in the recycling of Drystar film. Emissions of aluminum

salts in wastewater show an increasing trend. Investments in 2011 in new equipment should result in lower emissions.

Specific CO₂ emissions increased with 1.6% due to a shift in product mix in the Belgian sites and an increasing energy demand for heating caused by a significantly longer winter period.

Specific emissions to air, CO₂ emissions excluded, remained at the same level as 2009.

VOC emissions (Volatile Organic Compounds) in Belgium increased because of a change in the product mix: the share of digital products became more important. As a result, more solvents are used.

On the other hand, the decrease in VOC emissions in Suzano (Italy) coming from the improved efficiency of their regenerative thermal oxidizer (RTO), offsetted the raise in Belgium. This results in a specific VOC emission that is lower than in 2009. Since 2005, these specific emissions have been constantly decreasing. This proves Agfa's efforts to reduce the ecological impact of its activities.

Total waste volumes increased more than proportionally to the production volumes. As a result, the specific waste volume increased. This is entirely due to a sharp increase in landfill from aluminum sludge. Aluminum sludge is recycled as much as possible into useful applications. The volatility in demand in these markets accounts for frequently changing landfill quantities.

Coming down from one third of the total waste volume, hazardous waste represents less than one quarter of that volume in 2010. The specific hazardous waste volume shows a continuously decreasing trend since 2005.

Energy consumption increased with 3.5%, which is slightly lower than expected based on the production volumes. Therefore, specific energy consumption remains nearly stable.

Mortsel was the only site to report environmental incidents. They mainly concerned effluents. No fines were reported. Complaints from neighbors were reported only by Mortsel. They mainly concerned noise. A number of smaller investments and measures were introduced to avoid these inconveniences.

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 2010, this was demonstrated by the decrease in specific water consumption, emissions to air and hazardous waste volumes.

Agfa continues to invest in projects to diminish its environmental impact, including investments in biological water treatment with water reuse, in energy production with a Combined Heat and Power Plant (CHPP) and in the renewal of installations to lower emissions to water and air.

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

In the comments below, the environmental performance of fiscal year 2010 is compared with the performance of fiscal year 2009. The graphs and tables illustrate the general trends since 2000. Historical data from the former Consumer Imaging sites are not included.

Production volumes

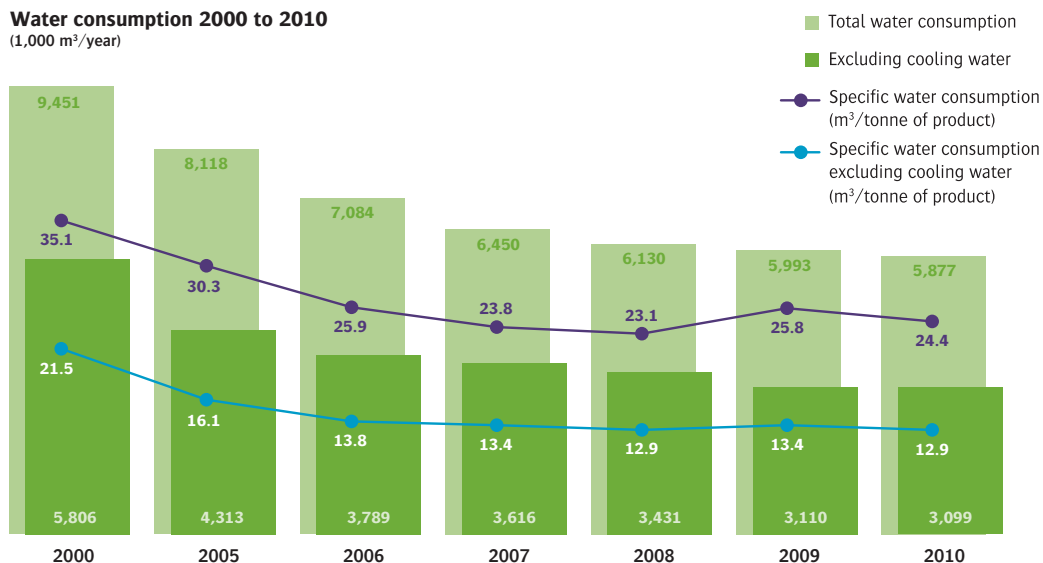
The table below gives an overview of the Group's production volumes over the last eleven years.

Compared to 2009, the Group's overall volume increased by 3.7% due to an increase of printing plate production in the Agfa Graphics business group. In all three business groups, the production of – mainly photographic – film and related chemicals decreased by about 1%.

Volume tonnes/year	2000	2005	2006	2007	2008	2009	2010
	269,521	268,357	273,612	270,567	265,002	232,434	241,047

Water consumption

Water consumption 2000 to 2010
(1,000 m³/year)



In 2010, the total water consumption decreased to 5,877,024 m³. It mainly concerned process and sanitary water (52.2%) and cooling water (47.3%). The consumption of both water streams dropped despite the raise in production volumes. This results in lower specific consumption.

Water consumption, cooling water excluded, fell by 10,573 m³ (or 0.3%). A more detailed analysis shows that this is due to a combination of:

- a rather important raise of the consumption of process water in Pont-à-Marcq (+21%). An old demineralization unit for the production of demineralized water was replaced by a reverse osmosis system. The latter installation consumes more water but is chemical free.
- a strong decrease in the consumption of process water in Vallese (-28%) due to an increase of production efficiency through the use of bigger sized aluminum coils.

Cooling water consumption also decreased by 3.7% despite the increase in production volume.

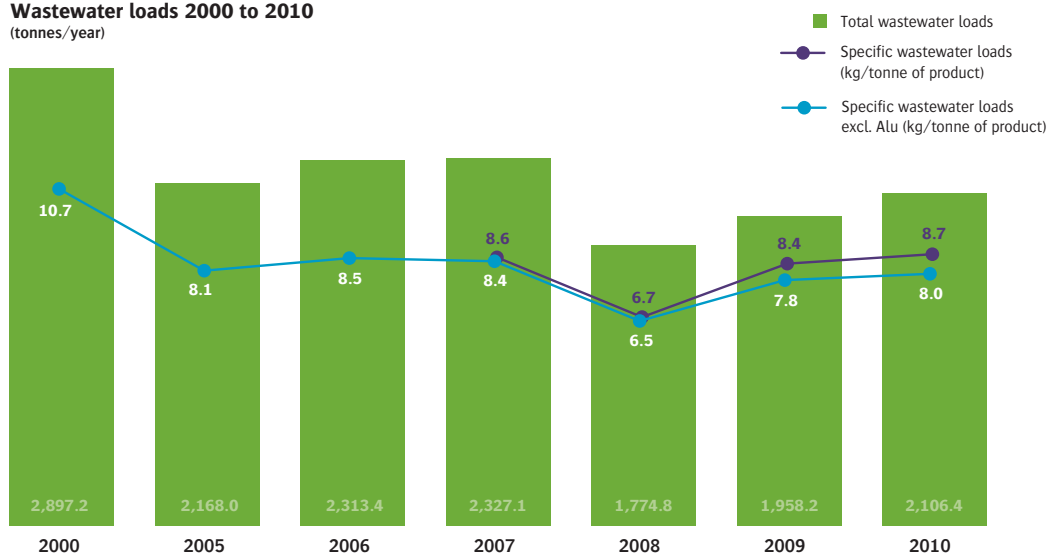
The reasons are:

- a very strong fall of the cooling water consumption in Manerbio (-40%) due to the installation of a volume control device. Quantities of former years were estimations, while the figure of this year is an effective measurement.
- a very strong decrease in the consumption of cooling water at the Wuxi site (China). Since the relocation of the factory to a new site in 2009, cooling is done by electrically driven cooling units. Therefore, cooling water is no longer needed.

Wastewater loads

Volume tonnes/year	2000	2005	2006	2007	2008	2009	2010
COD	2,705.1	1,952.4	2,015.4	1,967.8	1,486.5	1,580.4	1,727.1
N	177.8	196.8	122.4	94.1	97.8	116.1	91.3
P	11.1	13.3	172.3	203.9	127.8	112.2	118.7
AOX	2.0	4.9	2.4	1.8	1.4	1.4	0.8
Heavy metals	1.1	0.7	0.9	0.6	0.5	0.5	0.5
Aluminum				59.0	60.7	147.7	168.1
Total	2,897.2	2,168.0	2,313.4	2,327.1	1,774.8	1,958.2	2,106.4

Wastewater loads 2000 to 2010
(tonnes/year)



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

The wastewater load has increased by 7.5% compared to 2009. About half of this raise is explained by the increase of the overall production volume. The other half is mainly explained by the raise in COD (Chemical Oxygen Demand), specifically in Mortsel. Since 2009, a new installation for the recycling of Drystar film is in place. In this washing process, the different coatings are removed from the polyester film. The cleaned PET is reused in the production of new PET film. The removed coatings are flushed away with water and cause an increase in COD. This raise follows perfectly the increase in recycling volume of this new facility.

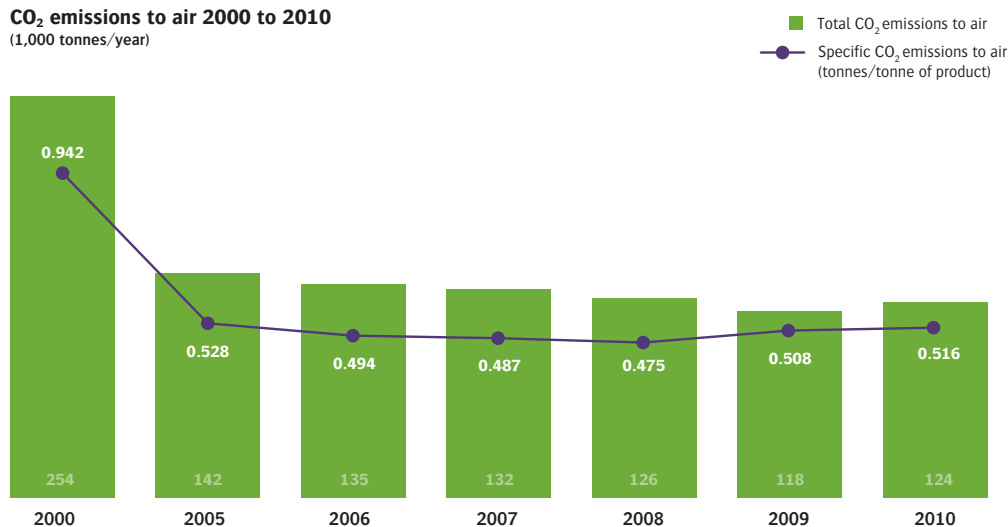
The announced investment in a membrane bio reactor (MBR) in Mortsel is being realized. This installation will be started up in the middle of August 2011 and will purify the wastewater from this site in such a way that around 40% of the wastewater can be reused in the operational processes. Moreover, a drastic decrease in COD and nitrogen in the discharged water can also be expected.

AOX further decreased as a result of the continued efforts in Mortsel to prevent and minimize the use of chlorinated solvents and to neutralize the excess of used bleach.

Since 2007, aluminum emissions in the wastewater streams are also measured. As from this issue, these figures are included in the sustainability reports. The emissions of aluminum salts in the wastewater show an increasing trend. In Wiesbaden, an investment in a new filtering system is planned for 2011. The system will reduce the aluminum emissions in the wastewater.

Emissions to air CO₂ emissions to air

CO₂ emissions to air 2000 to 2010
(1,000 tonnes/year)



Compared to 2009, an increase of about 6,000 tonnes or 5.1% was reported. This follows the increase in production volumes except for Mortsel where, despite the lower production volume (-3.3%) an increase of 2.4% was noticed. This is mainly explained by the following factors:

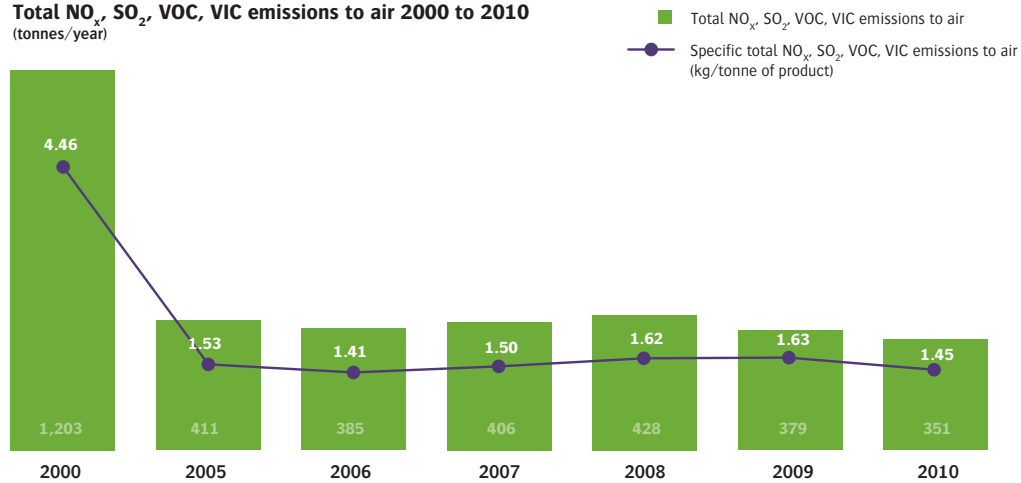
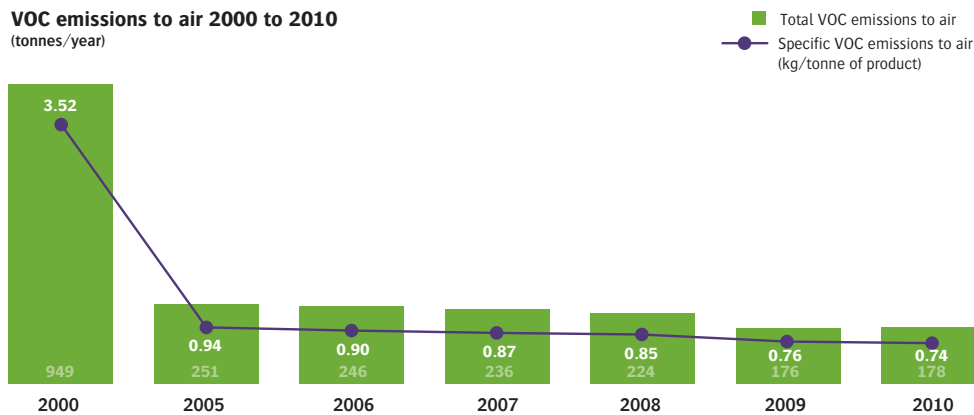
- faced with a continuously decreasing market for the conventional photographic film products, Agfa seeks for new businesses based on its core competencies in PET film production and in chemical formulations and coatings. The introduction of new applications in scaling up caused lower process efficiencies in the Belgian production facilities with higher specific emissions as a result;
- energy production with CHPP (Combined Heat and Power Plant) results in higher local emissions but the overall worldwide emissions decrease in comparison with separate heat and electricity production;
- 2010 counted more cold days (+20%) than 2009.

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

The overall specific CO₂ emission slightly increases by about 1.6%.

NO_x, SO₂, VOC, VIC emissions to air

Volume tonnes/year	2000	2005	2006	2007	2008	2009	2010
NO _x	199	137	127	157	172	148	161
SO ₂	43	11	7	8	28	51	8
VOC	949	251	246	236	224	176	178
VIC	13	12	5	5	4	4	4
Total	1,203	411	385	406	428	379	351

Total NO_x, SO₂, VOC, VIC emissions to air 2000 to 2010
(tonnes/year)**VOC emissions to air 2000 to 2010**
(tonnes/year)

The total volume of emissions, CO₂ excluded, fell with 28 tonnes or 7.4% compared to 2009. In Mortsel, SO₂ emissions were reduced significantly due to the discontinuation of the use of liquid fuels for power generation. In 2009, the tanks of this site were emptied.

VOC emissions slightly increased by 2 tonnes or 1.1% compared to 2009, which results in a specific emission of 0.74 kg/tonne of product.

Since 2005, the VOC emissions are constantly falling. This is one example of the care of Agfa to minimize its ecological impact.

The increase in VOC emissions in Belgium is neutralized by a decrease in Suzano. The raise in VOC emissions in Belgium results from a change in the product mix: digital products are becoming more important.

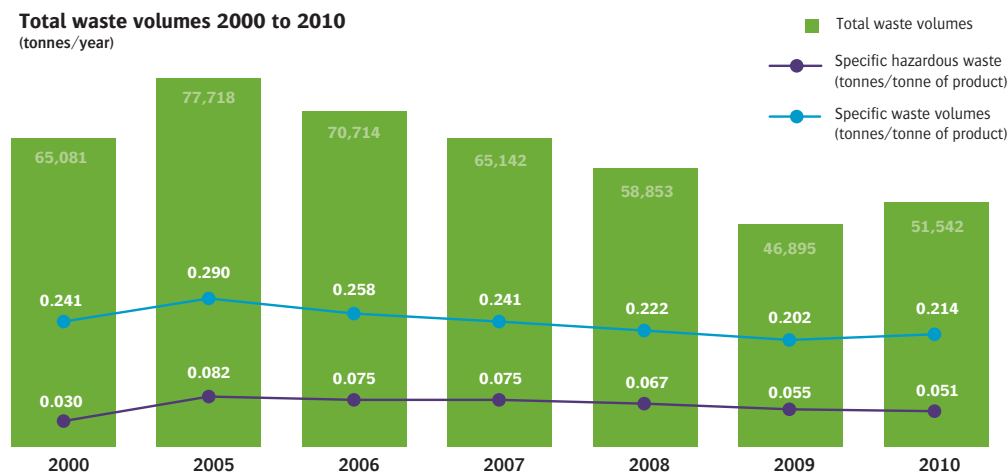
As a result, the share of syntheses involving more solvents (more filtration steps) has become more important in the Westerlo plant.

Thanks to better curative maintenance of their Regenerative Thermal Oxidizer (RTO), the VOC emissions in Suzano dropped dramatically.

Waste

Volume tonnes/year	2000	2005	2006	2007	2008	2009	2010
Landfill	15,789	8,721	2,868	2,110	1,715	1,590	5,661
Incineration	229	843	247	262	203	192	274
Recycling	37,920	60,687	60,608	56,580	51,604	40,267	40,456
Energy recovery	4,374	1,792	1,997	2,032	1,674	1,301	1,388
Physico-chemical treatment	1,988	1,655	1,159	957	705	892	868
Valorization	4,781	4,020	3,835	3,202	2,952	2,652	2,894
Total	65,081	77,718	70,714	65,142	58,853	46,895	51,542
Non-hazardous	87%	72%	71%	69%	70%	74%	75%
Hazardous	13%	28%	29%	31%	30%	27%	24%

Total waste volumes 2000 to 2010
(tonnes/year)



The total waste volume in absolute figures increased by 10% compared to 2009. As a result the specific waste volume increased by 5.9%.

This is entirely due to a sharp increase in landfill in Wiesbaden and Wuxi Printing. Aluminum sludge that contains aluminum salts is recycled as much as possible into useful applications. Depending on the volatile market demand, the fraction for landfill differs from year to year.

The share of hazardous waste continuously decreased from 31% in 2007 to 24% in 2010. The specific hazardous waste volume also continuously decreased from 82 kg/tonne of product in 2005 to 51 kg/tonne of product in 2010. This equals a decrease of nearly 38%. The evolution also demonstrates the continuing concern of Agfa to minimize its environmental impact.

Looking in more detail into the individual waste quantities of the different production sites, a strong increase is seen in Mortsel (+7%) and Manerbio (+18%). The raise in Belgium parallels with the increased production of more solvent-demanding syntheses in Westerlo (see also VOC emissions). In Manerbio, a higher frequency of production stops as a result of changes in the product mix, lies at the basis of the increase.

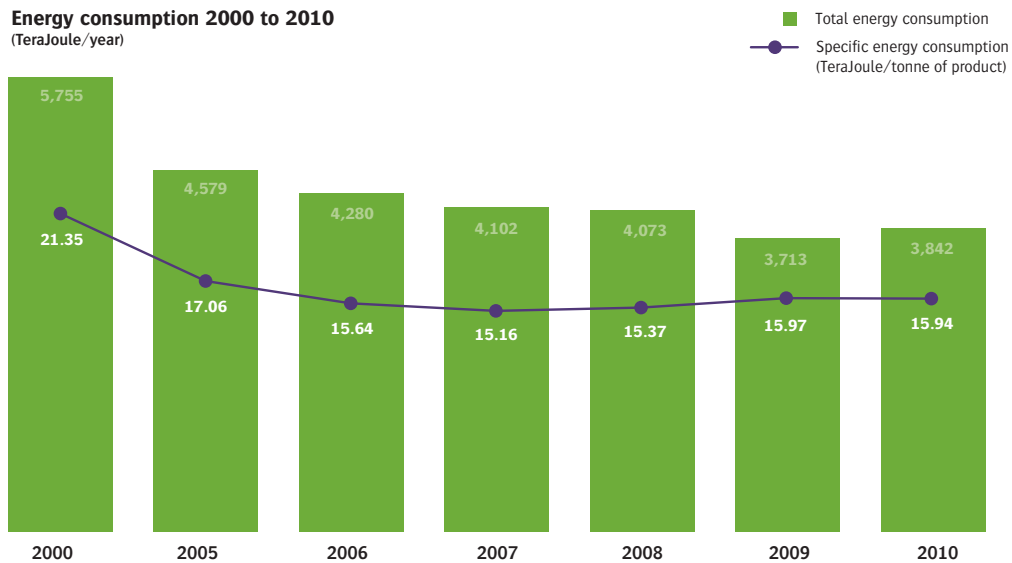
These increases are neutralized by a remarkable decrease in Vallese (-40%) due to the lower production (-16%) and the increase in production efficiency (see also water consumption).

For the first time in three succeeding years, the specific waste volume in Mortsel exceeded the limit of 10%. This is mainly due to an increase of silver containing waste. This raise is caused by:

- an increase in sludge (+6%) from wastewater treatment due to evaluation and test programs in the framework of the new biological wastewater treatment plant.
- an increase in non-recyclable film waste (+44%) due to contaminations with post-consumer film that disturbed the recycling processes.

Energy

Energy consumption 2000 to 2010
(TeraJoule/year)



Total energy consumption increased by 3.5% in 2010, which is slightly lower than the global increase in production volumes. The specific energy consumption therefore slightly decreased by 0.2%.

More in detail, specific energy consumption in Belgium was up by 3.4% for the same reasons that explain the increase in CO₂ emissions:

- a change in product mix as a consequence of the introduction and scaling up of new applications in the production processes. This introduction caused lower process efficiencies (more losses) in the Belgian production facilities with higher specific energy consumption as a result;
- the fact that 2010 counted more cold days (+20%) than 2009;
- the fact that the relative portion of the heating of the administrative buildings becomes more important due to the declining production volumes.

Environmental incidents, complaints and fines

Incidents

In 2010, only Mortsel reported environmental incidents (9) to the authorities. In spite of the increasing stringent legislation, the number of incidents again decreased in comparison with 2009 (from 12 to 9). They mainly concerned minor violations of the wastewater permit.

Complaints

As in the previous years, only Mortsel reported complaints from neighbours in 2010. The number of complaints decreased by half compared to 2009. They mainly concerned discomfort related to noise (83%). A number of small investments and measures were introduced to avoid these inconveniences.

Fines

In 2010, no fines were reported.

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 101 legal entities worldwide, compared to 106 in 2009.

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

- 8 legal entities in the business group Agfa Materials, 4 of which are manufacturing sites and 4 are sales or administrative organizations;
- 51 legal entities in the business group Agfa Graphics, of which 45 are sales organizations and 6 are manufacturing sites;
- 42 legal entities in the business group Agfa HealthCare; all of which are sales organizations, except for 1 manufacturing site.

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 activities.

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

INDICATORS

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

- Labor Practices:
 - Workforce characteristics
 - Diversity
 - Freedom of association
 - In- and outflow
 - Labor contract characteristics
 - Employee assistance programs
- Occupational Health & Safety:
 - Number of occupational injuries
- Human Talent Management Practices:
 - Performance management
- Employee Communication
- Corporate Citizenship & community participation

LABOR PRACTICES

Workforce characteristics

The report is based on data of 12,651 employees, which is 100% of the total workforce of the Agfa Group. The total workforce of the Agfa Group was 12,651 heads or 12,191 full time equivalents (FTE's) at the end of December 2010. The number of FTE's at the end of 2009 was 11,169.

Job categories

The workforce comprises 25.2% hourly employees, 47.5% white collar employees and 23.7% exempt staff.

Employees by business group

3,043 employees are employed by the Agfa Materials business group, corporate centers and global shared services groups (referred to as Agfa MAT/CC/GSS); 4,852 employees are employed by the Agfa Graphics business group, and 4,756 are employed by the Agfa HealthCare business group.

Diversity

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

The percentage of female workforce has decreased to 21.1% of the total workforce, compared to 23.5% in 2009. In the Agfa HealthCare business group the presence of females is higher than in the other business groups, although the Agfa MAT/CC/GSS groups have seen an increase of the female workforce:

- 12.16% females in the Agfa MAT/CC/GSS group
- 20.88% females in the Agfa Graphics business group
- 27.17% females in the Agfa HealthCare business group

The percentage of females in a management position has further increased over the covered year: 3.1% in 2009 to 4.1% in 2010.

In countries where minority reporting is applied, 3.9% of Agfa's total workforce are members of a 'minority segment'.

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

Freedom of association

By adhering to the overall principles of the International Declaration of Human Rights, Agfa supports and respects the employees' right to associate with unions and other organizations, legally representing the workforce in social relations. Based on the data collected, 77.8% of the total workforce or 9,847 employees are represented by Unions or other representative organizations.

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

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

In- and outflow

Agfa hired 1,715 new employees in 2010, while 1,113 employees left the company (total workforce figures) due to a combination of voluntary contract termination, individual terminations or social plans within the framework of Agfa's initiative to reduce costs.

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

Labor contract characteristics

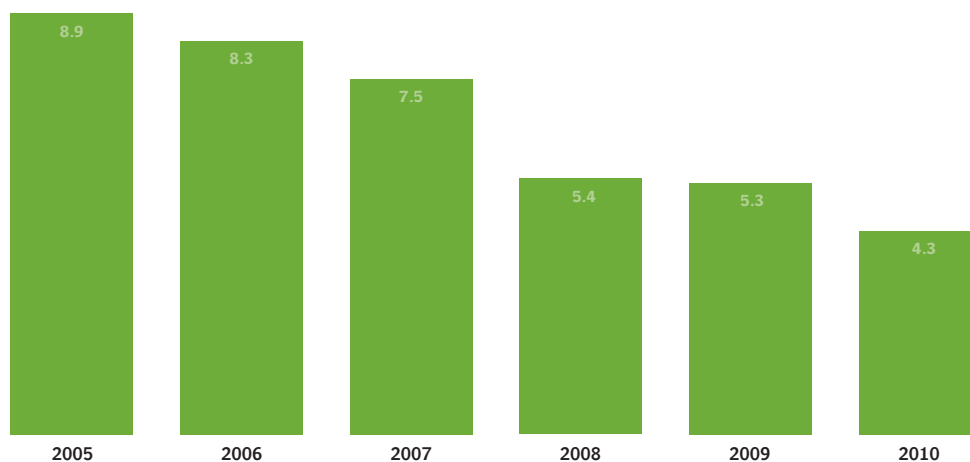
86.3% of Agfa's employees have a full time employment contract and 13.7% have a part time contract. Temporarily employment represents 1.8% of the total employment.

Employee assistance programs

Besides the rigorous implementation of the Code of Conduct, more than 69.8% of our subsidiaries have a formal system to assist employees who wish to report problems such as harassment, discrimination or conflict of interest cases. Complaints and concerns are handled in a systematic and confidential manner and dedicated and autonomous contact persons are in place.

OCCUPATIONAL HEALTH & SAFETY – NUMBER OF OCCUPATIONAL INJURIES

Reportable accidents 2005 to 2010
(per million working hours)



In 2010, the reportable injuries per million working hours show a remarkable drop of 19% in comparison with 2009.

The increase in reportable accidents (+7%) in the film manufacturing sites is more than compensated by a strong decline in the equipment and printing plate factories (-21%).

As in former years, the frequency rate of reportable injuries in film manufacturing sites and equipment factories is lower than the reportable accidents in the printing plate factories.

The frequency rate in 2010 is less than half the rate in 2005 and shows, except for 2009, a continuously decreasing trend.

HUMAN TALENT MANAGEMENT PRACTICES

Performance management

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

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

Performance on results

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

Feedback on performance is given based on the targets that were set for the strategic parameters:

- Managing people
- Managing results
- Managing processes

Performance on behaviors and success attributes

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

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

Reward policy and practices

Benefits

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

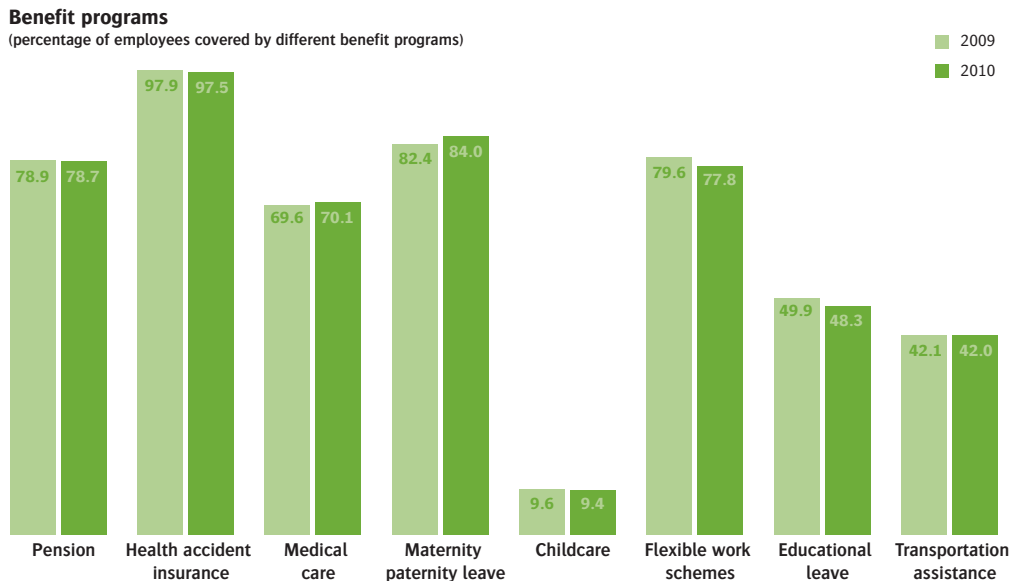
Remuneration practices

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

local practices are governed by global policies.

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

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



INTERNAL COMMUNICATION PRACTICES

In order to ensure proper one-voice internal communication, Agfa has set up specific communication channels to inform its personnel in a professional and objective manner. 87.2% of the total workforce receives communication of company results.

In 2010, the following channels were used:

- the Intranet is the first internal medium that regroups all corporate or departmental related information, on a local or global basis. The information is frequently updated and covers all the levels of the Agfa organization and its industries.
- the Infotour is a quarterly worldwide internal communication tool that contains a presentation on strategy, objectives, results and accomplishments of the most recent financial quarter. The information is sent to a selection of managers who present the information to their teams.

- Nice-to-know is a quarterly newsletter that is sent out to all executives, containing relevant information concerning Agfa's quarterly results, the competition, related sectors and the economical climate.

Local communication initiatives complement the above communications.

CORPORATE CITIZENSHIP & COMMUNITY PARTICIPATION

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

quality of life in local communities, and by taking a proactive stance with stakeholder groups, Agfa aims to make a tangible difference to people's lives.

The Group also supports **Agfa Aid**, an organization of Agfa volunteers. The mission of Agfa Aid is to support small-scale projects, mainly focused on children. Agfa 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 gypsies.
- **Azia** (Nigeria): support for the construction of a school.
- **Kiemma** (Belgium): organizational support for activities for the children of homeless and needy families in Antwerp.
- **Haiti**: financial support on the occasion of the earthquake at the end of 2009.

Glossary

AOX	Sum of organic halogen compounds in water that can be adsorbed by activated carbon under standardized conditions.
Biodegradable	Property that makes chemical compounds degradable by biological treatment.
Biological wastewater treatment	Micro-organisms are capable of breaking down substances in surface waters: wastewater treatment plants make selective use of this natural process.
CO₂	Carbon dioxide, generated by combustion of fuel.
COD	Chemical oxygen demand, the amount of oxygen needed for chemical oxidation of constituents of water.
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.
P	Phosphor.
SO₂	Sulfur dioxide, released as a by-product in the combustion of sulfur-containing fuels.
Specific	Property per unit of manufactured product.
TeraJoule (TJ)	Joule is the unit of labor, energy and heat; Tera = 10 ¹² .
VIC	Volatile Inorganic Compounds.
VOC	Volatile Organic Compounds.
Wastewater load	Emissions of chemical and physical substances from processes in water.

