



Kodak alaris

2018 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 our latest Annual 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 present our 3rd Annual Report which illustrates the commitment Kodak Alaris places on maximising the positive environmental aspects 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 or environmental performances, please use our general email address for Environment, Health and Safety (EH&S) issues: EHS-Questions@Kodakalaris.com or alternatively, 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 management system 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 transitioned our EMS certification to ISO 14001:2015 and in October 2018 we passed our surveillance audit with NQA without any 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 is unlocking the power of digital transformation in business and in life. We make businesses run faster, governments run smarter and give consumers what they want before they know they want it. All parts of the Company have some aspect of stewardship and environmental protection in the design of their products and services. Born from Kodak, one of the world's most trusted imaging brands we're pushing the boundaries with a new vision for a new era. 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.

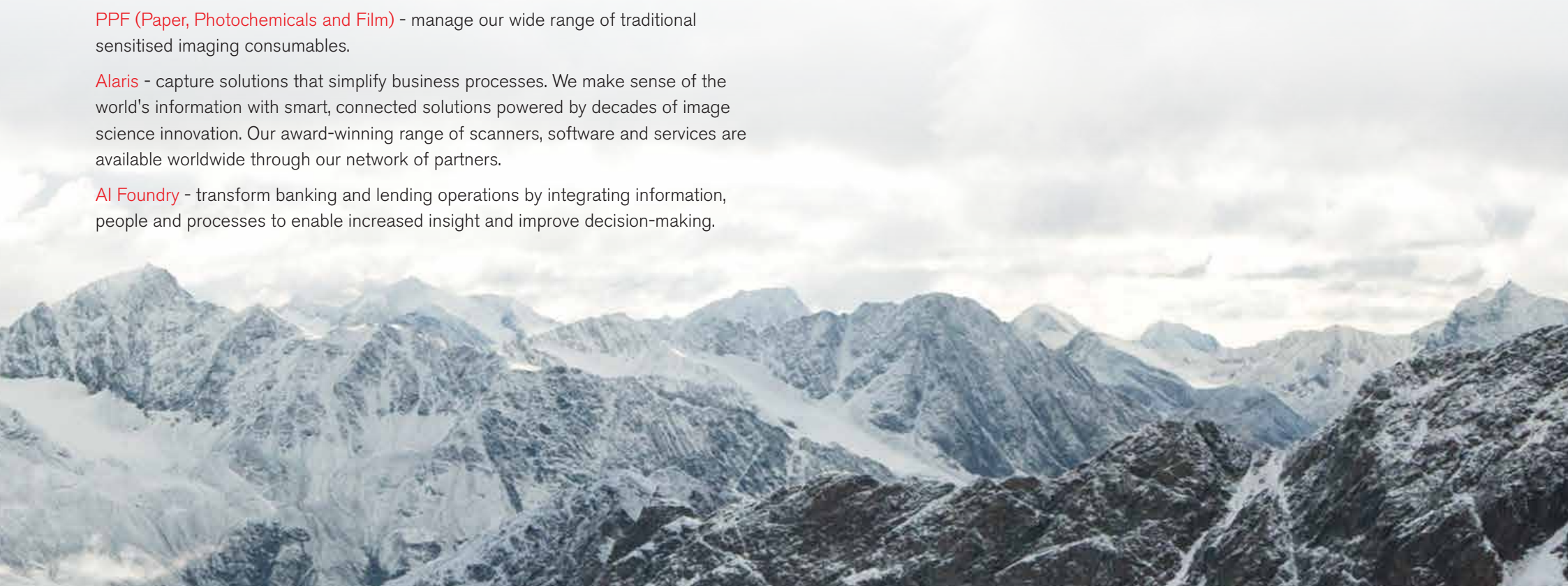
PPF (Paper, Photochemicals and Film) - manage our wide range of traditional sensitised imaging consumables.

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 global Environment Report includes 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. There are several "beyond compliance" features of our product design in the EMS that are highlighted in this Report.



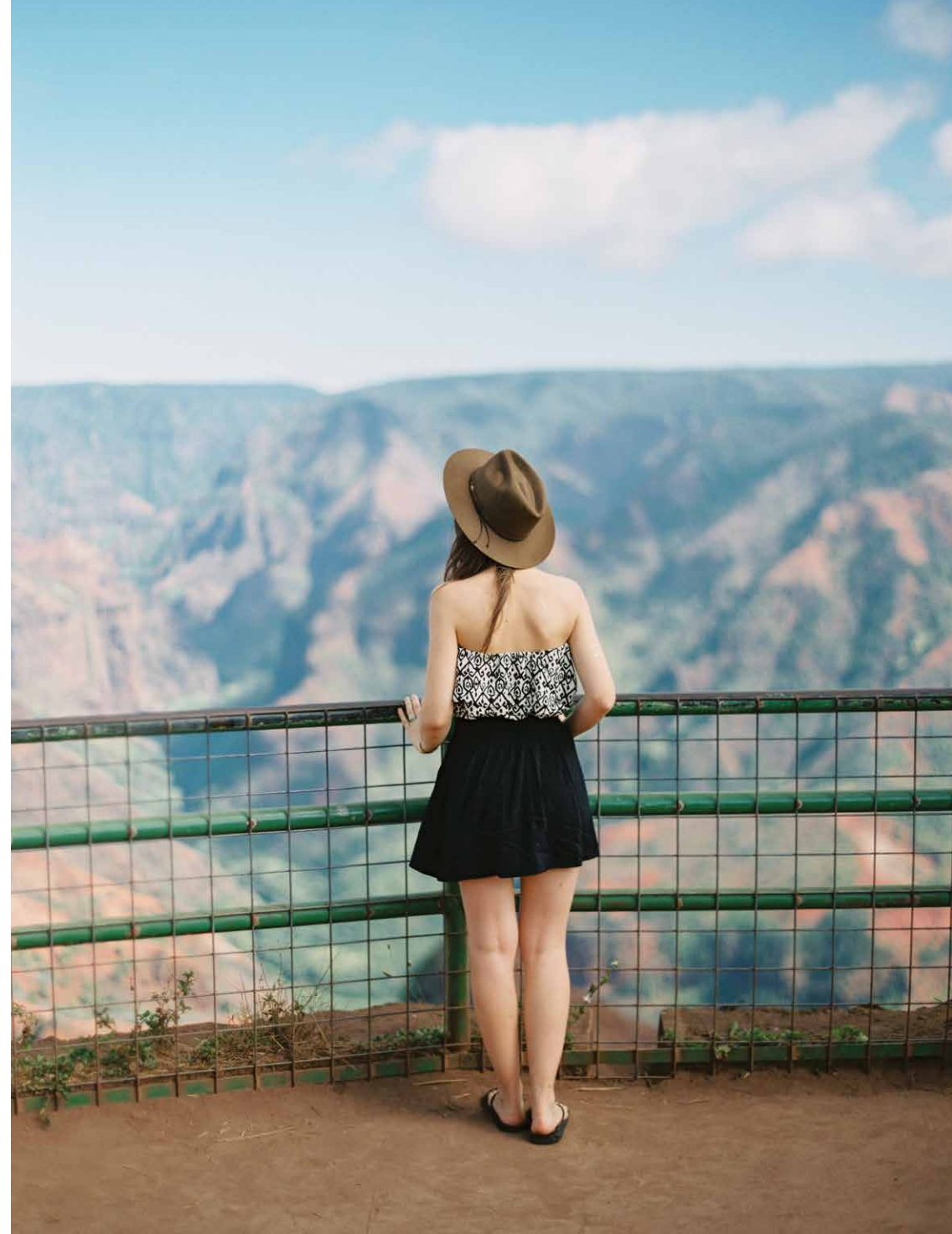
Our Supplier Expectations

Commitment to continually reducing adverse environmental impacts 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 EH&S or labour expectations and regulatory requirements, (4) addressing potential EH&S 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. **See our full Supplier EH&S Expectations**
- 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 chose 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.



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.

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 backlit by a LED, uses <0.5 W in off and standby modes. As the computer consumes only 0.4 W in standby, both components meet the EU's Energy Relevant Product (ERP) Directive limit for power consumption.

● THE ECO DECLARATION

Kodak Alaris has published an environmental declaration for the G20 kiosk order station; an emca 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.

The Kodak Alaris emca 370 Declaration for the G20 kiosk is available to download from our internet site under Product Stewardship:
<https://www.kodakalaris.com/company/environment,-health-and-safety/ehs-cdr-environmental-impact>



Our Kiosks and the Circular Economy

In response to customer demand, Kodak Moments designed a smaller footprint kiosk for customers with restricted in-store space. During 2018 these were trialed in several locations and are proving popular in a wide range of environments. It is anticipated that order stations with a smaller footprint will become good business.

It is not only new equipment that Kodak Moments provides to its customers in the retail and photofinisher business. A great example of a Circular Economy is our equipment repair, refurbishment program that has been operating in Europe for decades. In Mexico our Repair Centre replaced 670 spare parts in a variety of kiosks recovered in the country saving around \$140,000.

In Europe kiosks, order stations, photo printers and APEX equipment that our customers no longer require are collected and taken to our facilities in Germany.

All equipment taken back is cleaned, inspected and tested for compliance and wherever practicable put back into use. In most cases the process upgrades the equipment with new improved operational features and the latest software.

Sometimes the equipment is returned to the same customer, but more often it is sold or leased at a much-reduced price to another customer in a wide range of countries around the world. This helps the global environment and sustainability, especially for customers that cannot afford the full/new retail/lease price. When equipment is finally beyond economic remanufacturing, it is dismantled into separate components for use as 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) that would otherwise become an environmental burden and require end of life treatment.



Consumables for KODAK Photo Printers

Kodak Moments have several Photo Printers on the market around the world. There is a mixture of new and refurbished items that are all fully compliant with the appropriate requirements in the markets.

All these printers need consumables which include thermal receiver papers and plastic donor ribbons coated with thermal dyes to create the images.

Given the nature of the imaging process and the confidentiality of the images, it is not practical to reuse or recycle the used media. 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 as mentioned in our Article Information Sheets (AISs) plus the European Waste Codes (EWCs). These can be downloaded from our internet in the EH&S section: www.kodakalaris.co.uk/about/ehs

Forest Stewardship Council FSC® Papers

In 2018 Kodak Moments sought FSC® certification under extension of Chain of Custody (CoC) for its thermal receiver papers sold into EMEA. The company created a Team to obtain this external 3rd Party award for this region with a view to extending the scope to other parts of the world in 2019 and future years.

Interface NRM, a company in the UK, audited Kodak Alaris during the year and approved us to use the FSC® logo and text on products and in communications. We have a Licence (FSC® C142725) and CoC Certificate (INT-COC-001398) which can be validated. For more information visit: www.fsc-uk.org/en-uk



The mark of responsible forestry



FSC® Certification is an important award recognised all over the world. It demonstrates that the sustainability of the finished certified thermal papers Kodak Alaris is selling into these markets can be traced up and down the supply chain from forest to pulp to finished paper. Our customers now see our products with FSC® information, e.g. product name “KODAK PHOTO PRINT KIT 6800/6R FSC MIX INT-COC-001398” and the above logo in off-product marketing communications.

In 2018 Kodak Moments announced the conclusion of a long project to convert the production of thermal paper receivers from a resin based co-extruded process to an aqueous system. This improvement reduces the overall annual starting material requirements by 600 tonnes to produce the same amount of media. In addition, the factory benefits from a reduction in energy consumption per unit of production and there is also less manufacturing waste.

Alaris



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 governance and stewardship program mentioned earlier and are all manufactured in certified facilities. Our supply chains are robust such that we ensure that restricted materials are kept to an absolute minimum and track the use of RoHS exemptions.

Over the course of 2018 the company had over 30 scanners on offer for sale or lease around the world, covering Desk-top, Departmental and Production models.

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 avoids the environmental burdens 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.

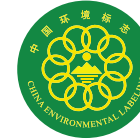
Product assessment is based on ANSI-approved public standards developed through stakeholder consensus processes.

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.

At the end of 2018 there were 8 scanner manufacturers in the EPEAT Registry. Alaris is proud that all our 30 scanners on sale at the end of the year were registered as Silver. Our current total is more than any other manufacturer listed in the USA and we plan to get at least one certified to the Gold award in the near future.

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 2018 each site maintained their environmental management system certification to ISO 14001:2015. 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:

China: In 2018 the site maintained 100% compliance of its environment emission and avoided any spillage incidents and had zero occupational lost time injuries.

A new drinking water system was introduced to replace barreled water thus saving water and reduce cost. By replacing their older air-conditioner system the site was able to reduce electricity consumption and save on maintenance components and labour.

Their health and safety management system is third-party certified to OHSAS 18001.

Brazil: Our factory in Manaus continued with the program of progressive substitution of the fluorescent bulbs to LED Lamps. An automatic temperature modulation control on the mains air conditioning units alone has resulted in a reduction of about 26% of the electrical consumption, when compared with the previous year.

In addition, the site continued the successful program of the reuse of corrugated packaging from customer roll cores, resulting on the elimination of 5% of the site's corrugated packaging solid waste.

USA: Kodak Alaris Colorado (KAC) has operated for 28 months without an environmental incident. Notable pollution prevention initiatives include solvent reduction and energy savings. KAC reduced solvent usage by identifying opportunities to recover and reuse solvent solutions in the Chemical Mixing and Thermal Donor Printing operations. These identified opportunities enabled more than 7,700 kg of solvent solutions to be recovered and reused, resulting in a significant reduction in raw materials used and waste removal (saving \$89,000).

The site implemented further energy saving devices in 2018. Electricity usage (kWh) was down by 6.9% compared with 2017, while our manufacture of thermal papers and ribbons increased.

Partnering with our local electricity provider, we received almost \$28,000 in rebates for lighting efficiency improvements and for installation of more efficient variable frequency drives in a two of our manufacturing processes.



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>



Australian Packaging Covenant Signatory

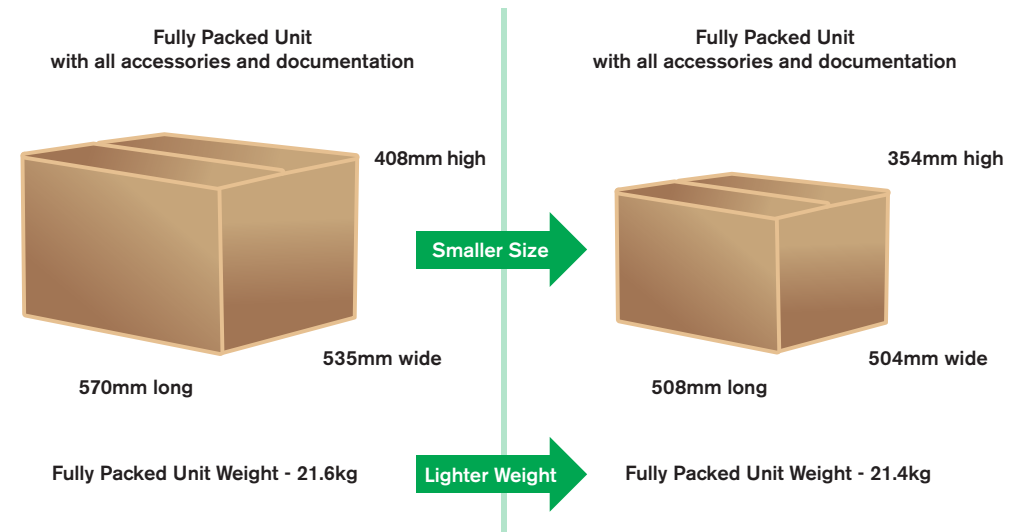
Our first annual report was submitted in 2016 in which we had attained a sustainability score of 17% since we had only just joined. In 2017 we introduced several environmental improvements to our packaging design and composition and our score improved to 33% equating to good progress. At the end of 2018 we further improved our score to 40%.

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.

To review this certification visit the link below:

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

Alaris replaced some expanded polypropylene foam with expanded LDPE foam on the i3000-series and Scan Station packaging allowing approximately 30% more product to be shipped per pallet. The newer material provided more cushion with less volume and allowed the size of the box to be reduced. For the i3000-series they can now ship 16 units per pallet - rather than only 12.



For the Scan Station we can ship 24 units per pallet, rather than only 16 units and the lower package height allowed another layer on the pallet. The fully packed weight was also reduced – all related to packaging weight reductions. The LDPE material is recyclable (as was the expanded polypropylene).

Kodak Alaris Outreach Examples

STREAT's Planet Plan - Australia

STREAT is a social enterprise helping homeless youth to have a stable self, stable job and stable home. Through its six hospitality businesses in Melbourne STREAT provides young people with supported pathways to employment – including assistance finding stable housing, vocational skills, improved mental health and well-being.

Kodak Alaris Pty has partnered with STREAT in Melbourne to support their work with young people who are vulnerable due to the environment in which they grew up. Their focus is to help these young adults aged 17-21 by placing them into a programme which includes college attendance to complete a Hospitality certificate recognised in the industry. STREAT sponsors around 10-12 trainees every 13 weeks where they study, attend master classes and spend time with counsellors and medical professionals who volunteer their time to help them become independent, some to be clean of drugs/alcohol and be self-sufficient in the employment market.

This is a great community outreach project for Kodak Alaris to support in Melbourne where we have our Headquarters (HQ). Kodak Alaris print the graduation books for the students and use the catering services at the café. The charity is now 70% self-funded. Furthermore, their Planet Plan is not just about helping the young people feel part of society, they also have very strong commitment to environmental issues. They have a detailed plan with 12 key sections which can be accessed from their internet: <https://www.streat.com.au/>

Also in Australia, during October Kodak Alaris Pty participated in the first 'International E-Waste Day' together with all tenants in their HQ to ensure office waste was collected and treated correctly. The tenants also installed a waste composter for utilising food and other wastes to reduce the amounts going to landfill.



Kodak Alaris 5-Year Environmental Goals - Progress Report 2018

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.

In 2016 we carried out a materiality assessment to determine the Company's total CO₂-eq emissions (tCO₂-eq) for the previous year and estimated the 2015 total to have been 364k tonnes. This study was presented in our 2016 Environment Report. Also in 2016, the Company's Board of Directors (BoD) agreed a set of voluntary "beyond compliance" 5-Year environmental goals. Our progress towards these goals during 2018 is presented in this Report.

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

During 2018, we updated our GHG emissions materiality assessment (based on 2017 data) to measure interim progress. Most activities have reduced their CO₂ emission intensity (i.e. emissions per kg of product) and our tCO₂-eq decreased by 91k tonnes compared with 2015. However, the GHG emissions ratio to US \$ revenue has gone up by 6%. Since we linked the reduction goal to revenue, the decrease in revenue has led to an increase in the ratio. Nevertheless, we remain committed to reach this challenging goal within the next three years.

"Maintain uninterrupted ISO 14001 Environmental Management System certifications"

We maintained five externally accredited ISO 14001:2015 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 for continuous improvement and minimisation of environmental impacts.

"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. While the program is based in Australia, we can leverage the improvements globally. We have been APCO members since 2016. In our 2018/19 annual APCO report, our sustainability score rose from 33% to 40%; in our first year, it was 17%. We have achieved an overall status of level 2, i.e. 'good progress'.

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

EPEAT is a global three tier rating system (EcoLabel) to recognise environmental performance of electronic products. EPEAT is third-party verified and covers the full product lifecycle, from design and production to energy use and recycling. We are ahead of our goal as 100% of our entire scanner portfolio is currently 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.