

A SPECIAL ISSUE OF

# Update

FOR OUR NEIGHBORS  
NEAR KODAK PARK



2005 KODAK PARK ENVIRONMENTAL ANNUAL REPORT



## TO OUR KODAK PARK NEIGHBORS

Eastman Kodak Company continued on its journey of transformation in 2005, and Kodak Park was at the heart of a tremendous amount of change as we implemented our revitalization and asset reduction program. Some buildings were demolished and others were renovated for new uses. The footprint of Kodak Park is getting smaller as we align with Kodak's worldwide initiative to adjust to the reality of a much smaller business in traditional photographic products.

One constant amidst this change is our commitment to be a good neighbor. We realize that we cannot complete the transformation we are undertaking without the support of the community, especially our neighbors. In order to gain that support, we recognize that we must communicate openly with you about our successes and challenges, and that we must constantly strive to improve our environmental performance.

Kodak men and women are committed to safety and environmental responsibility. From the technical and regulatory experts in the Health, Safety, and Environment organization, to the operations managers and employees, everyone is united in their objectives to reduce emissions and achieve 100% compliance with regulations. Despite cost pressures and a rate of change that is unprecedented, we remain committed to these objectives. This report describes our progress towards those objectives in 2005.

In 2006, we will continue to be challenged by the rapid pace of change. In the face of this change, we will continue to improve environmental performance as part of our overall effort to keep Kodak Park a vital site now and into the future. We know you expect this of us. We expect nothing less of ourselves.

Charles J. Ruffing, PhD., Director,  
Health, Safety and Environment — Rochester sites



*"Everyone at Kodak Park is united in their objectives to reduce emissions and achieve 100% compliance with regulations."*

## KODAK PARK AT-A-GLANCE

George Eastman started manufacturing photographic film and paper in four newly constructed buildings at Kodak Park (KP) in 1891. Today, KP:

- Spans over 1,100 acres, across nearly four miles through the City of Rochester and the Town of Greece.
  - Much of the 22 miles of fence-line perimeter borders residential neighborhoods.
  - Approximately 13,000 households and 550 businesses are close enough to be considered plant neighbors.
- Includes over 125 manufacturing buildings, nearly 30 miles of roads, two power plants, its own sewer system, and water treatment facilities.
- Produces a wide variety of photographic films, chemicals, digital media and equipment.
- Employs more than 11,000 people in manufacturing operations and facilities housing the major portion of Kodak's imaging research laboratories.
- Serves as an industrial park for businesses affiliated or allied with Kodak.
- Operates its own fire department and railroad.
- Transports, on a daily basis, thousands of gallons of chemicals through many miles of pipelines to operations all over Kodak Park.

### PHOTOGRAPHY

We are proud to, once again, enhance this year's report with the photography of Kodak employees and Kodak Park neighbors. These talented contributors showcase the natural beauty found in our local environment.

COVER PHOTOS: Elizabeth Pixley, Linden tree leaves in fall; Deborah P. Stein, bumble bee; Timothy E. Wilson, lower falls at Letchworth State Park; Elizabeth Pixley, ash tree in bud

PAGE TWO PHOTOS: Timothy E. Wilson, Genesee River view; Deborah P. Stein, mountain rock

PAGE THREE PHOTOS: Timothy E. Wilson, bee on a flower; Timothy E. Wilson, a view of Rochester, New York; Timothy E. Wilson, (full page) close-up



***Environmental commitment stays strong through dramatic change at Kodak Park.***

*The following sections of this report describe our environmental performance and compliance with a multitude of regulations.*

*If you have questions or need more detailed information, please contact the Kodak Park Neighborhood Information Center at (585) 722-1707.*

**KODAK PARK ENVIRONMENTAL GOALS**

***Five-year goals (2004-2008)***

On a worldwide basis, Kodak measures its environmental performance against a series of comprehensive five-year environmental goals. In 2003, after completing performance reporting against goals set in 1999, we established a new set of five-year corporate goals (2004 – 2008) that are applicable to Kodak Park. These goals are:

- Reduce emissions of 28 priority chemicals by 15%.
- Reduce emissions of methylene chloride by 35%.
- Reduce greenhouse gas emissions (primarily carbon dioxide) by 10%.
- Reduce the use of energy by 10%.
- Reduce the use of water by 20%.
- Reduce waste from manufacturing by 20%.

In 2005, we exceeded our annual progress expectations and are ahead of schedule for delivering against our goals by 2008.



**ENVIRONMENTAL REGULATION OVERVIEW**

Environmental regulations are a major factor in operating a business like ours that is so heavily involved in handling chemicals.

***The regulatory process***

New York State has been authorized by the federal government to develop its own set of laws, regulations, guidelines, and enforcement practices that are as stringent, and often more stringent, than the federal requirements.

The New York State Department of Environmental Conservation (DEC) administers environmental regulations in New York State that address air emissions, wastewater discharges, chemical storage, waste handling and treatment practices, pollution prevention, and many other aspects of operations at Kodak Park.

Throughout each year, our technical staff reviews changes to state and federal regulations to determine new impacts on Kodak Park operations. Efforts in 2005 included ongoing negotiations with the DEC regarding the draft hazardous waste permit for the site, and modifications to the Title V air permit, and the wastewater discharge permit for Kodak Park.



## POLLUTION PREVENTION & WASTE MINIMIZATION

### POLLUTION PREVENTION HIERARCHY

Source Reduction  
*(Highest Priority)*  
Environmentally-friendly design of new products  
Product changes  
Source elimination

Recycling  
Reuse  
Reclamation

Treatment  
Stabilization  
Neutralization  
Precipitation  
Evaporation  
Incineration  
Scrubbing

Disposal  
Disposal at a permitted facility

### Source reduction

The pollution prevention hierarchy, depicted to the left, is the model used to minimize pollution from manufacturing operations at Kodak Park. Source reduction is the highest priority, with recycling, treatment and disposal being less preferred options. Many of the improvements highlighted in this report demonstrate Kodak Park's environmental performance as a result of source reduction initiatives.

*In 2005, more than 750 million pounds of scrap materials were recycled and reused at Kodak Park.*

*For the last five years, Kodak Park has recycled an average of 250 million pounds of solvents per year.*

### RECYCLED & REUSED SCRAP MATERIALS (millions of pounds)

Material	2003	2004	2005
Solvents	283	272	140
Boiler ash	162	143	260
Plastic	102	101	42
Construction & demolition debris	46	6	240
Paper	26	19	8
Other recyclables	23	26	2
Wood	15	15	2
Silver	1	1	1
Other metals	15	15	67
<b>TOTAL</b>	<b>644</b>	<b>673</b>	<b>762</b>

### Building demolition program

Kodak Park announced plans in 2004 to demolish a significant number of buildings and sell others as part of a multi-year revitalization and footprint reduction project. Since then, more than 4 million square feet of space has been eliminated from Kodak Park.

Prior to demolition, each building is evaluated to determine how the contents of the building will be handled. An asbestos survey is conducted to determine the types and locations of asbestos in the building. All asbestos is subsequently removed and disposed of according to all applicable NY State regulations. Assets and equipment inside each building are evaluated for redeployment or sale. As much of the remaining material as possible is recycled. Miscellaneous waste materials are removed, collected and analyzed prior to disposal.

Debris and rubble from demolition is sorted, analyzed and properly handled. Where possible, building materials such as brick, block and concrete are crushed and used as backfill material in other demolition projects on site. Some sections of buildings have been characterized as hazardous waste and are disposed of in accordance with all applicable regulations. Non-hazardous waste is sent to an approved landfill.



*240 million pounds of brick and concrete and 60 million pounds of metal were recycled in 2005 as a result of Kodak Park's building demolition program.*

Former location of Building 2 showing the segregation of building materials to facilitate recycling and reuse.

## CLEAN WATER

### Industrial wastewater

Most of the water from manufacturing processes and a large portion of the storm water at Kodak Park is directed to, and treated at, the King's Landing Wastewater Treatment Plant. This plant, located on the west bank of the Genesee River and east of Kodak Park, treats an average of 22 million gallons of industrial wastewater per day.

In 2005, the New York State Department of Environmental Conservation (DEC) issued a revised permit that will remain in effect until September 2009, governing wastewater and storm water discharges from Kodak Park. The Kodak Park compliance rate in 2005 was greater than 99.9% with eight permit exceedences reported for KP wastewater discharges and one exceedence reported for storm sewer discharges.

### Groundwater

There are nearly 800 groundwater monitoring wells in Kodak Park and adjacent neighborhoods. Groundwater elevation measurements are collected twice a year from these wells to determine groundwater flow direction. Samples are collected from more than 150 wells annually to monitor water quality.

At key locations around Kodak Park, 33 groundwater pumping systems intercept groundwater before it reaches plant boundaries. Collected groundwater is pumped into the KP industrial sewer for treatment at the King's Landing Wastewater Treatment Plant. In 2005, Kodak removed and treated more than 57 million gallons of groundwater from beneath Kodak Park.



## CLEAN AIR

### Reducing air emissions

Kodak Park remains committed to reducing chemical air emissions by modifying processes, reformulating products and improving emission controls. In 2004 (the latest year for which data are available):

- SARA-reportable air emissions declined 6% to 2.9 million pounds.
- Methylene chloride emissions decreased by another 150,000 pounds.
- More than half the air emissions from KP are related to the burning of fossil fuels.

Kodak has successfully reduced its CO<sub>2</sub> emissions by more than 19% from 1997-2004 and is working on a current EPA Climate Leaders goal of a 10% reduction in greenhouse gas emissions from 2002 - 2008.

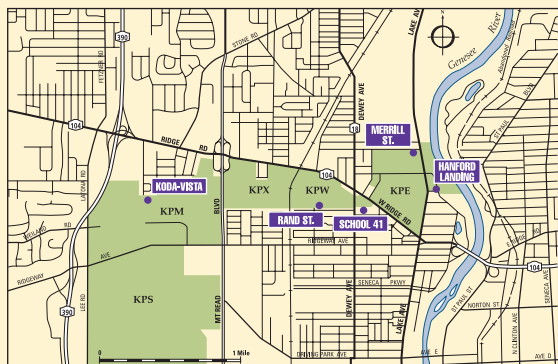
### Ambient air monitoring

Ambient air monitoring data have been collected around KP for more than 15 years. In 2005:

- 24-hour air samples were collected every sixth day at five locations.
- About 60 samples were collected at each location.
- Sampling results were shared quarterly with the New York State Department of Environmental Conservation (DEC) and the Department of Health (DOH).
- All samples were analyzed for methylene chloride, the chemical used in largest volume at Kodak Park.

At each air monitoring location, annual average air concentrations of methylene chloride were above the current annual guideline concentration of 0.6 parts per billion (ppb) established by the DEC in 2000, and below 8 ppb — a concentration considered to be protective of human health over a lifetime of continuous exposure.

AMBIENT AIR MONITORING LOCATIONS



AIR CONCENTRATIONS OF METHYLENE CHLORIDE (parts per billion)

Sampling Location	Annual Average 2005	5-Year Average (2001-2005)
Koda-Vista	2.3	2.7
Rand Street	1.1	1.6
School 41	0.8	0.8
Merrill Street	4.1	5.1
Hanford Landing Road	2.0	2.3

### Title V Compliance

Air emissions from Kodak Park are regulated by a five-year, facility-wide permit that was issued by the DEC in 2003 and modified in 2004. This permit, called a Title V air permit contains more than 1,400 pages of conditions and monitoring requirements for 400-plus air emission sources at Kodak Park. Kodak's computer-based Title V compliance system was used to collect nearly 22,000 pieces of compliance data during 2005, yielding a 99.1% compliance rate based on the number of individual assessments performed.

KODAK PARK POWER PLANT EMISSIONS

(in millions of pounds)

Emission	1998	2000	2002	2003	2004
Sulfur oxides	47.5	55.8	47.6	45.0	46.4
Nitrogen oxides	12.6	10.8	9.9	9.4	9.7
Carbon monoxide	2.6	1.6	1.5	1.3	1.3
Particulate	2.2	2.4	1.3	1.2	1.3
Volatile organic compounds	0.2	0.2	0.2	0.2	0.2

KODAK PARK SARA REPORTABLE AIR EMISSIONS SUMMARY

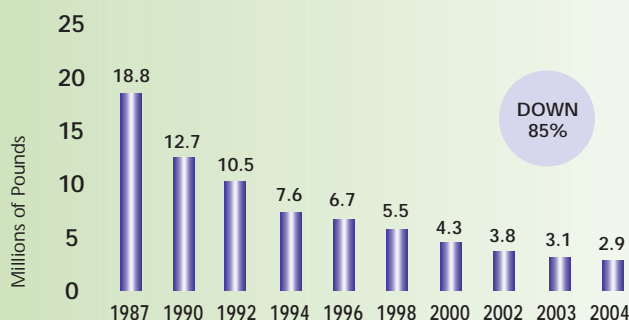
(>25,000 POUNDS)

(in thousands of pounds)

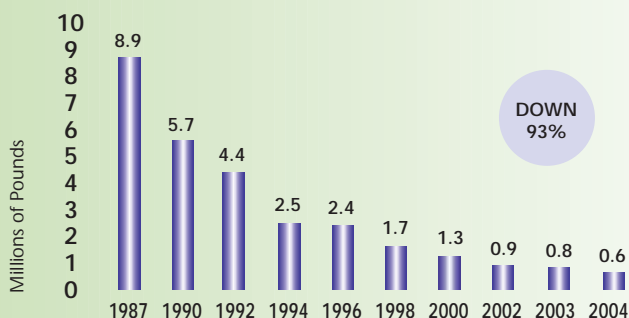
Substance	Baseline Year 1987	2003	2004	Percent Change 2003-2004	Percent Change 1987-2004
Hydrochloric acid	2,300	970	980	1	-57
Methylene chloride	8,920	750	600	-20	-93
Sulfuric acid	NR	510	520	2	NA
Methanol	4,279	340	320	-6	-93
Hydrogen fluoride	97	150	150	0	55
1-Methyl-2-pyrrolidone	NR	93	120	29	NA
Ozone	NR	68	45	-34	NA
Methyl ethyl ketone	128	31	39	-26	-70

NR = No reportable release NA = Not applicable

SARA-REPORTABLE AIR EMISSIONS



METHYLENE CHLORIDE AIR EMISSIONS



## TREATMENT & DISPOSAL

Hazardous waste management operations at Kodak Park are operated under a federal Resource Conservation and Recovery Act (RCRA) permit and a pending New York State Part 373 permit application. The NYS Department of Environmental Conservation (DEC) issued a draft 373 permit for KP in February 2004.

### DISPOSITION OF SARA REPORTABLE CHEMICALS AT KODAK PARK

(2004 Data — in pounds)

<b>In-Process Recycling</b>	<b>&gt; 300 Million</b>
<b>On-Site Treatment</b>	<b>~ 24.5 Million</b>
<b>Released to Environment</b>	<b>~ 3.9 Million</b>
To Air	2.9 Million
To Water	963,000
To Land	15
<b>Off-Site Transfers</b>	<b>356,000</b>
Treatment/Disposal	136,000
Recycle/Recovery	220,000

There are two incinerators at Kodak Park — the **Bldg. 218 chemical waste incinerator** and the **Bldg. 95 multiple hearth incinerator**. Both facilities operate with overall destruction and removal efficiencies of greater than 99.99% for organics and at emission rates better than (well below) applicable federal and state emission standards.

The Bldg. 218 chemical waste incinerator is used to destroy liquid and solid wastes that cannot be recycled, reused or recovered. This facility utilizes high-temperature incineration to destroy at least 99.99% of organic wastes, converting them to mostly carbon dioxide and water.

The Bldg. 95 multiple hearth incinerator destroys byproducts generated during the wastewater treatment process. Operating and monitoring requirements for Bldg. 95 and Bldg. 218 have been incorporated into Kodak's Title V facility-wide air permit.



PHOTOS: Deborah P. Stein, Monarch Butterflies

## REDUCING OUR IMPACT

### Energy conservation

Energy is a significant part of Kodak's cost picture. Production of photographic products requires carefully controlled temperature and humidity conditions, causing massive energy needs at a number of locations around Kodak Park.

Two power plants support these energy needs utilizing an energy-efficient process called tri-generation to get triple use from the steam they produce. KP's power plants are operated by Trigen-Cinergy Solutions (TCS), a company with extensive experience in efficient operation of energy facilities.

Key energy reduction strategies include consolidation of manufacturing space, manufacturing waste reduction, energy-efficient lighting and investment in more energy-efficient motors and equipment.

### Energy Star

The U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE) jointly sponsor a program called Energy Star to encourage energy conservation.

Kodak is an Energy Star Partner with a history of producing equipment products that meet Energy Star efficiency guidelines. In the last three years, Kodak has received the Energy Star Corporate Commitment Award, the Energy Star Leadership in Energy Management Award, and the Energy Star Sustained Excellence Award.



### Industrial sewer integrity

In 2005, Kodak continued work on its Final Release Prevention Program (FRPP) by lining a major section of the industrial sewer system along the south side of the KPW section of Kodak Park near Dewey Avenue. Kodak is using durable polyurethane resins, leak-proof liners, or when necessary, is constructing new structures to improve the integrity of KP's industrial sewer system.

The five-year FRPP was preceded by a \$16.9 million, five-year Initial Release Prevention Program that was completed in 2003. Inspecting and improving the industrial sewer structures at KP reduces the likelihood of future environmental releases from Kodak Park.

### Clean-up efforts

The Kodak Park Corrective Action Program (KPCAP) was implemented to systematically address the numerous groundwater monitoring and cleanup requirements stipulated in many state and federal environmental regulations.

KPCAP activities in 2005 included ongoing investigations and corrective measures studies to evaluate clean-up options and determine appropriate remedial measures for areas in the vicinity of Bldgs. 202 and 208 in KPX, Bldgs. 308 and 333 in KPM, and Bldgs. 502 and 605 in KPS.

### Community impact reduction team

In 2005, three separate community impact reduction teams were combined into one site-wide team to address concerns KP plant neighbors express about operations. Team members represent major manufacturing operations at Kodak Park and use proactive and collaborative approaches to identify and eliminate potential sources of noise, odors, and particulate before they become a problem in adjacent neighborhoods.

## RESPONDING TO COMMUNITY CONCERNS

### Community programs and services

The following services are provided to support the community's information needs and concerns regarding Kodak Park:

#### Update Newsletter

- Quarterly publication that provides information about developments at Kodak Park.
- Sent to approximately 13,500 plant neighbors and more than 11,000 KP employees.

#### Neighborhood Information Center (NIC)

- Located at the west end of the Bldg. 28 lobby at 200 West Ridge Rd.
- In operation for more than 15 years.
- Open between 8:00 a.m. and 5:00 p.m., Monday through Friday to anyone seeking information about Kodak Park-related issues.
- Coordinates community outreach events.

#### Environmental Concerns Line (585) 477-4500

- Plant neighbors can call to express concerns about plant operations.
- Available 24 hours a day, every day of the year.
- Calls are investigated through the Neighborhood Complaint Response Program and results are shared with the neighbor and plant management.

#### Community Advisory Council (CAC)

- Members represent local government, school districts, plant neighbors, and special interest groups.
- The CAC meets monthly to improve the exchange of information between KP and the community.
- KP representatives also meet monthly with members of specific neighborhoods adjacent to the plant to have in-depth discussions about environmental issues and other topics.



### Issues/challenges

In 2005, flyash discharges from the Bldg. 321 power plant continued to affect residents of neighborhoods bordering Kodak Park. Trigen-Cinergy Solutions (TCS), the company that operates the two coal-fired power plants at Kodak Park, has been working to reduce flyash emissions and this fall, installed air curtains inside one of the coal-fired cyclone boilers. The curtains are designed to specifically capture larger particles of flyash that were not effectively collected by the existing system. Similar improvements are planned for two other cyclone boilers in 2006.

### Settlements

In February 2005, Kodak agreed to pay a civil penalty of \$140,000 for violations related to environmental regulations at Kodak Park in 2003 and 2004. Under the agreement, \$100,000 was paid to the New York State Department of Environmental Conservation (DEC) and \$40,000 went to the Audubon Society to fund its Birds of Prey Satellite Telemetry Program. In June, Kodak paid a \$20,625 fine to the U.S. Environmental Protection Agency (EPA) for an alleged violation under the agency's Toxic Substances Control Act (TSCA). The violation alleged that Kodak made an error when it submitted to EPA a Notice of Commencement to Manufacture for a chemical used in its Synthetic Chemicals Division. In October, Kodak paid a fine of \$20,300 to the Federal Aviation Administration (FAA) for an alleged violation related to the transport of a cleaning solution that was not properly declared, described, marked, and labeled under the agency's Hazardous Materials Regulations. In November, Kodak agreed to a Consent Order with the DEC for multi-media violations at Kodak Park during 2004 and 2005. Under this action, Kodak agreed to pay a \$40,000 civil penalty for several violations related to air permitting, hazardous waste inspections, wastewater effluent discharges, petroleum discharges, and releases of hazardous substances.

## A DECADE OF PROGRESS

**1996** The Synthetic Chemicals department installs a new form of air emissions control called **Bioton**, which uses microorganisms to treat organic air emissions from its operations.

**1997** The **King's Landing Wastewater Treatment Plant** completes its 30th year of operation. It has been regularly upgraded to meet ever-strengthening discharge standards set under its state operating permit.

**1998** A \$15 million **Regenerative Thermal Oxidizer** begins operation and demonstrates significant reductions in air emissions from KP's Solvent Coating operations.

**1999** Kodak announces comprehensive **corporate environmental goals**, setting aggressive targets to further reduce environmental emissions, waste, water usage, and energy consumption in worldwide manufacturing operations.

Kodak completes its **Value Protection Program (VPP)**, a ten-year commitment to restore normal real estate conditions to areas around Kodak Park.

Kodak Park achieves **ISO 14001 registration**, gaining international recognition for its environmental management system.

**2000** Work begins on **upgrades to the Bldg. 218 air emission control equipment** designed to meet new, lower air emission (MACT) standards.

Kodak partners with EPA in a trial to apply the Pollution Prevention Framework (P2 Framework) to early product development under EPA's **Project XL Program**.

Phase 1 of Kodak Park's CFC Reduction Program is completed resulting in a **92% decrease in emissions of CFC's** from Kodak Park since 1993.

**2001** A \$12 million upgrade is completed and **operations begin at Bldg. 218 with new air emission control equipment** designed to meet new, lower air emission (MACT) standards.

Kodak assembles a panel of leading independent scientists to serve on a **Pollution Prevention Advisory Panel** as consultants on issues related to the company's environmental performance.

**2002** Kodak Park reports a **90% reduction in air emissions of methylene chloride**.

A comprehensive 3rd-party site audit renews Kodak Rochester's **ISO 14001 registration**, with many programs and initiatives recognized as "best in class."

**2003** Kodak receives a **Stratospheric Ozone Protection Award** for its efforts to reduce emissions of ozone depleting chemicals.

Kodak receives the prestigious **Energy Star Corporate Commitment Award** for leadership in practicing and promoting energy efficiency.

Kodak is inducted into EPA's WasteWise "**Hall of Fame**" for many years of outstanding waste reduction results.

**2004** Kodak meets **7 out of 8 aggressive environmental goals** set in 1999 and announces a **new set of environmental goals** to further reduce air emissions, water and energy use, and waste from manufacturing.

Kodak receives the **Energy Star Leadership in Energy Management Award**.

Kodak joins the **U.S. Environmental Protection Agency's (EPA) Climate Leaders Program** with a commitment to reduce greenhouse gas emissions by 10% in 5 years.

**2005** Kodak receives the **Energy Star Sustained Excellence Award** for outstanding commitment and dedication for saving energy to improve the environment — the third significant award from Energy Star in three years.

Kodak receives an **Industrial Achievement Award** from the New York Water Environment Association for developing a process to annually recycle one million pounds of waste from its Acetate Base Manufacturing Division.

Eastman Kodak Company  
343 State Street  
Rochester, New York 14650



PHOTO: Kodak BirdCam 2005

## KODAK PARK COMMUNITY ADVISORY COUNCIL

### Mission Statement

The Kodak Park Community Advisory Council seeks to improve the exchange of information between Kodak Park and the community by reflecting constituents' present and future interests, so that Kodak Park operates in a way that is responsive to the needs of the community.

### Community Members

Dan Coyne, Maplewood Neighborhood Association  
Ralph DeStephano, Greece Central School District  
Jane Grant, Koda-Vista Neighborhood Association  
Mark Gregor, City of Rochester  
Kevin Hooker, Trigen-Cinergy Solutions  
Ann Howard, Rochester Institute of Technology  
Ann Jones, League of Women Voters  
Bob Jones, Center for Environmental Information  
Len Jones, West Ridge Road Business Association  
Cindy Kaleh, Maplewood Neighborhood Association  
Kate Kendell, Irondequoit PTA  
John Noble, Koda-Vista Neighborhood Association  
Greg Merrick, Town of Irondequoit  
Elizabeth Pixley, Member-at-Large  
Jerry Santangelo, Town of Greece  
Mike Schifano, Monroe County Division of Pure Waters  
Larry Sorel, Seneca Park Zoo  
Linda Storti, Rochester City School District, School #41

### Kodak Members

Cindy Ames  
Bernie Nee  
John Richardson  
Chuck Ruffing  
Fred Scott  
Chris Veronda

Neighborhood Information Center (585) 722-1707  
Cynthia Ames, Update Editor (585) 722-1770  
Fred Scott, Update Editor (585) 722-1662  
Kodak Park Environmental Concerns Line (585) 477-4500

## KODAK ROCHESTER HEALTH, SAFETY, AND ENVIRONMENT POLICY

*In Kodak Rochester, we are committed to health, safety, and environmental excellence through:*

- Compliance with regulations and corporate initiatives,
- Prevention of pollution,
- Providing a safe and healthful workplace, and
- Continual improvement of HSE performance.

*HSE measures are integral components of our performance-based culture and business strategies. Continual improvement is achieved through leadership and personal responsibility, adherence to Kodak Values, effective training and communication, and ongoing performance feedback.*



**Picturing a Better Environment**  
[www.kodak.com/go/hse](http://www.kodak.com/go/hse)



PHOTOS (L to R): David Falzarano, Letchworth State Park; Timothy E. Wilson, tulip; Deborah P. Stein, Finger Lake inlet; David Falzarano, grapes