



Kodak alaris

2017 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 share this Environment Report with all interested parties to demonstrate 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 highlights 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 has its Product Stewardship and Governance Environmental Management System (EMS) certified to ISO 14001. This is the most suitable international standard for our global operations to be measured against and complements the certifications we have held at all our manufacturing sites around the world for many years.



Our EMS scope is "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 first certified in August 2015 to the 2004 Standard and re-certified in 2016. In 2017, we undertook a significant challenge and implemented a program to transition our EMS certification to ISO 14001:2015. In October 2017, we were certified by NQA to this upgraded Standard with zero non-conformances. For more information visit: <https://www.kodakalaris.com/company/environment,-health-and-safety/ehs-certifications>

Our global commercialisation process is well-established and robust with a series of phases and gates. This involves gathering information and data. Mandatory and voluntary issues are covered in this process. All applicable environmental issues must be resolved before shipments to partners and customers are allowed by our internal controls.

Kodak alaris

Kodak Alaris has formed itself into a distinct company since its separation from Eastman Kodak in 2013, whilst retaining some of the business/markets. All parts of the Company have some aspect of stewardship and environmental protection in the design of their products and services. There are 4 main units within Kodak Alaris:

Kodak Moments - believe the moments we spend together are the moments that matter most - with the power to transform how we see each other, treat each other and what we mean to each other.

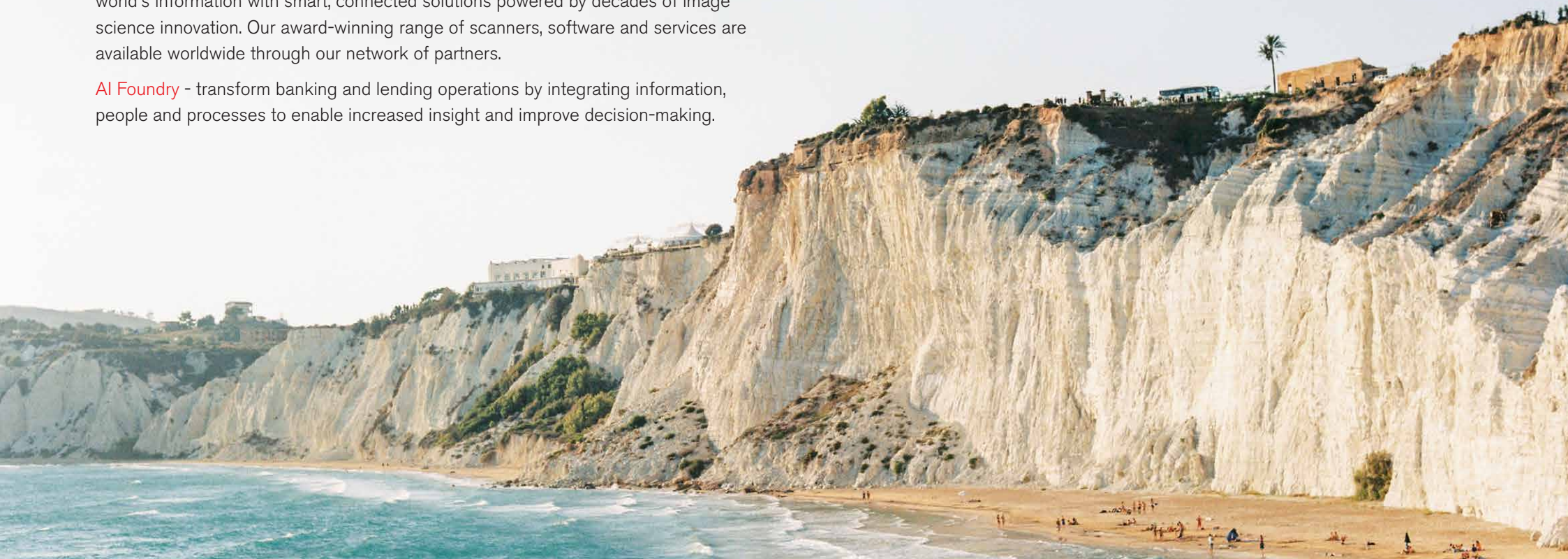
PPF (Paper, Photochemicals and Film) - manage our wide range of traditional sensitised imaging consumables.

Alaris - capture solutions that simplify business processes. We make sense of the world's information with smart, connected solutions powered by decades of image science innovation. Our award-winning range of scanners, software and services are available worldwide through our network of partners.

AI Foundry - transform banking and lending operations by integrating information, people and processes to enable increased insight and improve decision-making.

This Environment Report covers a selection of our products and services offered around the world. More information on our products and services can be found at www.kodakalaris.com.

A core part of our EMS is an Emerging Issues Team that monitors global developments, initiatives, standards, regulations, agreements and voluntary codes etc. that need to be considered when the Company designs products. This ensures we bring these requirements into our commercialisation programs in a timely manner to meet worldwide expectations for doing business. Many cover compliance issues but there are also beyond compliance features of our product design in the EMS.



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.
- 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.



Kodak Moments



Design: All our products are commercialised as part of the company's EMS that has been certified to ISO14001:2015. 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".

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 CO₂) to the environment.

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's supplier of Professional Photographic Paper base has PEFC Chain of Custody Certification. Kodak Alaris became a signatory to the voluntary Australian Packaging Covenant Organisation (APCO) in mid-2016. Our Five Year Plan was approved and considered an industry model, by APCO.

Within APCO 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.



**Australian Packaging Covenant
Signatory**



Our 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.



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

In 2017 Kodak Moments replaced 5,060 older G4XL kiosks in Germany and Austria with G20s. The newer model only consumes about 1/4 of the energy of the G4XLs. This is estimated to have saved 3,991 tCO₂e (tonnes of CO₂ equivalent) every year based on the same use profile. It also has a smaller physical footprint.

Also in 2017, Kodak Moments designed a smaller footprint kiosk for customers with restricted in-store space. These will be installed in a variety of retail outlets over the next few years.



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 OSS271 1, GRETAG MASTER LAB 742 minilabs) under typical prints per day.

APEX and Kiosk Printers

Our APEX and kiosks use fast and efficient printers. For, example the DL2100, DL2200 and D4600 are duplex electrophotographic printers which use dry toner inks and print on both sides of the paper which is a key environmental feature.



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!

Alaris

Alaris

a Kodak Alaris business



Alaris solutions enable customers to capture and consolidate data from digital and paper sources, understand and extract valuable insight from the contents delivering superior systems and solutions to automate business processes, enhance customer interactions and enable better business decisions to be made.

Our scanning equipment is designed under our certified ISO 14001:2015 product stewardship program mentioned earlier and are all manufactured in certified facilities. Our supply chains are robust and we ensure that restricted materials are kept to an absolute minimum and track the use of RoHS exemptions.

Over the past few years Alaris has significantly reduced the number of types and grades of plastic resins in its scanners, 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.

At the end of 2017 the company had 30 scanners on offer for sale or lease around the world which range from small desk-top models to large floor-standing machines.

All are certified to the voluntary US EPA ENERGY STAR program which has global application and acceptance as a positive environmental benefit. Although a voluntary feature, Alaris believe this is an essential design benefit for our customers and the environment and is often a requirement in contract tenders with large private companies and public procurement bodies.

Our latest S2000-series scanners, launched in 2017, have several improved environmental attributes compared with the previous product family (i2000-series). Pursuit of a more compact design resulted in a 40% reduction in scanner weight and material use. The reduced size and weight also facilitates greater efficiency with respect to product transportation and distribution. Packaging was reduced by over 20% (by wt.) and all packaging materials are readily recyclable.

Alaris has a mature take-back program for its scanners to ensure the products are managed/treated appropriately. In addition to providing depot service/repair, reverse logistics operations in the US&C have procedures to recover, refurbish and redeploy spare parts obtained from scanners that are no longer in use. This not only extends the useful life of the scanners, but also avoiding impacts associated with the manufacture of virgin spare parts and components.

In addition, Alaris has committed itself to meet the requirements of EPEAT (Electronic Product Environmental Assessment Tool). This is an internationally-recognised Type I voluntary ecolabel originating in the USA. 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.

There are bronze, silver and gold levels that manufacturers can reach based on environmental attributes for the electronic equipment and the companies. EPEAT audit the manufacturers periodically to verify the claims made and agree the level that can be used for the ecolabel.

EPEAT 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 end of 2017 there were 9 scanner manufacturers in the EPEAT Registry. Alaris is proud that during 2017, we upgraded the few remaining bronze scanners to Silver such that all 30 scanners in our portfolio were registered as Silver. Our current total is more than any other manufacturer listed in the USA across our Desktop, Departmental and Production ranges.

Some Public Bodies around the world stipulate purchased equipment must meet EPEAT Criteria, for example Australia require silver compliance.

Alaris is also pleased to note that the majority of our scanners have also been recognised with the China Energy Conserving Products Award and the China Environmental Label.



Our Manufacturing Sites

Kodak Alaris has manufacturing sites in Brazil, China and the USA. During 2017 each site transitioned their environmental management system to ISO 14001:2015. In addition, our China site's health and safety management system is third party certified to OHSAS 18001.

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 2017 accomplishments at each site include:

Brazil: Our factory in Manaus replaced an old air-conditioning with a more efficient system resulting in a 30% reduction in electrical energy consumption plus 32% reduction in water consumption. Another improvement was to reuse corrugated packaging from customer roll cores eliminating 2% of the site's solid waste.

China: KAIE-Shanghai also installed a new central air-conditioning system reducing electricity consumption.

USA: Our site in Colorado reduced solvent usage in cleaning of manufacturing equipment by 5,000 kg (17%). In addition, this reduced handling (potential exposure) and transportation/disposal of hazardous materials. The site also reduced waste sent to landfill by expanding recycling of plastic and aluminum beverage containers. In Rochester the Alaris business saved \$375K in its program to maximise scanner parts/components recovery, reuse and recycling to avoid waste.



Packaging

Kodak Alaris has been optimising its products' packaging for many years to reduce environmental impacts globally and locally. In 2016 Kodak Alaris Pty joined the voluntary Australian Packaging Covenant Organisation (APCO). Stakeholders can access our annual reports and action plans on the main APCO site or by following this link.

<https://www.packagingcovenant.org.au/search-directory/search/?command=viewEntityContact&entityType=0&entitySerial=1604&membershipSerial=16040>

Our first annual report was submitted in 2016 in which we had attained a sustainability score of 18% since we had only just joined. During 2017 we introduced several environmental improvements to our packaging design and composition such that our score improved to 34% equating to good progress and our aim is to further improve our score in 2018.

During 2017 we improved the accuracy of our packaging data. One special area was to reduce the adverse environmental impact of packaging supplied with thermal printer consumable kits and scanners. As our products are designed for the global market, these improvements helped reduce our environmental impacts in all the markets we operate, not just Australia. For example, in Germany Kodak Alaris GmbH was recognised by the DerGrünePunkt Scheme DSD for the company's contribution to increased recycling of packaging wastes and the saving of 11.3 tCO₂e.

<https://www.kodakalaris.com/company/environment,-health-and-safety/ehs-cdr-sustainability>



Environmental Issues are an important part of our CSR Focus

At Kodak Alaris, we believe in the power of positive change. That's why we bring our passion for transformation into the world that surrounds us, focusing our efforts in places where we can create the most positive change.

Safeguarding the health & safety and wellbeing of our employees, reducing our environmental pollution impact and caring for the people in our communities are our goals.

Environmental Issues are not treated in isolation and are considered alongside the other aspects of our Corporate Social Responsibility (CSR).

For example, we include environmental aspects beyond compliance in the design of our scanners such that all new models will achieve at least Silver certification and obtain the China Energy Conservation Certification. In addition, our kiosks and APEX systems are designed to facilitate upgrading and refurbishment.



Employee Engagement and Well-being

Kodak Alaris allows each employee up to 16 hours of paid time to devote to CSR projects and makes grants to worthy causes. As an initiative in 2017, the Company supported an environmental project. A team of UK employees from EH&S, HR, Alaris and Customer Operations spent 1 day planting native oak and hornbeam saplings in a new forest near to our global HQ in Hemel Hempstead for the Woodland Trust. The trees planted covered ~ 1,200 sq. m and will absorb 50 tonnes of CO₂ every year as they grow into mature trees over the next 20 years.

We estimate that the CO₂ absorbed will offset the emissions from the UK electricity generation required to power approximately 2,000 new Alaris S Scanners every year in a typical customer operational mode.



Environment, Health and Safety (EH&S)

We are on a mission to maintain safe, injury-free work places along with providing products and services that are environmentally responsible and safe throughout their lifecycle and have established a worldwide EH&S policy whose objectives include:

- prevention of injury and pollution; and
- protection of health and the environment

The policy states that new products will be developed to minimise the EH&S risks throughout their lifecycle and commits us to being good citizens in every community in which we operate. In turn, our suppliers are made aware of our detailed expectations that they conduct their operations in a responsible manner.

Our strong emphasis on injury prevention has been continued, resulting in a low annual injury rate of three lost time injuries per 1000 employees in 2017. In addition, there were no penalties, fines, product recalls, or enforcement actions related to our products placed on global markets nor our worldwide manufacturing operations.



Kodak Alaris 5-Year Environmental Goals - Progress Report 2017

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.

Total CO₂-eq emissions in 2015 were estimated to have been 364k tonnes. In 2016 the company's BoD agreed a set of voluntary "beyond compliance" 5-Year environmental goals listed below. Our progress towards these goals for 2020 are included.

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

During 2017 we reduced our tCO₂-eq emissions by 91k tonnes to 273k tonnes, compared with 2015. However, the amount per US \$ Revenue increased by 6.3% from 0.364 to 0.387 due to two factors. First, there was a significant decrease in revenue compared with 2015 and secondly, we outsourced sensitised paper manufacture from our own site in the UK to a third party in the USA. Nevertheless, we managed to reduce the GHG Emissions Intensity (i.e. per unit of production) in all our other main product lines. Although, a setback for our 2020 goal, we are working with this third party to reduce GHG emissions and can report they adopted a similar 5% reduction target in 2017.

"Maintain uninterrupted ISO 14001 Environmental Management System certifications."

We maintained 5 externally accredited ISO 14001 Environmental Management Systems. One for environmental oversight and governance and product stewardship and the others for our manufacturing sites. These management systems require policy and senior management leadership and commitment, compliance with legal and other requirements, risk management, annual internal and external audits with the goal of continuous improvement and minimisation of environmental impacts. During 2017 we upgraded all our EMS accreditations to ISO 14001:2015.

"Meet Australian Packaging Covenant"

This voluntary agreement between government and industry's goals are to reduce the environmental impacts of packaging, to design more sustainable packaging, increase recycling rates and reduce packaging litter. We signed the APC and created an action plan to contribute to the covenant's objectives. The 2017/18 annual report indicated a rise in our "sustainability score" from 17% to 34% compared with the first (2016/17).

"All Scanners will meet EPEAT criteria (100% Bronze, 80% Silver and 10% Gold)"

At the end of 2017 we were ahead of this goal. Our entire scanner portfolio of 30 models was registered at EPEAT Silver level.

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 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.