Kodak alaris

2016 Environment Report

Our Company:

Formed in 2013, we are an independent, global technology company on a mission to unlock the power of images and information for businesses and consumers.

Our digital scanners and intelligent state-of-the-art software services help companies unlock the potential of data and information so they can achieve more. Our film, photographic paper, printing kiosks and suite of consumer apps, help consumers tap into the emotional power of the moments that define all our lives.

A message from our CEO, Marc Jourlait

"I am delighted to introduce our first Environment Report illustrating how we consider environmental issues in our operations and the design and use of our products around the world."

A message from our WW EH&S Director, Beth Rice

"I am pleased to endorse this Report which demonstrates the importance Kodak Alaris places on minimising the adverse environmental impacts of our products and operations around the world while embracing the fundamental principles of sustainability for the benefit of all our stakeholders."

If you have any questions or comments about any aspect of our sustainability environmental performances use our general email address EHS-Questions@Kodakalaris.com or contact gregory.n.batts@kodakalaris.com.

Product Stewardship & Governance:

Kodak Alaris decided to seek external certification for its Product Stewardship and Governance Environmental Management System (EMS). We chose ISO14001 as the most suitable international standard for our global operations to be measured against. Furthermore, this complements the certifications we have held at all our manufacturing sites for many years.

At the start of 2015, the EMS was designed to cover the scope "Governance and product stewardship for the environmental impacts of the Kodak Alaris product range. Including the environmental oversight of product design, development and life cycle." Our EMS was certified in August 2015 to the 2004 Standard and re-certified a year later. In 2017, we plan to transition our EMS certification to the new 2015 Standard.

Our global commercialisation is a robust process with a series of phases and gates. Products must pass the gates before they can be marketed. Mandatory and voluntary issues are covered in this process. For example, we use materials in manufacturing that:

• Are more recyclable, weigh less and have a smaller environmental footprint.

• Are upgradeable and can be refurbished.

• Create less waste during their operation and at end of life.

• Consume less energy in operation and standby, require less servicing and are more durable so they last longer before requiring replacement.

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The two divisions spun off from Eastman Kodak Company were formed into several distinct businesses, all having some aspect of stewardship and environmental protection in the design of their products and services. These are Imaging - Consumer, Imaging - Paper, Photochemicals and Film, Information Management and AI Foundry.

This first company Environment Report covers a selection of our products and services offered around the world. More information on our products and services can be found on our website: www.kodakalaris.com/en-us/about

Design: All our products are commercialised as part of the company's EMS that has been certified to ISO14001:2004. This ensures that environmental issues are considered as the product is being designed to cover their life cycle, sometimes referred to as "cradle to grave" or "cradle to cradle". Our photochemical product information is being updated to meet the new Global Harmonisation (GHS) requirements for global distribution.

Use: We choose ENERGY STAR™ qualified thermal printers for our newer kiosk and APEX systems such that less energy is consumed in operational and stand-by modes. Our latest kiosk has an integrated computer that has gold EPEAT (Electronic Product Environment Assessment Tool). This equals lower operational costs for our customers and reduced GHG (Greenhouse Gas) emissions (mostly CO_2) to the environment.

Service: In the UK, our KODAK Picture Kiosk and KODAK Adpative Picture Exchange service organization received the Altius Assured Vendor Award. This means our customers know we have been accredited by an external third party for our health and safety management system.

Voluntary Requirements: In addition to meeting global mandatory environmental requirements, Kodak Alaris equipment and consumables also comply with several voluntary standards and agreements that demonstrate our commitment to environmental considerations for our products and customers. We publish Article Information Sheets (AISs) for non-chemical consumables. Kodak Alaris' supplier of Professional Photographic Paper base has PEFC Chain of Custody Certification. Kodak Alaris became a signatory to the voluntary Australian Packaging Covenant (APC) in mid-2016. Our Five Year Plan was approved and considered an industry model, by the APC.

Within the APC is a commitment to improve the accuracy of our packaging data and reduce the adverse environmental impact of packaging supplied with thermal printer consumable kits. This will be achieved by packaging redesign and should reduce our environmental impacts in all the markets we operate.

PEFC
PEFC/01-00-01

Australian Packaging Covenant
Signatory

Our new KODAK Picture Kiosk G20 was named after the "G20 international economic forum" in which all 20 members are key markets served by our Retailers & Photofinishers products. It was launched in early 2016 with several sustainability improvements compared with the earlier G4XL II and G4XL models.

Over the next few years we anticipate the G20 will replace thousands of older models reducing some environmental impacts and running costs for our customers; i.e. a truly sustainable solution.

At the heart of the kiosk is a DELL computer which controls the order station and LCD monitor. It is ENERGY STAR™ Compliant and has Gold Certification for EPEAT (Electronic Product Environmental Assessment Tool).

An intelligent power management feature provides off-hours remote access, reduced power consumption and system downtime associated with improper shutdown. The touch-screen monitor, which contains no heavy metals and is a backlit by a LED, uses <0.5 W in off and standby modes. As the computer consumes only 0.4 W in standby, both components meet the EU's Energy Relevant Product (ERP) Directive limit for power consumption.

● THE ECO ✦ DECLARATION

Kodak Alaris has published an environmental declaration for the G20 kiosk order station; an ECMA 370 Self-Declaration which is a Type II Ecolabel. These declarations have been designed by the ecma industry consortium, which is based in Switzerland, for international use.

Each declaration has mandatory and voluntary sections to be completed by the producer to help stakeholders make sustainable purchasing comparison decisions.

Declaration templates are free to download from ecma; there are no associated logos to be attached to products. An ECMA 370 covers many product environmental attributes similar to EPEAT, although as a self-declaration there is no 3rd party check. Several manufacturers of electronic imaging equipment publish these declarations for stakeholder review.

The Kodak Alaris ECMA 370 Declaration for the G20 kiosk is available to download from our internet site under Product Stewardship:
www.kodakalaris.com/en-gb/about/ehs/product-stewardship

APEX (Adaptive Picture Exchange)

Kodak Alaris APEX dry labs have been replacing photochemical processing operations around the world for many years thereby saving photochemical raw materials and packaging and reducing adverse environmental impacts including water consumption.

They come in several models 30, 40, 70 and 110 and can be operated in almost all commercial and retail facilities producing no hazardous wastes requiring specialist treatment. APEX is highly modular and integrated allowing our customers to optimize their business by setting up and walking away.

We estimate every APEX lab installed saves our customer, on average, around 5,000 litres of water annually which reduces their water footprint significantly as well as saving them money.

In addition, APEX uses 70 - 90% less energy than comparably sized silver halide (AgX) minilabs (based on electricity consumption testing of FUJI FRONTIER 340, FUJI FRONTIER 570, NORTISU QSS2711, GRETAG MASTER LAB 742 minilabs) under typical prints per day.

APEX and Kiosk Printers

Our APEX and kiosks use fast and efficient thermal printers. The KODAK DL2100 Duplex Printer and KODAK D4600 Duplex Photo Printer have duplex functionality which is a key environmental feature to save paper.

Consumables for KODAK Photo Printers include thermal papers and plastic ribbons which are coated with thermal dyes to create the images. As customers tend to keep printed images for a long time, these seldom become wastes and so recovery is not relevant. In addition, given the nature of the imaging process and the confidentiality of the images formed on the plastic ribbons, these cannot be reused or recycled.

However, off-cut waste papers and used ribbons can be down-cycled into feedstocks for other lower grade recycling operations or sent for incineration with energy recovery in accordance with waste hierarchy. This is mentioned in our AISs along with the European Waste Codes.

Kodak Alaris voluntarily publishes Article Information Sheets (AISs) on its internet site. These are similar to Safety Data Sheets (SDSs) giving the composition of most non-chemical products and the European Waste Codes to help our customers manage their wastes in an environmentally responsible manner. These can be downloaded from our internet in the EH&S section: **www.kodakalaris.co.uk/about/ehs**

Retailers & Photofinishers Circular Economy

The Circular Economy is a high profile sustainability program originating in the EU to promote economic activity, especially jobs. It is also an example of local action to stimulate industrial activities in the Member States rather than export work to countries that have lower labour costs but often coupled with less stringent environment, health and safety laws.

However, this is not a new concept for Kodak Alaris! When part of Eastman Kodak Company, the company was awarded the World Environment Council (WEC) Gold Medal in 1999 for its Single Use Camera Recycling Program that was launched in 1990, as well as Eastman Kodak's a closed-loop reuse/recycling programs for a variety of photographic wastes and packaging. By 2009 over 1.5 billion SUCs had been recycled.

Although this particular product is no longer suitable for such a program, Kodak Alaris maintains such a remanufacturing process for its kiosks, scanners, photo printers and APEX equipment.

All items that our customers no longer require are collected across Europe and taken to our facility outside Stuttgart in Germany. We are proud to retain this operation in Europe. In most cases the process upgrades the equipment with new improved operational features. All equipment taken back is cleaned, inspected and tested for compliance and wherever practicable put back into use.

Sometimes the equipment is returned to the same customer, but more often sold or leased at a much reduced price to another customer in Europe or Africa. This helps the environment and sustainability in other parts of EAMER, especially for customers that cannot afford the full/new retail/lease price. When equipment is finally beyond reuse, it is dismantled into spare parts.

This example demonstrates our continued commitment to environmentally conscious products and sustainability for services and minimises the amount of Waste Electrical and Electronic Equipment (WEEE) in Europe. We have some kiosks and scanners still in service in Europe that are over 15 years old!

Information Management

Kodak Alaris' Information Management solutions enable customers to capture and consolidate data from digital and paper sources, understand and extract valuable insight from the contents. Kodak Alaris delivers superior systems and solutions to automate business processes, enhance customer interactions and enable better business decisions.

Our scanning equipment is part of our ISO14001 product stewardship program mentioned earlier. There are many environmental solutions in our scanners.

Almost all electronic equipment use blended plastic resins to achieve required properties rather than single plastics. This hinders recyclability of these plastic components. Over the past few years Kodak Alaris has significantly reduced the number of types and grades of plastic resins in a single scanner, in particular PS, PP and ABS (Polystyrene, Polypropylene and Acrylonitrile Butadiene Styrene) to enhance refurbishing and recycling.

All our new scanners have Hg-free (mercury free) LEDs (Light-Emitting Diodes) that use less energy to operate and which also facilitates their recycling at end of life. Our LED illumination solutions provide "instant on/off" power saving features.

All Kodak Alaris Scanners are certified to the US EPA ENERGY STAR program. In addition, Kodak Alaris has committed to EPEAT (Electronic Product Environmental Assessment Tool), an internationally recognised environmental award, for all our scanners of at least bronze. EPEAT is an internationally recognised voluntary ecolabel that manufacturers can aspire to. It recognises bronze, silver and gold level environmental attributes for electronic equipment.

Several markets for our scanners require meeting EPEAT environmental criteria for Sustainable Public Procurement (SPP). In some cases, Silver level is required. Kodak Alaris has the largest percentage of scanners on the US EPEAT Register meeting EPEAT criteria of at least bronze. All our scanners are certified to at least Bronze.

The majority of Kodak Alaris scanners have also been recognised with the China Energy Conserving Products Award and the China Environmental Label.

Why EPEAT?

EPEAT is a free and trusted source of environmental product ratings that makes it easy for stakeholders to select high-performance electronics that has roots in the US EPA in 2003. It has grown to become the definitive global environmental rating system for electronics managed by the Green Electronics Council currently tracking more than 4,400 products from more than 60 manufacturers across 43 countries.

EPEAT has many environmental criteria underlying the award covering the full product lifecycle, from design and production to energy use and recycling. Some are mandatory to reach Bronze and then additional criteria must be met for a product to reach the higher levels of silver and ultimately gold. Product assessment is based on ANSI-approved public standards developed through stakeholder consensus processes.

Manufacturers' claims of conformity are subject to ongoing verification by qualified 3rd party certification bodies. An assessment is also made of the company's environmental performance. Products found non-conformant are removed from the EPEAT registry to ensure global stakeholders can use the system with confidence and trust.

At the time of writing there are 4 other manufacturers in the EPEAT Registry that place scanners on the market. The total of scanners registered on the USA site at the end of 2016 is 88 of which 30 are Bronze and 58 Silver.

Kodak Alaris is proud to have all its 25 scanners registered. At present our total is more than any other manufacturer listed in the USA. We have 7 models certified to Bronze and 18 certified to Silver across our desktop, departmental and production ranges. Some Public Bodies around the world stipulate purchased equipment must meet EPEAT Criteria. At present there are no Gold EPEAT Scanners available on the market.

Our Manufacturing Sites

Kodak Alaris has manufacturing sites in Brazil, China and the USA. Each site's environmental management system is third party certified to ISO 14001. In addition, our China site's health and safety management system is third party certified to OHSAS 18001. The health and safety management system at the New York, USA site is first party certified to OHSAS 18001. See www.kodakalaris.co.uk/about/ehs/ehsmanagement for more information on sites/certificates.

The team at each site strives to continuously improve environmental performance and reduce adverse environmental impacts. Annually, environmental objectives and targets are established based on a review of aspects and impacts, performance, business needs, stakeholder needs, and continuous improvement opportunities. Goals, responsibilities, and milestones are established, measured, tracked, and regularly reported to management. Annual environmental objectives and targets range from facilitating the safe reuse, recycling, recovery, and disposal of raw materials and products, to reducing greenhouse gas emissions to reducing waste disposed in landfills. Examples of 2016 accomplishments at each site include:

Brazil: Improvement projects to replace air compressors and air conditioning systems resulted in reduced usage of electrical energy and water consumption. Reuse of corrugated packing from customer roll cores eliminated 4% of the solid waste generated at the site. Replacement of fluorescent bulbs and their starter circuits with LED equivalents reduced energy consumption, solid waste, and maintenance costs, while improving productivity of personnel due to better lighting.

China: Attention to pollution control and spill prevention resulted in 100% environmental compliance. Reductions in electrical energy usage and solid waste were achieved by replacing ballasts with LED lamps.

USA: At one site in the USA, electricity usage was reduced by 30% by replacing warehouse lighting with more energy efficient bulbs. Recycling of corrugated paper was increased by 50%. At the other USA site, returned equipment is systematically disassembled to recover components and separate materials into appropriate recycling streams. Robust components are refurbished and returned to service, avoiding potential impacts from manufacturing new parts and reducing the amount of material destined for recycle or final disposition. Significant cost savings have been recognised through component recovery, reuse and material recycling.

Our Supplier Expectations

Commitment to continually reducing adverse environmental impacts is across the supply chain. Kodak Alaris maintains relationships with suppliers that operate in an environmentally responsible manner, maintain safe facilities and operations, provide goods and services that are safe, minimise environmental burdens and meet regulatory compliance obligations in their intended markets.

Kodak Alaris expects their suppliers to be responsible for (1) complying with all applicable laws and regulatory requirements, (2) participating in self-assessments and/or on-site audits as requested, (3) providing clear and accurate responses to requests from Kodak Alaris regarding EHS or labour expectations and regulatory requirements, (4) addressing potential EHS or labour issues in a timely manner and (5) ensuring these expectations are met throughout their supply chain.

Suppliers shall:

• Provide products that ideally do not contain restricted materials and that are not manufactured using restricted materials. If restricted substances are present in any product supplied to Kodak Alaris, they must be below an appropriate threshold limit and the amount and location of such substances must be declared. These and other requirements are specified in Kodak Alaris' Supplier Declaration Documents and engineering drawing specifications.

• Provide a compliant Safety Data Sheet in all obligated languages for any chemical products supplied to Kodak Alaris.

• Ensure pulp and paper products are sourced from legally harvested forests. Suppliers shall have a process for determining the origin of all pulp and paper products and make this information available to Kodak Alaris upon request.

What Next for Kodak Alaris and its Commitment to the Environment?

Kodak Alaris is rightly proud of its "Imaging" past within Eastman Kodak Company that led to our formation in September 2013. We have continued the legacy from this great company founded by George Eastman in 1888, in the way we drive business growth in a sustainable, socially responsible and ethical manner in our global operations.

Kodak Alaris is focused on developing sustainable solutions for our customers such that all our products and services enable stakeholders to unlock the potential of data and information so they can achieve more. This will be done whilst considering potential environmental impacts of our operations.

For example, the design of our digital scanners, kiosks and intelligent state of the art software services and refurbishment programs of our equipment. Our scanners will be designed to achieve higher EPEAT levels (at present 64% of our scanners meet Silver) and obtain the China Energy Conservation Certification.

Kodak Alaris 5-Year Environmental Goals

Our worldwide EH&S policy states our commitment to compliance, prevention of injury and pollution and protection of health and the environment. We also commit to provide products and services that are environmentally responsible and safe throughout their lifecycle. We are proposing a set of voluntary, "beyond compliance" 5-Year environmental goals to demonstrate support of our commitments as well as support our long term business sustainability.

During 2016 the company's EH&S organisation performed a materiality study of the total amount of greenhouse gases emitted annually by our global operations using 2015 data as a baseline. Total CO2-eq emissions in 2015 were estimated to have been 364k tonnes, which is within the expected range for a company with our revenue and types of activities (i.e. selling manufactured products).

We have these emissions by product lines and life cycle stages such that we can set specific goals to contribute to the overall target. We intend to publish the goals on our websites in 2017 and report annually on progress.

In October 2016, our Board of Directors (BoD) set one 5-year environmental goal for the whole company:

"Reduce our Total Greenhouse Gas (GHG) Emissions (tCO2-eq) per US $ Revenue by 5% Compared with 2015."

The BoD also approved 3 additional specific environmental goals for the same period:

"Maintain uninterrupted ISO 14001 Environmental Management System certifications."
Kodak Alaris currently has 5 ISO 14001 certifications. One covers governance and environmental oversight of KA product design, development and life cycle. There are also 4 individual manufacturing site certifications (Colorado and IM-Rochester in the USA, Manaus in Brazil and KAIE-Shanghai in China).

"Meet Australian Packaging Covenant."
This is a voluntary agreement between government and industry to reduce the environmental impacts of packaging Objectives include: design more sustainable packaging, increase recycling rates and reduce packaging litter. Kodak Alaris signed the covenant, created an action plan to contribute to the covenant's objectives and targets and is required to provide annual progress reports.

"All Scanners will meet EPEAT criteria (100% Bronze, 80% Silver and 10% Gold)."
Electronic Product Environmental Assessment Tool (EPEAT) is a global three tier rating system (Eco Logo) to recognise environmental performance of electronic products, it is third party verified. It covers the full product lifecycle, from design and production to energy use and recycling. All Kodak Alaris scanners are currently Bronze rated with 60% meeting the requirements for Silver.

For more information on all aspects of our product sustainability and supporting management systems please see the EHS section on our internet site:
http://www.kodakalaris.co.uk/about/ehs

If you wish to contact us about any aspects of our sustainability or environmental performances, please send an email to EHS-Questions@Kodakalaris.com which will be passed to the appropriate person to respond.