



AGFA'S IMPRESSIVE IP PORTFOLIO:

**704**

active patent families &

**2,634**

active patent rights

We invest

**5.4%** *of revenue in R&D*

2022 Innovation Award from essencia for Agfa's Zirfon membrane technology for green hydrogen production

# Focus on sustainable performance

## Our ambition

Agfa strives to make its customers successful and be their partner of choice for the long term, be it for imaging and information systems or for any other partnership aimed at sustainable innovation. We do this by offering leading edge technology, affordable solutions and innovative ways of working based on our in-depth understanding of the businesses and individual needs of our customers. To succeed, investing in innovation and delivering top quality solutions are key. Operating in a responsible, sustainable and transparent way is just as important.

## Our policies

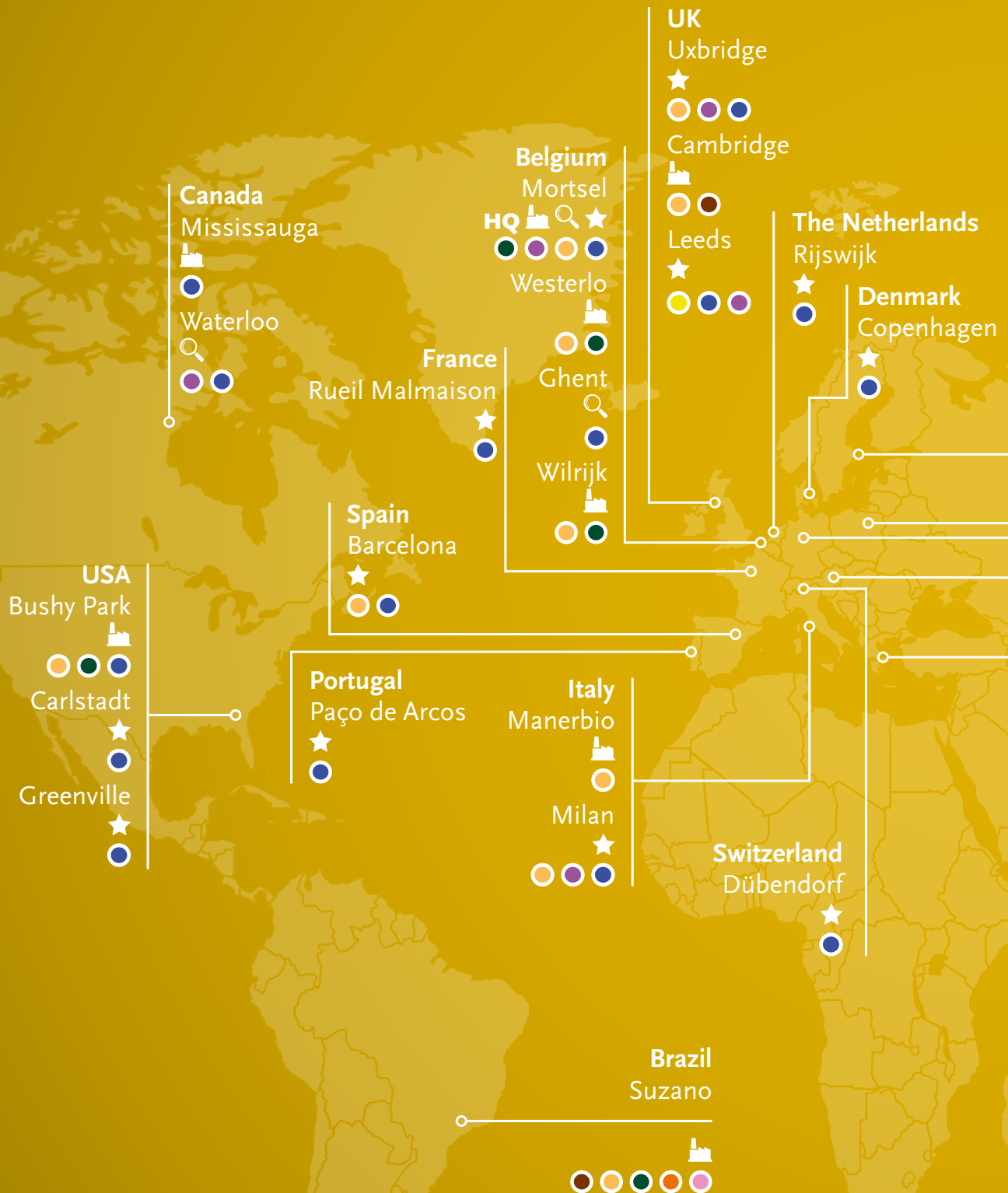
Our values are reflected in the Group's Code of Conduct (CoC). To support the translation of the CoC into clear day-to-day processes, we rely on a series of policies and corporate guidelines, both at global and local level. In addition to the Global Sustainability Policy that was introduced in 2022, these are some examples of the policies we rely on for the topics addressed in this chapter (not listed in order of priority):

- Corporate Safety, Health and Environment Policy;
- Policy on the use of chemical substances with carcinogenic, mutagenic and reprotoxic (CMR) properties;
- Global Information Security & Privacy Policy.



# Our Certifications

Environmental, safety, energy and quality management systems





Sweden  
Kista



Poland  
Warsaw



Germany

Munich



Peissenberg



Peiting



Schrobenhausen



Wiesbaden



Düsseldorf



Austria  
Vienna



China

Wuxi Imaging



Wuxi Printing



Shanghai



Greece  
Athens



Australia  
Scoresby



Manufacturing

R&D

Sales & Services

ISO 9001 Quality

ISO 13485 Medical Devices

ISO 14001 Environment

ISO 50001 Energy

ISO 27001 Information Security

ISO 20000-1 Information technology

ISO45001 Occupational health and safety

OHSAS Occupational Health and Safety Assessment Series

# 2022 at Agfa

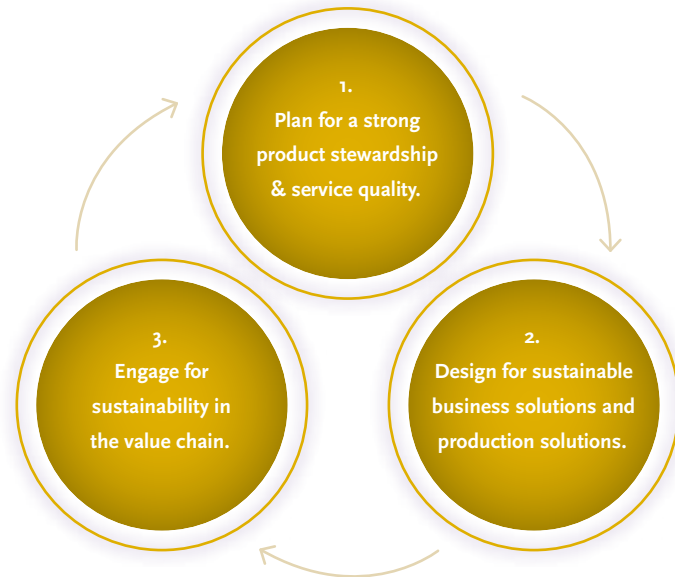
## *in a snapshot*

In 2022, we continued to work on translating corporate objectives into concrete actions. The main focus regarding our performance was to:

- Confirm the use of our in-house methodology to assess the sustainability profile of our products at R&D design phase compared to their previous versions on the market and achieving no throwback in sustainability towards next generation products for all new specific product roadmaps launched this year.
- Continue complying with the highest standards required and, this year, we specifically completed the Medical Devices Regulation CE certification for all our Healthcare activities. The success of achieving MDR certification cannot be overestimated as the MDR was not only new for Agfa, but for the entire medical devices industry and the controlling authorities.
- Use collaboration and open innovation to accelerate the exploration and validation of ideas in new applications or unknown markets, but also to encourage a learning mindset within the organization.

# 1. Sustainable business solutions and production

We take full responsibility for our products and thereby critically examine safety, health and environmental impacts, as well as legal compliances, throughout each stage of the product's life cycle. To do that, we apply a three-step approach:



In this view, Agfa's Corporate Safety, Health & Environment Policy principles are:

- Comprehensive environmental protection and occupational safety are given the same priority as customer orientation, high product quality and commercial efficiency;
- Products and processes are designed, developed and manufactured to minimize the impact to the environment and the occupational safety and health risks of all the phases of the life cycle;
- Agfa advises its customers, its employees and authorities with an evaluation of its products and manufacturing processes in all matters pertaining to health, safety and environment;
- Agfa informs its stakeholders on a yearly basis on its safety, health and environment performance through a Corporate Sustainability Report which is an integrated part of the Group's Annual Report.

## Relevance and boundaries

We believe that sustainable business solutions and production are essential to accomplish our growth strategy. We therefore consider sustainability as a decision factor in our go to market strategies. Since 2020, we formalize this commitment by defining the goal of 'no sustainability throwback' for new products. Simply put, we want to market new products only having carried out a full assessment of their sustainability profile already at design phase, on top of assessing the potential market success. Such assessment shall consider the impact of new solutions along the full life cycle, both in terms of our own environmental and social footprint, but also ensuring that new solutions can help our customers in reducing their own footprint and/or bring consistent added value to society at large, e.g. via more sustainable healthcare.

## Our management approach

The topic of sustainable business solutions and production is broad and it comprises many different processes involving different layers of our organizational structure. Its management approach is therefore multi-layered:

- Global level: for the definition of corporate strategy, global goals and markets where we want to make an impact;
- Plant level: for the sustainability performance specific to the environmental footprint of product manufacturing;
- Division level: for the development of sustainable business solutions and services.

While the first two layers are described respectively in chapters ‘Company Information’ and ‘Focus on our Planet’, the development of new sustainable business solutions is driven by each business division with the support of the Corporate Sustainability Office. Our teams of product specialists are those best placed to identify improvement opportunities and assess market readiness for new developments, thanks to their knowledge of our customer base and the way each line works internally.

To achieve these ambitious objectives, a series of processes are in place, including:

- Progressive transition to circular economy as essential for a sustainable society. This, together with the environmental aspects (addressed in more detail under ‘Focus on our Planet’) entails the transformation of our business models as a whole, closer cooperation and often shared resources and common strategy with customers and suppliers;
- More explicit focus on sustainability in the assessment of market needs via stronger stakeholder engagement;
- Development of sustainability criteria at product level to allow decision-making at R&D level;
- Data management for efficient exchange of information which allows for better decision making and data protection.

For some of our products and services we also rely on insights coming from market guidance by making use of sustainability certification and labelling schemes or sectoral best practices, if those exist. For instance, most of Agfa inks are certified GREENGUARD Gold, A+, AgBB and M1. These rigorous standards relate to chemical emissions, e.g. air quality when prints are used for indoor applications. They all measure the emission of airborne VOCs (Volatile Organic Compounds) in a closed chamber but differ in VOC concentrations criterion and country of issuance. Having our products certified ensure that they are acceptable for use in sensitive indoor environments, like schools and healthcare facilities and for prints that cover all walls of a room – not just as signage or partial wall decoration.

Beneath are some examples of our sustainable solutions – more details under ‘Business Activities 2022’.

### • **Thin Ink Layer technology**

Our patented ‘Thin Ink Layer’ technology offers extremely high-volume conductivity at low curing temperatures, minimizing the amount of ink that is required to obtain a high-quality print.

### • **ECO<sup>3</sup>: Economy, Ecology and Extra convenience**

The ECO<sup>3</sup> program is a made-to-measure screening of customers’ prepress and printing processes, optimizing the whole process and resulting in saving on the use of ink, paper and water, and in reducing waste generation.

### • **Chemistry-free printing plates**

Our chemistry-free computer-to-plate (CtP) systems allow printers to reduce their environmental footprint, lower their operating costs and boosting their efficiency. Over the past

decade, more than 90% of our customers in the newspaper segment have already switched to chemistry-free technology.

• **Circular business model for printing plates**

The system allows printing plates to be offered to large printing houses in a closed supply system in which they are collected after use and sent back to the aluminum producer for recycling. This collaboration across the supply chain between us, the aluminum supplier, the logistic partners and the printing company supports our transition to a progressively more circular economy.

• **Sustainable and safe healthcare solutions**

Both our Medical Imaging IT solutions and Radiology solutions are aimed at transforming delivery of care – supporting healthcare professionals across the globe with secure, effective and sustainable imaging data, providing definitive answers to patients. These improvements in the quality and efficiency of healthcare go together with high vigilance so as to always ensure data security and systems safety.

• **ZIRFON H<sub>2</sub> separators for Alkaline Water Electrolysis (AWE)**

Agfa's ZIRFON H<sub>2</sub> separators offer electrolyzer manufacturers and owners of hydrogen production projects a reliable solution in terms of durability and sustained high productivity, even in the dynamic operating conditions typical to renewable energy sources.

## Our 2022 performance and activities

In 2022, we continued our efforts to integrate sustainable development in the solutions we bring to the market. More specifically, we continued:

- Leveraging our core competences to continue supporting the emergence of the green hydrogen industry. As a great recognition of our effort, Agfa received the 2022 Innovation Award from *essencia*, Belgium's Chemical Industry and Life Sciences Federation, for our groundbreaking Zirfon UTP 220 membrane technology for green hydrogen production;
- Pushing the transition to additive inkjet technology for the Printed Circuit Boards (PCB) industry with our DiPaMAT inks. This technology allows lower ink consumption for the same printed surface and uses solvent-free inkjet inks;
- Evolving towards digital solutions in our medical imaging and graphics markets, optimizing workflows, material usage and remote work & collaboration so that time and resource waste are significantly reduced when compared to the use of analog solutions.

In order to better steer the sustainability of our innovations across our diverse product portfolio, an in-house methodology to assess the environmental and social footprint of our products was developed in 2021. After benchmarking existing tools, we decided to opt for a tailor-made approach that could fit our needs.

This method builds on a questionnaire for product development teams that allows to identify a product's sustainability improvements at R&D design phase, compared to their previous versions on the market.

After a successful pilot phase to test the draft method on a few projects, this 'sustainability matrix' was added to the mandatory documents required to complete the Product Development Procedure of Agfa Digital Print & Chemicals Division in 2022. All product roadmaps launched since then were compliant to our no throwback in sustainability towards next generation products principle. In the coming years, we will continue to monitor the use of this tool in order to refine and improve it where needed so it can potentially also be adapted to the other business divisions.



## 2. Innovation and investments

### Relevance, definition and boundaries

Innovation is part of our DNA and we consider it essential for the accomplishment of our growth strategy. To support the different processes that ensure continuous innovation, we invest 5-6% of our turnover in R&D and innovation each year. Product and technology innovation at Agfa strives for sustainable value creation for our customers and other stakeholders, an objective which is embedded in our ideation processes.

In addition to developing new products, we are constantly looking for solutions that not only reduce our own ecological footprint, but also that of our customers.

### Our management approach

Since 2019, our innovation generation process has been structured at global level to ensure full synergy and cross-fertilization between different areas with a potential for innovation. As Agfa is in a transformation process, it has been decided that innovation would best be placed in close proximity to areas of growth. Therefore rather than operating as an independent group, the innovation offices were transferred to the business divisions in 2022.

While our HealthCare IT business division fully relies on the innovation focus of its dedicated R&D team, the innovation teams integrated into our DPC, Offset and Radiology divisions remain supported by our Materials Technology Centre (MTC), an R&D group which has historically been operating as an Agfa competence center, supporting divisions in technological innovation for materials and processes.

Innovation at Agfa is characterized by the process of setting up a continuous ideation process selecting, validating and ranking proposals. The ideas are assessed through a tailored scoring methodology which considers the attractiveness of the market segments, commercial success factors, technical feasibility and sustainability criteria regarding People & Planet. The evaluation of changing business models is also an important assessment criterion. A relevant example for us within this context is digitalization and Software as a Service.

Innovation teams continue to look at societal and market trends to identify where Agfa can develop new business in adjacent and less adjacent markets and technologies, in line with the current company strategy. This is done either by leveraging existing core competencies, or through developing new markets and technologies.

We also involve our customers and other industry stakeholders in our innovation process through our sales and service teams, as they are best placed to capture the needs of our customers and, by extension, of society.

Collaboration and open innovation are stimulated to accelerate the introduction of solutions in markets where we are not present today. Collaboration with startup and scale up networks is set up to accelerate the exploration and validation of ideas in new applications or unknown markets, but also to encourage a learning mindset and stimulate employees to dare to leave their comfort zone. One example is engaging innovation teams and other co-workers in corporate venture projects with business angels.

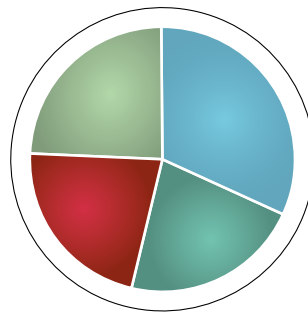
With regards to our chemistry expertise, one way that we share this is via Agfa-Labs, our open innovation platform for materials and coating research. Through this platform, we support the industry to investigate the potential use of materials in applications such as life sciences, construction, plastic & polymers, etc.

## Our indicators

1. % Annual revenue invested in R&D (for the full Group)

## Our 2022 performance and activities

In 2022, we invested 5.4% of our revenue in R&D, which confirms our strong focus on continuous innovation. Our strong commitment is also shown by the series of collaborative innovation projects we set up, either Government/EU funded or industry funded, which aim to contribute to continuous innovation either by improving the performance of existing materials, or by developing new ones.



### Breakdown R&D figures per division

- HealthCare IT 34%
- Digital Print & Chemicals 30%
- Offset Solutions 20%
- Radiology Solutions 16%

In addition to the projects specifically aimed at environmental impact reduction described under the 'Focus on our Planet' chapter, here are some examples of the spectrum of innovation activities we have been investing our resources in:

#### • DUVAL

An EU funded project in collaboration with one academic partner to develop know-how on thin film evaporation, specifically for challenging products due to their chemical nature. We also provide access to other companies to perform research, or even run pilots on Agfa's distillation platforms.

#### • Atom and Flex

Two projects funded by the Flemish Government to develop flow chemistry solutions for a safer and more sustainable production of chemical building blocks.

In the case of the Atom project, we are part of a wider consortium consisting of four industrial and four academic partners. As a result of this project, we introduced a continuous flow reaction process in our chemical production plant, avoiding the use of bromine on site. The Flex project on the other hand has allowed Agfa to invest in an automated dosing station enabling continuous production.

#### • MMICAS

A project funded by the Flemish Government led by a consortium of three industrial and four academic partners to evaluate the possible use of ultrasound technology at industrial scale. This technology fits very well in the process intensification strategy, where solutions are developed for more sustainable chemical production with regards to raw material use, energy use, waste generation and process safety.

As of February 7, 2023, Agfa owned 704 active patent families, together representing 2,634 active patent rights, of which 2,131 granted patents and 503 pending applications. This decrease, compared to previous years, is part of a planned optimization effort on the quality of our patent portfolio, maintaining solely those patents with a high strategic value.

## Our commitment for the future

2022 remained a challenging and transformative year for us. As we are in a process of internal reorganization to adapt our structure to changing market demands, we remain convinced that continuous investment in research and innovation is the key to continue succeeding in our mission of being the partner of choice for the long term for our customers. R&D and innovation will continue to be at the core of our growth strategy, focused both on improving the performance of existing solutions and on developing new ones.



## 3. Ethical business conduct & compliance

### Relevance, definition, and boundaries

Our goal is to compete vigorously, independently, ethically and fairly, while assuming the responsibility of being a socially responsible company in all countries in which we operate worldwide.

### Our management approach

Agfa's policies detail our commitment to acting ethically and partnering with organizations that share our vision. These policies include our Code of Conduct that lists high-level principles that reflect our objective to operate and grow in a sustainable way, taking into account the wishes and well-being of our stakeholders, both internal and external.

The CoC includes, amongst others, principles regarding:

- Zero-tolerance policy for bribery and improper payments, both accepted and executed;
- Zero-tolerance policy for conflict of interest and insider trading;
- Full compliance with competition and anti-trust laws;
- Strict respect of intellectual property rights of third parties, agreed confidentiality rules and non-disclosure commitments.

The behavior covered by the CoC is defined by the Board of Directors and reviewed on a regular basis. All employees are expected to respect the rules set out in the CoC. Furthermore, every two years, senior managers (Level 2 and above) are systematically asked to (re)confirm that they have read and understood the Code of Conduct.

Violations of laws, regulations or Agfa-Gevaert Group policies – such as the CoC – on fraud, antitrust, corruption, conflicts of interest and other similar areas, can have serious consequences for the Group. Possible consequences include prosecution, fines and penalties, as well as contractual, financial and reputational damage.

To track and ensure compliance with the principles of the Code, Agfa has implemented whistle-blowing arrangements to deal with any issues that arise. Agfa's employees can at any time submit a question or complaint via email, phone, or letter to their immediate superior or to the Group Compliance Office. Complaints and questions are handled in a systematic and confidential manner by the Group Compliance Office. Specialized and independent contact people may be appointed for specific topics covered by the CoC in accordance with local regulation, e.g. a contact person within HR for specific HR related matters.

Ethical conduct is not limited to compliance with the CoC however. It is complemented by more detailed corporate, divisional and/or local policies that define how to roll out these principles per each domain.

For example, in addition to the Global CoC, there is also a specific Code of Conduct for Agfa Suppliers, Distributors and Agents that is used by the Agfa Purchasing department which, due to the specific nature of its tasks, is one of our key interfaces with the outside world. This CoC builds on the Global CoC and specifically regulates interactions with suppliers, distributors and agents, providing specific examples of what is considered a potential breach of the rules and how employees are expected to behave in such circumstances.

Pursuant to Section 54 of the Modern Slavery Act 2015, Agfa HealthCare UK Ltd, as part of Agfa-Gevaert Group, has also issued a Modern Slavery Statement, renewed in 2022. It sets out the steps taken to prevent modern slavery and human trafficking in its business and supply chains, such as monitoring and improving processes to ensure transparency.

### **Our 2022 performance and commitment for the future**

One complaint was reported in 2022 via the whistle-blowing procedure for an alleged breach of the Agfa CoC. Upon further analysis of the notification, an Internal Audit concluded that there had been no breach and the file was closed without the need for follow-up or corrective action.

Compliance with the Agfa CoC is required for all employees. In 2022, all senior managers involved in decision-making processes (i.e. level 2 and above) had (re)confirmed that they have read and understood the Code of Conduct. This process is repeated every two years to mitigate the risk of non-compliance linked to unawareness.

Dedicated channels have also been made available on our online training platform Percipio, e.g. 'The Ethical Leader' and 'Ethics, Integrity & Trust', so employees can learn behaviors and strategies to model ethical, honest and trustworthy practices.

Our annual Compliance Review was presented directly to the Board of Directors before the end of the 2022 fiscal year.



## 4. Product Stewardship & Service Quality

### Relevance and boundaries

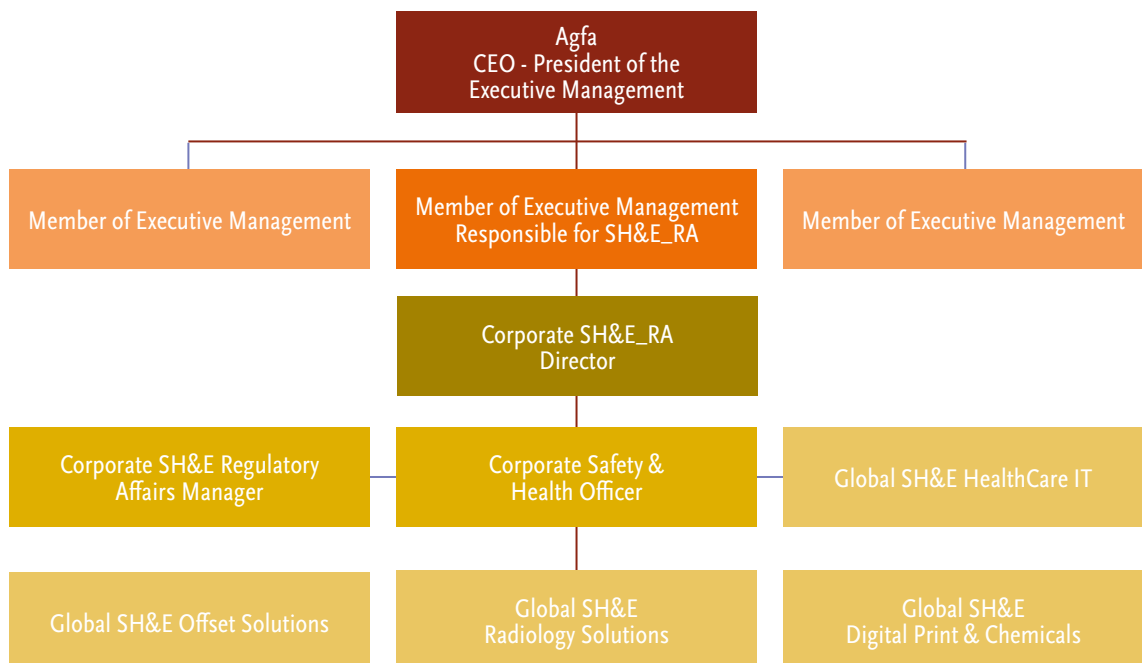
As stated in our Safety, Health & Environment (SH&E) policy, product stewardship is a central corporate commitment for us.

We buy, use and sell chemical products, electronics and services globally – hence the proactive management of our products and services on-site and beyond, including engagement with suppliers and downstream users, is the pre-requisite to deliver safe and useful products to the market. The basis for successful product stewardship is regulatory compliance to existing legislation, proactive anticipation of future requirements and a deep understanding of the impacts of market developments on our products and services to ensure service-oriented customer relations. This section specifically focuses on SH&E regulatory affairs management.

### Our management approach

The different activities around SH&E management are based on our internal Corporate Safety, Health & Environment (SH&E) policy. Each division unit appoints an SH&E Manager who contributes to the roll-out and evaluation of the corporate SH&E policy and objectives and is member of the Corporate SH&E Management Committee. The policy is reviewed at least every three years unless the Management Committee considers it relevant to do it more often. The SH&E Management Committee also monitors the constant development of legislation worldwide for the chemicals, products and services we place on the market.

Our local site management is responsible for implementing the Corporate SH&E policy and for complying with the local legislation that is applicable to the operation of the manufacturing site itself, under the coordination of the plant SH&E coordinator. To ensure the highest SH&E standards, we have different policies in place at each site. The focus of the different policies is defined at local level, both upon the basis of specific local and national legal requirements, and on the type of operations carried out at each plant.



A Rationalization Committee of Chemicals (RCC) is in place to support the overall implementation of legislation regarding chemicals. It is composed of managers appointed by different business lines and it meets every quarter to align on chemical substitution strategy or other actions to remain compliant with current and future legislation. Due to the nature of our products, the RCC pays particular attention to certain substances or groups of substances and specific regulations:

- CMRs – following our CMR policy, Agfa products do not contain any CMR category 1A or category 1B substances at market introduction. CMR category 2 substances are only allowed if a technical investigation found their use unavoidable and safe use has been proven;
- REACH regulation;
- SVHC – for which we routinely assess safer potential alternatives;
- End-customers' own restriction lists – we ensure our solutions meet compliance rules of specific procurement criteria and restrictions that are defined by the end customers of our own products;
- Eco-labelling criteria – upon request of our customers, we provide products that fulfill the criteria of specific labeling schemes, e.g. the Nordic Swan or the EU Ecolabel.

Our goal is to always strive for zero non-compliance regarding the different guidelines listed above. For this reason, we have an internal system in place to report and assess any instance of non-compliance. When one is identified, either preventively, by our own audit, or reported by a customer, a notified body, or an authority, we ensure the process is adapted to prevent future occurrences.

### Our 2022 performance and activities

Our efforts around sound products and services management with the aim of ensuring full compliance of our portfolio to binding legislation was pursued in 2022.

With regards to chemical management, we focused on the following, in addition to continuous supporting processes:

- Providing support to the Impact Assessment of the Chemicals Strategy on Sustainability performed by Cefic to feed the development of the EU dossier;
- Updating REACH dossiers as Agfa is involved in the Cefic REACH Declaration of intent of the Cefic Improvement Action plan;
- Proactive PFAS substitution.

Moreover, while Agfa HealthCare was among the first to receive the new European Medical Device Regulation (MDR) certification from Intertek in 2021, the achievement of MDR certification was also completed in 2022 for Agfa Radiology Solutions. The success of achieving MDR certification cannot be overstated as the MDR was not only new for Agfa, but for the entire medical devices industry and controlling authorities as a whole. The required changes impacted all our processes from pre- to post-market, from regulatory monitoring to clinical evidence and was made possible through the collaborative efforts of multiple teams. This new MDR CE marking confirms Agfa compliance with the highest standards required by healthcare providers.



## Our commitment for the future of responsible production

Helping to drive the entire industry towards more sustainable production is of utmost importance to us and we will continue to fully support this goal, both via our own processes, as well as through associations representing all of the sectors we operate in.

Our approach to product stewardship is strong, with a dedicated team, clear policies, established processes and internal controls that define day-to-day management. This approach is already fully embedded in our way of working and the commitments ahead of us are clear and detailed. Beyond complying with all upcoming new regulations, our efforts for the future will be focused on the implementation of the requirements defined within the context of the Green Deal and particularly on the Chemicals Strategy for Sustainability.

In the coming years, we also intend to better structure our approach to delivering sustainable business solutions and managing sustainability in the value chain. We are already active in these areas, mainly addressing these processes at divisional level and 'per market'. While the divisions know our customers better and will continue to be in charge of defining the right approach, corporate sustainability goals and targets will serve as global supporting guidelines.

