

K O D A K

# RAISING OUR SIGHTS

## EASTMAN KODAK COMPANY Corporate Responsibility Report



# KODAK IS A TECHNOLOGY COMPANY FOCUSED ON IMAGING

# ABOUT KODAK

### **Our Business Divisions**

### **PRINT SYSTEMS**

- Offset plates
- Computer-to-plate devices
- KODAK NEXPRESS and KODAK DIGIMASTER Systems
- Service
- OEM toner

### **ENTERPRISE INKJET SYSTEMS**

- KODAK PROSPER Presses and S-Series Imprinting Solutions
- KODAK ULTRASTREAM Inkjet Technology
- KODAK VERSAMARK Printing Systems
- Ink and service annuities

### **FLEXOGRAPHIC PACKAGING**

- KODAK FLEXCEL NX Systems and Plates
- Legacy packaging solutions

### **SOFTWARE & SOLUTIONS**

- KODAK PRINERGY Workflow Solutions
- KODAK Solutions for Business

### **ADVANCED MATERIALS & 3D PRINTING**

- Kodak Research Labs
- IP Licensing
- Partnerships
- New businesses (Smart Materials & Printed Electronics)

### CONSUMER & FILM

- Motion picture and commercial films
- Consumer inkjet solutions
- Brand licensing
- Synthetic chemicals

### **EASTMAN BUSINESS PARK**

- A 1,200-acre innovation hub and manufacturing center
- 16 million square feet of manufacturing, distribution, lab and office space
- Home to more than 100 companies with more than 5,000 employees

# HIGHER STANDARDS + NEW OPPORTUNITIES

## A Message from CEO Jeff Clarke

To My Fellow Stakeholders:

One year ago, concurrent with the release of the first Kodak Corporate Responsibility Report in several years, we announced new corporate goals and a strategy to raise our sights for social and environmental performance. To be certain, corporate responsibility was not a new priority at Kodak, and our company's commitment to issues such as environmental stewardship, diversity and inclusion, workplace safety, and philanthropy and volunteerism can be traced back for generations. But the new goals were created to serve as a rallying point for our people and our company. Publicly identifying corporate responsibility objectives, and measuring ourselves against them, is a powerful way to focus our efforts and concentrate on the most critical priorities.

### **GROWING SUSTAINABLY**

Kodak builds towards long-term economic success when we are well aligned with the needs of our customers. Today, one of their foremost needs is sustainability. We see a growing demand for resource-efficient solutions to help our printing industry customers – and those they serve – lower their environmental footprint. Kodak is well positioned to lead in this arena. We were the first to commercialize a printing plate requiring no processing chemicals, a technology which also reduces water and energy consumption. Customer demand for KODAK SONORA Process Free Plates is strong and growing, and in 2017 we were excited to develop KODAK SONORA X Process Free Plates, which offer several enhancements and a broader reach to 80 percent of the offset printing industry.

SONORA Plates are the centerpiece of our sustainable product offering, but the brand is joined by others, including CTP (computer-to-plate) solutions which reduce energy consumption by up to 95 percent compared to alternative platforms, KODAK PROSPER and ULTRASTREAM Inkjet Technology with print head components designed for refurbishment and reuse, and KODAK FLEXCEL NX System packaging printing solutions engineered to produce less waste and longer life.

Kodak's product engineering prioritizes environmental sustainability, and so too does our approach to operating global facilities. From Asia to North America to Europe and the Middle East, local teams are empowered to pursue initiatives to reduce environmental impacts. An important step forward in these efforts came with the recent conversion from coal to natural gas at the Eastman Business Park power plant, which is operated by our partner, RED-Rochester. The fuel transition of the facility, which produces electricity, steam and chilled water, reduces carbon emissions by 50 percent and effectively eliminates emissions of sulfur dioxide and heavy metals.

### COMMITTED TO OUR COMMUNITIES

From a social perspective, we are committed to driving improvements in workforce safety, in continuing to be a diverse and inclusive workplace where employees are encouraged to bring their whole selves to work each day, and to be difference makers in the communities we serve through volunteerism and philanthropy. I'm excited to see how we're able to magnify our positive community impact by leveraging the support of customers and that of Kodak employees through the Print for Good program, which tackles the challenge of youth illiteracy on several continents.

Our sights for social and environmental performance are indeed set high, and it will require a consistent, disciplined commitment of people and resources to achieve them. Guided by strong core values, I'm confident Kodak's talented employees will continue to extend our positive trajectory of progress.



to Chu

Jeff Clarke Chief Executive Officer

# BUILDING ON PROGRESS + LEVERAGING OPPORTUNITY

**2017 Environmental & Social Dashboard** 

As of year-end 2017







Books and school supplies distributed to support youth literacy through the Print for Good program

**Vorldwide** Energy Use

↑ **21%** Volume in SONORA Process Free Plates

## **100% Score** 16 CONSECUTIVE YEARS Corporate Equality Index, Human Rights Campaign Foundation

# 41.3 Million

Solvent recovered from non-Kodak sources, a 20% increase



**11 ISO 14001** Certified Sites Worldwide



# Eastman Business Park \$4 Billion

Annual manufacturing revenue generated across tenants

**104** Companies



Non-Kodak Jobs



# WORKING AS A TEAM TO RAISE OUR GAME

A Message from Dick Szembrot: Director of Health, Safety and Environment



Kodak's 2017 announcement of new corporate social and environmental goals was a watershed moment in the recent history of our company. It affirmed that as the new Kodak continues to strengthen its product offerings and market position, corporate responsibility considerations will be front and center. While setting goals is important, it's only the first step. Making progress against our corporate responsibility objectives requires a team approach and active engagement, not only within our Health, Safety and Environment (HSE) organization, but across the enterprise and at every global site. I'm excited by the commitment to the goals I see throughout the company and the willingness of employees to innovate and raise their game to achieve them.

### FOCUSING ON ENVIRONMENTAL STEWARDSHIP

One notable example of this approach is the Kodak Israel facility in Petach Tikva, which has implemented a range of measures across their high-tech campus to deliver eco-efficiency. As our colleagues in Israel have demonstrated, a continuous improvement mindset is essential to achieving our goals to reduce waste, water consumption and greenhouse gas (GHG) emissions.

A strong focus on environmental stewardship can also be found at Eastman Business Park in Rochester, New York, where we have a unique opportunity to lead in recycling of spent industrial solvents. It's a business that makes economic sense and also avoids the environmental impacts of solvent incineration. That's why it was exciting to see a major increase in external solvent recovery volumes last year, where we've set an ambitious goal and yet are tracking ahead of expectations.

Another environmental priority is to enable our customers to be more sustainable, and we made new strides in 2017 with the increased print industry adoption of KODAK SONORA Process Free Plates solutions – which grew by more than 20 percent last year. Kodak is a recognized leader in process-free printing, and the development of SONORA X Plates opens this technology to a much wider segment of the market.

### UPLIFTING LOCAL COMMUNITIES

From a social perspective, Kodak has a long history of being committed to the communities where we live and work. Last year, I was fortunate to serve as a judge of the Kodak Community Leaders Challenge, which recognizes exceptional volunteer efforts by our employees. My takeaway from that experience? Remarkable community contributions are being made by our colleagues – not only by the award winners, but by scores of others as well. We are especially proud of our signature community outreach program, Print for Good, which reaches thousands of young people each year to help ensure they have the resources they need to strengthen their literacy skills.

Looking ahead, teamwork will continue to be the key to achieving further progress against our corporate responsibility objectives. There's a sense of common purpose across our company, and it is delivering results.

Dick Symbut

**Dick Szembrot** Director of Health, Safety and Environment

# KODAK'S 2017 CORPORATE RESPONSIBILITY GOALS

## **Environmental**

Ŵ	WASTE	Approach zero waste at Kodak sites worldwide. 99% overall waste diversion from landfill and incineration by 2025	
	GHGs	Reduce GHG emissions from worldwide operations by 25% by 2025*	
$\Diamond$	WATER	Reduce water consumption from worldwide Kodak operations by 25% by 2025*	$\bigcirc$ :
0\$	WATER/ENERGY	Enable Kodak customers to reduce water and energy consumption through innovative products	
\$	ENERGY	Enable Kodak customers to reduce GHGs and fossil fuel energy consumption through alternative energy solutions	
23	RECYCLING	Triple the quantity of spent solvents recovered by Kodak from external sources by 2025*	8

## **Social**



\*Compared to a 2016 baseline



RAISING

**OUR VOICES** 

At Columbus we've found creative ways to reduce waste. One example is employee and third-party upcycling of pallets into tables and decorative pieces around the city. At Kodak, overall waste reduction is at the forefront of every task, every project, and every process, as it rightfully should be. Zero waste doesn't just mean better business, it means a cleaner community.

Harrison Roughton HSE Technician



I manage an organization driving the creation of new products that continue to illustrate Kodak's commitment to environmentally advantaged products. With Kodak's innovative Light Blocking technology, our customers will realize a lighter-weight finished product that affords lower shipping costs and environmental impact via fuel savings.

Kevin Williams Director Technology Solutions & VP AM3D I am constantly inspired by our Kodak employees. They are deeply committed to their local communities. Our sites around the globe are encouraged to work together and support local organizations and initiatives. Kodak provides its employees with the time and support to give back and make a difference.

Kristin Calabrese Williams VP, Public Affairs



## Maintaining employee community service in 100 percent of the communities where Kodak operates is essential – it's upholding George Eastman's philanthropic legacy. It's something that Kodak people are passionate about and that needs to continue. It's an honor to have the opportunity to impact others in a way you didn't know you could.

Erin Semple Product Stewardship Specialist





We are excited to be delivering industry-leading products that are allowing more of our customers to reduce their environmental footprint ...

As a newer employee of the company, I have been impressed by the attitudes and commitment surrounding safety at our facilities. The 25 percent injury reduction goal embraces that commitment and encourages a rededication to continuous improvement.

Ryan Carney Industrial Hygiene and Safety We are excited to be delivering industryleading products that are allowing more of our customers to reduce their environmental footprint – a win for our customers, our company and our children!

Chris McCullough WW Plate Commercialization Manager



## INNOVATING A HIGHER LEVEL OF ENVIRONMENTAL PERFORMANCE

As we approach the third decade of the 21st Century, the necessary course of the world's economic and social life has never been more clear: towards more efficient use of natural resources, reduced emissions and waste, greater reliance on renewable energy and closed loop recycling, and conservation of the world's scarcest resource: water. The drivers of this change go well beyond government policymakers and regulators – they originate from consumers, customers, investors, employees and community stakeholders. At Kodak we recognize that, in order to succeed tomorrow, companies now must embrace these principles in the products they offer and in how they manage their facilities. Kodak has a rich history of leadership in sustainable products and operations, and today we're innovating new ways to raise the bar of environmental performance even higher.



# **SONORA** Enabling a New Era of Eco-Efficient Printing

For most of its history since its invention in the 19th century, offset printing utilized printing plates that required substantial quantities of chemicals, water and energy to image and process. That all changed in 2005 with the introduction of KODAK THERMAL DIRECT Plates. In the years that followed. Kodak continued to evolve new technology around process-free solutions. now called SONORA Plates, making us a leader in the industry. Instead of the traditional process in which a plate is run through processing equipment containing a solution of developer chemicals and water to set the image, SONORA Plates enable printers to image on the platesetter, then go directly to press. It's a much more environmentally friendly approach that eliminates all processing chemicals, water and excess energy and waste from the plate-making process.

Across the geographies we serve, there is steadily increasing interest in process-free printing solutions, and in 2017 SONORA Plate volumes grew by 21 percent above the previous year. Several factors are driving this demand: the expectations of end-user customers, who seek printed materials with a reduced environmental footprint, government regulatory requirements and, perhaps most importantly, the proven environmental and economic benefits that printers achieve when they adopt a process-free approach.

We estimate that full adoption of SONORA Plates industry-wide could save 361 million liters of water, more than 2.7 million liters of chemicals and 139 million kWh of energy per year.

# SONORA CAN PRINT THAT

## SONORA X: Expanded Reach, Breakthrough Innovation

KODAK SONORA Plate technology achieved another milestone in 2017 with the development of KODAK SONORA X Process Free Plates, which expands the applicability of Kodak's process-free technology to a much larger segment of printers, including those with more demanding performance requirements. SONORA X offers longer run length, faster imaging and more robust handling capabilities. We estimate these new enhancements open the door for 80 percent of the offset market to go process free, including large commercial sheetfed operations, heatset and coldset web printers, offset packaging facilities and medium and large newspaper pressrooms.

# KODAK SONORA PROCESS FREE PLATES

1- 11111

1-12

-0-111111

No Chemicals No Water Less Energy Less Waste

KODAK 2017 Corporate Responsibility Report

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7

School Lane Colour Press

Mitchell Press, LTD.

Alcom Printing

# SONORA PLATE GREEN LEAF AWARD WINNERS

**Elevate Sustainable Printing Around the Globe** 

## **Shared Vision**

One of the most meaningful ways we contribute to a more sustainable world is to empower Kodak customers to meet their own sustainability objectives. Four years ago, we launched the KODAK SONORA Plate Green Leaf Award to celebrate printing industry partners who are leaders in adopting sustainable practices and in offering their customers eco-friendly options for their printing needs. This recognition program continues to expand. All 14 of the 2017 awardees utilize KODAK SONORA Process Free Plates to reduce their environmental footprint – and their commitment to sustainability extends across their products, services and operations. Litotec S.A. ECUADOR

### Cartocor S.A. ARGENTINA

Conserve, re-use and recycle – these are the watchwords at Cartocor, which manufactures and prints packaging products for markets in Argentina and Chile. The company offers cardboard packaging for items such as fresh produce that use materials that are recycled or sourced from sustainably managed forests. Cartocor is also committed to closed-loop water treatment technologies, as well as to measures that reduce energy consumption during printing and manufacturing.



Zühal Offset

## Druckerei Lokay GERMANY

Reinheim-based Druckerei Lokay has invested several million euros in environmentally friendly technology and ecological restoration. Their comprehensive approach, which includes a commitment to nearly 100 percent recycling of material waste, has reduced total CO2 emissions by 62 percent and water consumption by more than 30 percent. The firm offers climate-neutral printing and indicates that 75 percent of customers choose Druckerei Lokay because of its strong commitment to sustainability.





## **ASCON CO., LTD** JAPAN

Changsung P&Tech

SOUTH KOREA

Vivar Printing Sdn Bhd MALAYSIA

CHINA

Hongbo Co., LTD.

CHINA

Golden Cup Printing Co., LTD.

Ascon's printing solutions include brochures, direct mail materials, retail point-of-sale displays and magazines. The company conducts thorough analyses of its manufacturing processes to identify innovative steps such as reducing odors by regularly monitoring, measuring and exchanging the catalyst in printing machine deodorizing equipment. With farms and residences near their facility, Ascon puts a high priority on environmental stewardship. In addition to the environmental benefits from adopting SONORA Plates, the company estimates annual cost savings of approximately 2 million yen.



### Southern Colour Print NEW ZEALAND

Secure printing is a specialty at Southern Colour, with prestigious assignments that include postage stamps, visa stamps and examination question papers. Sustainable practices are another emphasis: they recycle paper, plate metal and plastics and employ vegetable-based inks, alcohol-free solvents and sustainably harvested and recycled papers. The company has achieved Enviro-Mark Gold certification and performs an annual GHG Inventory Report in accordance with ISO 14064-1: 2006.

# KODAK REACHES HIGHER WITH NEXFINITY PRESS

The KODAK NEXPRESS Platform for fully digital printing encompasses several environmentally responsible features, including HD Dry Inks that create virtually no emissions and electrical power requirements significantly below those of alternative platforms. Supplementing those advantages, Kodak recently introduced the KODAK NEXFINITY Digital Press, which features higher speeds and enhanced imaging capabilities. From both a usage and waste perspective, it's our most efficient press yet, with components designed for much longer life – improvements that translate into environmental benefits, as well as lower operating costs.





KODAK CTP requires up to 95% less electricity than alternative platforms.

# **KODAK** CTP Direct = Big Savings

Process-free plates go a long way toward reducing environmental and economic costs for our printing customers, and those benefits are multiplied when SONORA Plates are paired with KODAK CTP (computerto-plate) Technology. The CTP system allows each image to be output directly from computer to plate, with no film required as an intermediate step. While CTP solutions are not new – they've been in the market for more than 20 years – major innovations have been achieved in recent years. First among them is a significantly reduced power draw, with the latest generation of KODAK TRENDSETTER Q400/Q800 and ACHIEVE T400/T800 Platesetters requiring up to 95 percent less electricity than alternative platforms. High-efficiency cooling, a low-current-draw drum system and optimized mechanical assemblies all contribute to the energy savings.



## \$16 Million Weatherford Facility Expansion

A \$16 million expansion at our Weatherford, Oklahoma, facility will create a new plate manufacturing line to meet growing market demand. On April 20, 2017, Kodak leaders hosted customers and community members as they broke ground for the new line. The ceremony was not only a celebration of the expansion, but also of the revitalization of the plant in its 50th anniversary year and the strong technical capabilities and skilled tenured workforce that exist there.

# **FLEXCEL NX** SYSTEMS Growing ... and Growing Greener

While some segments of the worldwide printing market, such as publishing, are declining, packaging printing continues to demonstrate healthy growth in every global market – a trend we expect to continue – and we are well positioned to progress. Kodak is a leader in flexographic printing for product packaging, such as flexible pouches and plastic bags, folded cartons and corrugated boxes.

A decade ago we introduced the innovative KODAK FLEXCEL NX System to create a new standard for cost-effective and sustainable flexo print production. Compared to legacy gravure printing technologies, our FLEXCEL NX System reduces waste with its faster start-up times and fewer stoppages. Plates last longer, and fewer are required because of improved fourcolor process performance, which reduces the need for spot colors. Customers report waste reductions averaging 25 percent and 50 percent longer plate life.

FLEXCEL NX System's advantages, including its more sustainable footprint, are winning in the marketplace – plate volume grew by 17 percent in 2017, well ahead of industry averages.



# **KODAK PROSPER & VERSAMARK SYSTEMS** Delivering Environmental Benefits Through Water-Based Inks

Enterprise inkjet systems can be the appropriate choice for a range of applications – from publishing and direct mail to packaging on a variety of substrates. A core environmental advantage of our KODAK PROSPER and VERSAMARK Inkjet Print Systems is their use of water-based inks. These fluids have minimal volatile organic compounds (VOCs), and some Kodak inks may be used for indirect food contact. This digital printing platform also permits shorter run volumes and minimizes unnecessary warehousing and waste.

Soon, a new generation of enterprise inkjet will be here: KODAK ULTRASTREAM Inkjet Technology, which will enter the market through agreements with OEM partners in 2019. We expect ULTRASTREAM Technology to set new standards by expanding into new, mainstream markets for high-speed, highresolution inkjet printing. Our engineering analysis suggests this advanced technology will deliver significant energy savings and durability – with nozzle life reaching 3 trillion drops before refurbishment is required.



# **A LEGACY OF INNOVATION**

Since our inception 130 years ago, Kodak researchers and engineers have been at the leading edge of innovation, earning patents and scientific recognition for thousands of inventions that transformed the science of imaging. That commitment to leveraging our unique scientific expertise continues today, and leads us to promising new opportunities.



- Kodak founder George Eastman invents an emulsion-coating machine enabling the mass production of photographic dry plates.
- George Eastman became one of the first American industrialists to employ a full-time research scientist to aid in the commercialization of a flexible, transparent film base.
- Eastman hired Dr. C.E. Kenneth Mees, a British scientist, to organize and head a research laboratory in Rochester, one of the first industrial research centers in the U.S.
- Kodak introduced the EASTMAN Television Recording Camera, in cooperation with DuMont Laboratories and NBC, for recording images from a television screen.
- Kodak invented the world's first digital camera. The prototype was the size of a toaster and captured black-and-white images at a resolution of 10,000 pixels.
- The company announced KODAK ULTRALIFE Lithium Power Cells, the world's first 9-volt lithium cells for consumer use.
- Kodak launches its NexPress Solutions, LLC joint venture with Heidelberger Druckmaschinen AG.
- Kodak began a recycling program for one-time-use cameras and also began using recycled paperboard for film boxes. By 2009 the company would recycle more than 1 billion one-time-use cameras.
- Kodak received an R&D 100 Award for its INSIGHT Thoracic Imaging System, which produced significantly improved X-ray images of soft tissues.
- The company introduces the first thermal computer-to-plate system for imaging printing plates. The Kodak system uses heat to digitally image plates, a departure from earlier systems that used light, for faster turnaround times, lower cost and improved quality.
- An advanced Kodak image sensor allowed NASA's Mars Rover to "see" as it moved about to explore that planet's surface.
- KODAK THERMAL DIRECT Non Process Plates entered the market, becoming the industry's first process-free plates.
- KODAK SONORA XP Process Free Plates are introduced, to provide the quality, productivity and print capability of mainstream plates without processing equipment or chemistry.
- Kodak introduced the industry's fastest full-color inkjet presses, the KODAK PROSPER 6000C and 6000P Presses, for commercial printing and publishing applications.
- Kodak develops and brings to market new light-blocking smart materials for use in a variety of applications such as blackout curtains.



# UNIQUE CAPABILITIES, TIMELY INSIGHTS A Conversation with Dr. Terry Taber

Chief Technical Officer and President, Advanced Materials and 3D Printing Technology Division

During the last year, Kodak has narrowed the scope of its research and development efforts to focus on the most promising opportunities. What are the technologies where the company can lead today?

For many decades, our research leadership has been centered in three areas: materials science, deposition science and digital science. Our recent focus to create new business opportunities is centered on materials science and deposition science, or continuous (roll-to-roll) manufacturing. Materials science at Kodak includes new materials and chemistries, as well as new functions for known materials and chemistries. Kodak has a deep experience and capability to make useful formulations of materials that enable roll-to-roll manufacturing and maintain the functionality of the core material(s). Finally, Kodak materials science encompasses making those new materials in the lab and bringing them to full production at thousands of kilos. In layman's terms, deposition science means we've invented lots of ways to take stuff (smart materials), put it on other stuff, such as a wide range of substrates including paper, plastic, and glass, and make it stick and have a function. It encompasses a wide variety of deposition types – e.g., coating, jetting, contact transfer – that are always utilized in a roll-to-roll manufacturing process.

## One of the exciting projects you're working on that brings these two together is a new type of RF antenna. What's different about it?

We have demonstrated the ability to print a transparent antenna that operates in useful ranges for GPS, 5G and other desirable applications. The transparency allows incorporation into product solutions without disrupting the viewing properties of the product (e.g., window glass, auto windshields). Working with HRL Laboratories and General Motors (GM), Kodak has printed such a device as a prototype transparent multiband antenna for use in vehicles. This leverages our proprietary capability to fabricate highly conductive copper microwires, and it creates a high-performance, transparent, thin-film antenna that can be applied to a windshield, a window or other vehicle surface. Importantly, from a sustainability perspective, it's a fully additive manufacturing process, in which we are big believers. Additive means functionally using only the materials necessary for the product, with no waste, trimming or extra finishing. With the tremendous increase in digital data being transmitted today, we see promising opportunities for a transparent, flexible, lightweight antenna – both in vehicles and perhaps in other applications as well.

Kodak's expertise in managing light is taking you in some interesting new directions. What innovations are reaching the market today?

There's a \$1 billion market for blackout materials for window treatments (drapes, curtains, etc.) – used in hotel rooms, commercial buildings, cruise ships and residences. We bring a disruptive play into this segment that eliminates the multilayering process typically used for light-blocking materials – which can have pinhole defects – and our light-blocking solution is based on a biodegradable polymer, as opposed to the current solution which employs carbon black. Kodak's polymer offers a new smart material, a porous particle that scatters the light and achieves the blackout – and it can be tuned to the level of blocking you desire. We are entering agreements with partners who will use this material as a high-performance coating on a variety of substrates. This approach will eliminate some of the manufacturing steps in the current process, as well as reducing waste in the value chain and the need for maintaining a large inventory of blackout window treatment products.

# **2017 ENVIRONMENTAL DATA SUMMARY**



- \* These values have been restated from the previous report to reflect improved accuracy as we strive for transparency in the reporting of our environmental data.
- \*\* "Hazardous Waste" reflects only hazardous waste generated at Kodak sites, 90 percent of which is diverted from landfill. These totals exclude hazardous waste received from off-site sources for distilling at Eastman Business Park.

VANCOUVER BRITISH COLUMBIA, CA

> DAYTON OHIO, USA

WEATHERFORD OKLAHOMA, USA ROCHESTER NEW YORK, USA COLUMBUS GEORGIA, USA OSTERODE GERMANY

PETACH TI

YAMANASHI JAPAN GUNMA JAPAN

XIAMEN CHINA CHINA

# Bringing It All Together

Employee-Led Improvements Drive Enhanced Environmental Performance Meeting our objectives to strengthen our environmental stewardship requires the engagement and commitment of employees at each of Kodak's global facilities. In North America, Europe, the Middle East and Asia, Kodak managers and frontline personnel are identifying new approaches and better alternatives to lower energy consumption and reduce emissions and waste. These employee-led improvements are moving us closer to achieving Kodak's environmental goals while also making our facilities more efficient and competitive.

# **PETACH TIKVA, ISRAEL** A Comprehensive Approach to Sustainable Operations

For more than a decade, Kodak House in Petach Tikva, near Tel Aviv, has been home to Kodak Israel and its employees. The original architectural design of Kodak House, subsequent physical improvements and system enhancements, and a thoughtful facility management approach all contribute to a campus where sustainability considerations are front and center.

With more than 5,000 new startups a year, Israel is a hotbed of innovation, and Petach Tikva is home to many of the world's most recognized technology companies. That spirit of innovation is found throughout the Kodak House campus, which includes 27,000 square meters of space for research and development, production and testing, chemical laboratories and co-working spaces, as well as sublet space to several Israeli high-tech firms. Collaboration and innovation groups are fostered in the Kodak House environment. The Kodak Israel team operates the facility with a strong emphasis on efficiency, resource conservation and accessibility. Energy-saving features include installation of LED lighting and T5 fluorescent fixtures with pre-programmed hours of operation in offices, manufacturing and production areas, common areas and parking lots. The building also has a wide range of accessibility features for the disabled.

The campus features one of the most efficient building control systems available. It enables full control of all electrical systems, including circuit boards, chillers and pumps for the HVAC system, and an energy-saving system for evenings and weekends. Architectural features play a role as well. The building maximizes the value of sunlight for lighting, with one wall built from transparent glass and a ceiling built as a skylight. Solar radiation blockers have been installed to reduce the incoming heat level, thereby saving cooling and electrical demand. Collectively, the various energy-saving measures have reduced electricity consumption by 9.25 percent from a 2013 baseline.

As in many countries, water in Israel is a precious and stressed resource. To reduce water consumption, a 500,000-liter water reservoir was added to gather rain, air conditioning and osmosis water. All e-waste is collected and recycled by a local recycler that employs people with disabilities and special needs. The facility also operates a system to recycle aluminum, iron, paper and cardboard, as well as gathering chemical waste products. For company vehicles, conversion to hybrid alternatives has contributed to reduction in total gasoline usage of 57 percent over the past four years.



## **VANCOUVER, BRITISH COLUMBIA, CA** Internal Communication Translates Into Energy Savings



Energy conservation has long been a priority at Kodak's Vancouver facility, with recent improvements that include LED lighting and HVAC upgrades. Now, involvement in BC Hydro's Industrial Cohort program is helping take savings to a higher level. BC Hydro, the local electric utility, invited Kodak to join five other British Columbia businesses in the two-year-long program, which identifies new operational improvements to reduce consumption, with company teams assisted by expert coaching. A

major change for Kodak Vancouver: greater openness and transparency among managers and their 320-plus employees. Regular internal communications now include information on benefits of conservation actions to the health of the business. The facility's previous month's energy use is shared in the monthly e-newsletter, with usage patterns noted and specific actions identified for improvement. Changes implemented to date promise to reduce energy costs by up to \$30,000 annually.

## **GUNMA, JAPAN** Lowering Emissions Through Improved Systems



At Kodak's plate manufacturing facility in Gunma, Japan, lowering energy consumption has long been a priority in the effort to drive economic and environmental efficiency. In 2017, a new oxidizer heat recovery project was implemented. Installing a new boiler made possible the recovery of wasted energy in the thermal oxidizer, and the steam recovered is then used to power air conditioning units at the facility. Along with other energy-saving initiatives, the project has resulted in an 11 percent reduction in the plant's CO2 emissions compared to the prior year.

Reducing energy consumption has been a major priority for Gunma. Now, not only has it allowed us to reduce CO2 emissions by 11 percent in the past year, reducing our environmental footprint, but it also allows us to support company targets."

Hiroshi Okano, Plant Manager

## **COLUMBUS, GEORGIA, USA** Continued Progress in Reducing Waste



Teams at our Columbus facility, which produces SONORA Process Free Plates, strive to divert waste from landfill whenever possible. Phosphoric acid is essential to plate production, and in 2017 the plant installed new automation technology for acid recovery. The new automated system operates 24/7 without manual input, reducing the amount of fresh phosphoric acid required for the anodizing process. It also reduces the amount sent to the neutralization facility, decreasing the amount of water and caustic

material consumed. Columbus has additionally set the goal of 100 percent recycling of shipping pallets each year – a target that was achieved in 2017. Three alternatives are used to ensure recycling, including making used pallets available to employees and local recyclers for use in furniture and decorative projects.

## **WEATHERFORD, OKLAHOMA, USA** Raising the Bar in Recycling



Kodak's manufacturing facility in Weatherford, Oklahoma, has been in operation for more than 50 years, and today is the site for a major expansion of FLEXCEL Plate manufacturing. Another point of progress in 2017: partnering with a third party to launch a recycling initiative for polyethylene terephthalate (PET) film used at the plant. In its first year, the initiative diverted more than 71,000 pounds of PET material from landfill.

# **KODAK GLOBAL SITES & ISO REGISTRATIONS**

Numerous Kodak manufacturing facilities have maintained ISO 14001 and ISO 9001 registrations.

MANUFACTURING SITE	COUNTRY	ISO 14001	ISO 9001
Columbus, Georgia	USA	Х	Х
Dayton, Ohio	USA	Х	Х
Gunma	Japan	Х	Х
Osterode*	Germany	Х	Х
Petach Tikva	Israel	Х	Х
Rochester, New York	USA	Х	Х
Shanghai	China	Х	Х
Vancouver, British Columbia	Canada	Х	Х
Weatherford, Oklahoma	USA		Х
Xiamen (KDIPC)	China	Х	Х
Xiamen (KCGCCL)	China	Х	Х
Yamanashi	Japan	Х	Х

ISO 14001 Environmental Management System (EMS)

ISO 9001 Quality Management System (QMS)

\* Osterode has also acquired the OHSAS 18001 Occupational Health & Safety Management System and ISO 50001 Energy Management Systems certifications.

# **SOLVENT RECOVERY Green, Profitable and Growing**

Since our company's early history, Kodak has been a leader in the recovery and recycling of solvents. It was a capability born of necessity. During the height of film and chemical manufacturing, Kodak's demand for solvents was so great that reprocessing was necessary to ensure adequate, uninterrupted supply. Moreover, meeting this business need also produced substantial environmental benefits by avoiding the incineration or disposal of spent chemicals.

Today our internal needs for recovered material have declined, but Kodak is building a robust business reclaiming solvents supplied by external partners in the pharmaceutical, health care and chemical manufacturing industries. Kodak's solvent recovery facility at Eastman Business Park in Rochester reprocesses five of the most common industrial solvents: methanol, ethanol,

We tell our supplier partners: this is not a waste, it's a commodity, one that has value, and we'll help you learn that value. We work with our partners to look at their waste stream and help them understand how to commercialize it."

John Sherman

Director of Business Development Eastman Kodak Solvent Distillation

isopropyl alcohol (IPA), acetone and ethyl acetate. The recovery process is performed to the highest standard: near-virgin material with a level of purity often higher than manufactured industrial-grade product.

Recent regulatory changes encourage solvent recycling. According to John Sherman, Director of Business Development, Eastman Kodak Solvent Distillation, "We tell our supplier partners: this is not a waste, it's a commodity, one that has value, and we'll help you learn that value. We work with our partners to look at their waste stream and help them understand how to commercialize it."

The size, scale and capabilities of Kodak's solvent recovery facility is unmatched in the U.S. John Sherman notes. "For Kodak it's about volume - that's how we're



different. You can't build what Kodak has today, with a wastewater treatment site, a power plant, 53 tanks, 23 columns for distillation and recovery, all stainless steel and built to a quality that nobody in the industry has. We are built for large volume, high water content streams which are troublesome to many recyclers and fuel blenders."

Among Kodak's corporate goals is to triple the quantity of solvents processed from external sources by 2025. With 20 percent year-over-year volume growth in 2017, we're well on the way to achieving that objective.









## **PUTTING PEOPLE FIRST BY ELEVATING OUR** SOCIAL PERFORMANCE

When it comes to social responsibility and putting people first, Kodak builds on a rich legacy that began with our founder, George Eastman, who was a visionary and pioneer in areas such as philanthropy, employee development and engagement, workplace safety and education. Although today's Kodak is a smaller organization, our commitments are as strong as ever: to lead in diversity and inclusion, to attract, develop and engage top talent, and to be agents of positive change in the communities we call home.



# **IT STARTS WITH SAFETY** Our Journey Toward Improved Outcomes

Kodak's global Health, Safety and Environment (HSE) team is dedicated to driving continuous improvement across our operations. Our comprehensive approach, which includes identifying and mitigating risk, targeted training and information sharing on safe work processes, thorough analysis of incidents and near-misses, and site audits, is designed to achieve our corporate goal to reduce the Occupational Injury Rate by 25 percent by 2025 from a 2016 baseline. The 10-year trajectory of safety performance is positive, but in 2017 our injury rate moved upward by 13 percent compared to 2016. As a result, we have committed to look more closely at minor incidents and near misses to expose all underlying risks. Fully reviewing these incidents allows us to share best practices among our sites and prevent similar and more serious events from occurring.



# Employee Safety Performance

### Injury Rate:

Number of incidents per 100 employees in 1 year



# 50%

Reduction in Workplace Injury Rate in the past 10 years



# **ASPIRATION** A Diverse, Inclusive and Engaging Workplace

Because we're a technology company, attracting, developing and engaging top talent is crucial to our success. We strive to provide a meaningful and rewarding work environment that is diverse, inclusive and that empowers our employees to bring their best selves to work each day. We also provide access to programs and resources to help employees balance their work commitments with their personal, family and community responsibilities.

Embedded in our programs, and we work to leverage our diversity to achieve business objectives and maximize the talents of our employees. Our performance management system, PEAK: Performance Excellence at Kodak, is designed to align the performance and development goals of each employee with our organizational priorities – helping employees reach their full potential.

A diverse, inclusive and engaging culture is vital to attracting the brightest, most qualified professionals – the talent necessary for Kodak to innovate and grow. Our policies respect the dignity of every individual and prohibit discrimination based upon race, color, religion, sex/gender, gender identity, sexual orientation, marital status, pregnancy, genetic information, citizenship status, national origin, age, disability or veteran status.

# Kodak has earned a **100% Score**

in the Corporate Equality Index for the past 16 consecutive years

"

At the end of the day, we seek a culture where our employees feel included, engaged, energized, and valued – a culture that respects and leverages the diversity of our people and their ideas to create growth and innovation."

### Mary Anne Detmer

HR Director, Talent Management, EISD, Legal & VP Human Resources

# PUTTING OUR CORE VALUES TO WORK

At Kodak, we know that when we put values at the center of our work, we deliver for our customers, our shareholders, our communities and one another. Our Core Values clearly define common principles that set Kodak apart and are foundational to our organizational culture. These Values inspire our everyday decisions, as individuals and as a company. By carrying out our work aligned with these Values each day, we're confident we can meet our strategic objectives and fulfill our potential as an organization.



## **Sustainability**

We believe that sustainability is at the core of creating a secure economic, environmental and social future for everyone. Our ability to innovate is directly linked to our ability to create sustainable solutions – from preserving choices for artists to providing innovative products with minimal environmental impact.



Trust

Trust doesn't come automatically – it's something you earn through words and actions and is fundamental to creating the kind of workplace culture that achieves sustainable success. In the words of Alma Manzano, a Kodak HR specialist for Latin America, "We have new generations in the workplace, and their values are refreshing our culture. I try to lead with trust when employees come to me, to make them feel they are completely free to share their new ideas."



## Global

We keep global ideas at the heart of all we do. Our very name is a word invented to stand out and be understood in any language. Kodak works to offer a safe, inclusive work environment, and our approach is sensitive to regional differences, in the way we work and how we make decisions. Diversity of human experiences, backgrounds, mindsets and cultures strengthens our company and enhances the solutions we create.



## Creativity

Our business blends science and art, two disciplines that use discovery and experimentation to bring new ideas into the world. Creativity has always been at the heart of what we do and how we do it at Kodak. We recognize that the scientific process closely parallels the artistic process – it starts with a question, a challenge, a problem – and proceeds with exploration, trial and error, discovery.

# COLLECTIVE EFFORTS STRENGTHEN OUR COMMUNITY IMPACT

Volunteerism and philanthropy have been embedded in Kodak's culture for generations, and throughout that history the centerpiece beneficiary of these efforts in the United States has been United Way. Our 2017 philanthropic work built on that legacy at the second annual Oscar Gala at Eastman Business Park, which hosted more than 400 members of the community to support United Way of Greater Rochester. The Kodak team raised more than \$90,000 at the event, an amount that was in addition to the \$390,000 raised by our Rochester employee campaign.

At United States sites such as Dayton, Ohio, and Rochester, New York, more than 100 employees also took part in United Way-organized volunteerism events. In Dayton, Kodak volunteers spent their time at the Good Neighbor House, where they assisted with activities within the organization's food pantry, thrift store, and medical and dental clinics. In Rochester, 10 teams participated in the United Way Day of Caring,



working with various neighborhood groups, family and garden centers, and other organizations. And in Columbus, Georgia, the Kodak team raised more than \$30,000 in support of their local United Way chapter.

Other beneficiaries of philanthropy and volunteerism were the American Heart Association, with employees raising \$15,000 in the Heart Walk and Run, and the American Red Cross, with corporate support for their Fire & Ice Gala, accompanied by a \$20,000 corporate donation for Hurricane Harvey relief efforts. And in what has become an annual event, Kodak hosted 500 Rochester-area high school students at Manufacturing Day, where students benefitted from presentations and one-on-one interactions with local manufacturing executives about the opportunities in the sector.

Kodak employees' commitment to volunteerism knows no boundaries – including geographic ones. In Argentina, a group of Kodak employees stepped forward to support Fundación Leer, an Argentine nonprofit focused on literacy, as part of the National Reading Marathon. In Brazil, employees showed their passion for others by joining in the fight against childhood and adolescent cancer by partnering with The Group to Assist Children With Cancer, a local nonprofit. And in Great Britain, Kodak team members mobilized to support the local food bank and animal shelter, as well as the Watford Peace Hospice, which serves the families of the terminally ill.



# EMPOWERING COMMUNITY LEADERS

Through the KODAK Cares Partners in the Community program we encourage employees to share their time and talents on behalf of charitable organizations and causes. The initiative supports employee volunteers and spotlights exceptional community service through the Kodak Community Leaders Challenge. This annual recognition program celebrates employees giving back in their communities. Each awardee receives a grant for their organization in recognition of their service.



Erika Martin del Campo, Accounting Analyst, Guadalajara, Mexico

Erika serves as the Treasurer of Unidas Por Mexico. It's an organization focused on empowering women by offering educational programs in areas such as nutrition, self-esteem and family planning, as well as providing job skills training and medical and legal services.

## Charlotte Matthews, HSE Technician, Columbus, Georgia, USA

Charlotte volunteers her time at Easterseals West Georgia, which provides adult day services and children's services. Charlotte was instrumental in helping to develop an annual event for the adult women, Glamour Day, where volunteers help with makeup, hair and nails, and sewed more than 100 aprons for the adults to use during meals and activities.



### Gary Wainwright, Plating Process Engineer, Rochester, New York, USA

Gary serves as the Chair of the Greater Rochester & Finger Lakes Chapter of the Tourette Association of America, working to raise money and awareness for the organization. Gary collaborates with school districts to help educate teachers and staff, and helps families work with the schools to develop individual education plans.





### Oded Goldin, IT Support Team Leader, Petach Tikva, Israel

Oded volunteers at Galim Special Education School, leading a program to help students with intellectual and developmental challenges learn practical skills for future employment opportunities. Study topics range from recycling electronic waste to basic computer skills. At the year-end, his students visit Kodak's labs to work on a small project and apply what they have learned. Ozlem Shahbal, Sales Administration, Dubai, United Arab Emirates

Ozlem works to help underprivileged children and families in Mombasa, Kenya. She organized several projects that resulted in supplying 175 girls with personal care products, collecting 30 cartons of toys to help families in need, and distributing meat to disadvantaged families and orphanages.



# PRINT FOR GOOD PARTNERSHIPS

# **Fostering Youth Literacy Around the World**





We believe in the power of print – and of the written word – to educate, empower and entertain. We also believe that far too many young people around the world lack the literacy skills they need to fulfill their potential and achieve their dreams. Globally, more than 100 million youth are illiterate, and, in some countries, one in four children grows up without learning to read. Given the close connection between print and literacy, Kodak

has a special opportunity to make a difference through our signature Print for Good initiative. In partnership with many of our printers and industry partners around the world, Print for Good targets youth literacy in high-need areas throughout the Americas, Europe, Asia and the Middle East. The program includes book drives, book donations and the printing of school materials and supplies to support literacy efforts on a global basis.

### In 2017, Kodak conducted 12 Print for Good activities, including:

## **Port-Au Prince**

HAITI

**Reveil Martinal Orphanage** is home to 26 girls and a dedicated staff that meets their safety, social, nutritional and educational needs. The home also features a growing library. A recent \$3,000 Print for Good grant is helping it grow further, adding academic-focused volumes like encyclopedias, science texts and Haitian history books.

## Shelby County, Memphis, Tennessee

USA

To nourish literacy skills among the very young in Memphis, Kodak is partnering with several local organizations, including **Books from Birth**. They're dedicated to promoting kindergarten readiness and strengthening family bonds by providing age-appropriate books for all children from birth to age five. Kodak donated 1,000 children's books to **Books from Birth** from author and host of Kodak's Press On video series, Tad Carpenter.

## Madrid

### SPAIN

Madrid-based **Fundación Melior** is a nonprofit organization with the goal of accelerating social change. To help advance their mission, Kodak partnered with our customer Arpa for editing, and Cayfosa, a Barcelona-based printer, to produce 1,500 copies of the book, "Stories to Tell in One Minute." Copies were distributed to families with limited economic resources to help enhance their children's reading skills.

### Vancouver, British Columbia CANADA

More than 20 employees from Kodak Canada volunteered their time to work with the **One to One** literacy program based in Vancouver, B.C. This local organization provides reading materials and coordinates volunteer tutoring services to help students who are having difficulty reading. Company volunteers assembled boxes of materials for the schools, and Kodak donated \$1,000 to the organization so it can purchase additional specialized reading materials.

## > LEADING BY DOING

In Oakdale, Minnesota, a driving force behind the local Print for Good initiative was Nicole Ross, Product Solution Manager with Kodak's Flexographic Packaging Division. Nicole led the Kodak team that distributed collection bins across the community and collected nearly 3,000 books – all to support the Minneapolis **YMCA**'s outreach and educational initiatives for children from preschool through high school. Notes Nicole, "Everyone deserves the opportunity to succeed, and giving children the tools to learn to read gives them the best chance to pursue their dreams."



# **A \$4 BILLION IMPACT** Eastman Business Park Fuels Renewal and Economic Growth

Work, live, learn and play – all in one place – it's a vision for economic development that is fast gaining appeal in many U.S. communities. In Rochester, New York, it's being brought to life at Eastman Business Park (EBP), – the site that once served as Kodak's largest manufacturing center.

EBP boasts unique technology, transportation and utility infrastructure assets that have attracted 104 non-Kodak employers generating more than \$4 billion in annual manufacturing sales. Food production, biopharma, energy storage, photonics and roll-to-roll manufacturing are core industries, with hydroponic agriculture joining in 2017. EBP is emerging as a center for advanced energy storage, a position that was strengthened last year with the opening of the Kodak Cell Assembly Center. Created in partnership with the New York Battery and Energy Storage Technology Consortium, the Center stands to streamline the product development and manufacturing process for advanced batteries and energy storage devices. The Center completes an ecosystem of three core processes for energy storage manufacturing, providing coating, assembly and testing all in one location.

Local community and business leaders recognize EBP's value to local development efforts. According to Matt Hurlbutt, President and CEO, Greater Rochester Enterprise, "Eastman Business Park delivers a unique, comprehensive set of assets, including almost unlimited amounts of water, steam, reliable electricity, on-site rail and wastewater treatment facilities, that serve as a magnet to attract advanced manufacturers such as LiDestri Foods and ON Semiconductor."

The "learn" component at EBP is also growing, with new contracts with Junior Achievement and Monroe Community College (MCC) to build facilities on site. MCC serves as a training ground for skilled workers, while Junior Achievement reaches middle and high schoolers to help build interest in STEM fields.

"Play" is the focus at the Kodak Center, which offers a 2,000-seat theater that attracts major entertainment events, with \$1 million in ticket sales in 2017, as well as conference and dining rooms and fitness facilities. Eastman Kodak Company officials lit up a new marquee and digital sign at the Kodak Center during a celebration event in September. Dolores Kruchten said about the Kodak Center, "We're proud to ensure its legacy will continue as a truly unique performing arts center through these physical and operational improvements." And the "live" component is now nearing fruition – with plans recently announced by PathStone Development to begin construction on a 176-unit, mixed-use residential development called The Eastman Reserve in 2018.

## EBP's POWER PLANT CONVERSION: Delivering Big Environmental Benefits

For more than 100 years, coal fueled the energy needs at the EBP site, but all that changed in 2017 with the installation of a new, state-of-the-art, gas-fired facility. The \$75 million project undertaken by our partner, RED-Rochester, includes four high-efficiency natural gas boilers and the conversion of a coal boiler to natural gas. The plant offers a full suite of utilities using the power of Tri-generation, meeting the needs of EBP manufacturers in a distinctly efficient manner. Leaving coal behind for cleaner-burning natural gas is delivering big environmental benefits: a 50 percent reduction in C02 emissions and the complete elimination of sulfur dioxide emissions. The conversion also means competitively priced and reliable utility services for years to come.





## **EBP at a Glance**

**1,200** Acre campus **16 Million** Square feet of manufacturing, lab, distribution

and office space

BARA LEE

104 Companies on-site **5,400** Non-Kodak jobs in the Park \$4 Billion+

Annual manufacturing revenue

## ABOUT THIS REPORT

Information in this report primarily reflects the global business activities of Eastman Kodak Company from January 1, 2017 to December 31, 2017. The contents of the report are based on an assessment of the significant sustainability impacts affecting our company. This year's report focuses on progress against Kodak's 10 Environmental and Social Company Goals announced in 2017. Additional information about changes to our business and global operational footprint can be found in our 2017 Form 10-K.

We strive for transparent disclosure of sustainability performance to our stakeholders in a manner which assists them in making decisions. As such, we continually evaluate the best methods and frameworks for engaging our stakeholders, including customers, employees, investors and the communities where we operate. The 2017 report was prepared with references to the Global Reporting Initiative (GRI) standards and includes environmental performance and safety data consistent with those requirements.

#### **External Assurance**

To enhance the accuracy and credibility of our reporting, this year Kodak engaged an independent auditing firm (iCompli Sustainability) to perform third-party verification of our Scope 1 and Scope 2 greenhouse gas (GHG) emissions for 2016 and 2017. iCompli evaluated Kodak's data, methodologies and calculations, and provided a statement of assurance to the ISO 14064-3: Greenhouse gases standard.

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