To Our Eastman Business Park Neighbors

As Director of Eastman Business Park, I am pleased to present to you the Annual Sustainability Report for Eastman Business Park (EBP). This report outlines the continued efforts made in 2011 to drive sustainable improvements in our health, safety and environmental performance.

Thanks to the commitment and efforts of Kodak employees, along with assistance and cooperation from our tenants and neighbors, our energy usage was reduced by 7%, air emissions decreased 12% and more than a thousand tons of material was recycled. All of this along with many other success stories are examples of our progress in this journey.

In 2012, we continue to transform EBP into a vital technology center/industrial park with over 35 independent businesses. Some of those businesses have expanded their site space which has also created job growth. The continued support for our operations from those who live near and work at EBP is a critical element for a successful future.

I am personally committed to earning your valued support as we strive for 100% regulatory compliance and minimize the impact of our operations on our residents and neighbors. We are committed to doing what it takes to maintain and strengthen the relationships we have built over the years. Thank you for your support and we look forward to another successful year.

Daniel Gonzalez
Director, Eastman Business Park

PHOTOGRAPHY

We are proud to enhance this year’s report with the photography of Kodak employees and neighbors.

Cover Photo: © Renee Nobles
Page 3: © Eastman Kodak Company
Eastman Business Park at a Glance

In 1891, George Eastman started manufacturing photographic film and paper in four newly constructed buildings at Kodak Park, now Eastman Business Park (EBP).

Today, EBP:

• Spans over 1,200 acres, across nearly four miles through the City of Rochester and the Town of Greece.
  • Much of the 22 miles of fence line perimeter borders residential neighborhoods.
  • Approximately 13,000 households and 550 businesses are close enough to be considered plant neighbors.
• Includes over 100 manufacturing buildings, nearly 30 miles of roads, a power plant, its own water system, sewer system and water treatment facilities.
• Includes facilities for more than 35 different companies that employ 4,000 people.
• Produces a wide variety of products including photographic films, chemicals, digital media, toners, aerospace equipment, medical analyzers and other equipment.
• Employs approximately 3,000 Kodak people in manufacturing operations and research laboratories.
• Serves as an industrial park for businesses affiliated or allied with Kodak.
• Operates its own fire department and railroad.
• Delivers 12 million gallons of water each day.
• Handles 12 million gallons of waste water per day at the King’s Landing facility.
• Produces 70 megawatts of electrical power to the site.

Eastman Business Park has many capabilities that make it an attractive place to establish a business. Environmental management is one of those strengths. Kodak has invested in these capabilities in EBP that enable it to support a wide variety of businesses. The following sections of this report describe our environmental capabilities, performance and compliance with a multitude of regulations. If you have questions or would like more detailed information, please contact the Eastman Business Park Neighborhood Information Center at (585) 722-1707.
In 2011, Eastman Business Park’s injury/illness rate, while slightly higher than 2010, was still about 44% lower than in 2007, and continued to help the company progress toward its 5 year Safety and Health goal. The continued hard work of many employees, site leaders, work teams and our Incident Reduction Team remained focused on improving hazard recognition and reducing ergonomic risk. Our near-miss program, launched in 2009, continued to focus employees on identifying opportunities to improve safe conditions and promote safe work behaviors. Best practices, weekly safety tips and incident learnings were broadly shared. Job hazard analysis identified hazards and precautions before new work began.

In 2011, we continued to devote significant resources to ensuring Health and Safety program compliance. Our HSE management system drives a coordinated program of audits and assessments to verify required Health and Safety programs are in place and up to date. Areas of focus for 2011 included chemical process safety, machine safeguarding, powered industrial truck operation and work from elevated surfaces. The Local Exhaust Ventilation (LEV) Verification program, which was started in 2009, continued in 2011. LEV systems provide important protection to employee health and safety.

Many people contributed to excellent contractor safety performance at Eastman Business Park again in 2011. Coordinated assessments continued regularly to verify that proper practices were followed for managing contractor HSE requirements. The Site Contracting Office, with HSE support, conducted ‘family’ department training sessions to ensure the Kodak Representatives have the necessary knowledge and know the requirements for managing contracted work.

The Kodak Medical department provides many services which contribute to the health and well-being of Eastman Business Park employees. Medical surveillance exams are offered to detect work-related injuries and illnesses early and to meet regulatory compliance requirements.

The centralized Return to Work/Stay at Work Program manages medical and FMLA absences, return to work, transitional (restricted) work and accommodations to increase productivity and to meet regulatory compliance requirements.

Kodak continues to provide an Employee Assistance Program in conjunction with Wellness and Work-Life programs for employees and eligible dependents. These programs offer confidential consultation and an interactive website to assist employees with everyday issues, as well as personal and work challenges. Support to nursing mothers includes educational materials and private rooms for nursing mothers when returning to work while continuing to breastfeed their child.

Employees who travel internationally on Company business are offered a travel health and safety consultation and access to International SOS for responding to medical assistance and emergencies that arise during business travel.

The Seasonal Flu Vaccination Program was made available again in 2011 to employees, family members, retirees, and community members.
Pollution Prevention & Waste Minimization

Source reduction

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

Recycling and reuse

Each year, several hundred million pounds of scrap materials are recycled or reused at EBP. These materials include solvents, boiler ash, plastic, paper, wood and metal. For example, approximately 43 million pounds of solvents were recycled at EBP in 2011. This capability for on-site recovery of solvents reduces the transportation of these materials and offers an attractive option to other businesses which may have this need. Approximately 22% of the total solvents recycled were derived from non-Kodak sources.

Treatment & Disposal

Kodak was issued a NYS Hazardous Waste Permit (Part 373 RCRA Permit) in February 2008 that became effective in March 2008 by the DEC. This permit replaces Kodak’s historic Federal RCRA Permit that was issued by USEPA. In 2010 a major modification to add two hazardous waste storage tanks to the permit was approved by the DEC. Permitting these storage tanks provided increased capability to receive off-site solvent streams for recovery at EBP.

Among other things, the 373 Permit regulates the operation of the KL Multiple Hearth Incinerator (MHI) and specifies requirements for the Corrective Action Program at EBP. This incinerator destroys byproducts generated during the wastewater treatment process. The MHI facility operated with overall destruction and removal efficiencies of greater than 99.99% for organics, and at emission rates better than (well below) applicable federal and state emission standards. In August of 2008, Kodak completed another Comprehensive Performance Test (CPT) along with updating risk information as required by the Clean Air Act MACT regulations. In 2011, further emission testing (Confirmatory Performance Test) was completed for the MHI and another Comprehensive Performance Test on the MHI is required by August of 2013. Throughout all these tests, the MHI continues to meet regulatory performance standards, and emissions remain protective of human health and the environment.

Kodak continues to use Waste Management as the vendor of choice to manage the off-site disposal of waste.

<p>| DISPOSITION OF SARA-REPORTABLE CHEMICALS AT EASTMAN BUSINESS PARK (in Million Pounds) |</p>
<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-Process Solvent Recycling</td>
<td>-52</td>
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<tr>
<td>On-Site Recycling</td>
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<tr>
<td>Released to Environment</td>
<td>2.9</td>
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<tr>
<td>To Air</td>
<td>1.5</td>
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<tr>
<td>To Water</td>
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<tr>
<td>To Land</td>
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<tr>
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<tr>
<td>Treatment / Disposal</td>
<td>3.76</td>
</tr>
<tr>
<td>Recycle / Recovery</td>
<td>0.050</td>
</tr>
</tbody>
</table>
RECYCLING FACTS

Here’s what was gathered and recycled at Eastman Business Park in 2011:

- 598 tons of Scrap Metal
- 263 tons of Cardboard
- 246 tons of Wood
- 21 tons of Plastic
- 19 tons of mixed/office paper
- 5 tons of Aluminum
- ½ ton of Glass

Recycling the above items last year avoided manufacturing them, thereby conserving the following resources:

- Enough electricity to power almost 300 homes for one year
- Enough water to meet monthly needs of over 800 people
- Enough oil to heat/cool more than 1,600 homes for one year
- Avoided 1400 metric tons of carbon dioxide equivalent
- Avoided landfill airspace of over 3,200 cubic yards
In 2011 Eastman Business Park air emissions continued the downward trend that started in 1987. The 2011 reductions can be attributed to a combination of volume related reductions and efficiency gains. In 2011:

- SARA-reportable air emissions decreased 12% to 1.30 million pounds (a reduction of 174,000 pounds from the previous year).
- Total air emissions from the Power Plant dropped by 8% when compared to the previous year (a reduction of 2.9 million pounds).

**Clean Air**

Air emissions from Kodak manufacturing operations at Eastman Business Park are regulated by a five-year, facility-wide Title V permit. In December of 2011, a new Title V permit was issued by the DEC with an effective date of January 1st, 2012. The new permit, over 680 pages in length, contains the conditions and monitoring requirements for approximately 250 permitted air emission points at Eastman Business Park. Kodak’s computer-based Title V compliance system used to collect compliance data consistently shows a greater than 99% compliance rate based on the number of individual assessments performed.
Clean Water

Industrial Wastewater

The vast majority of the water from manufacturing processes and a portion of the storm water at Eastman Business Park is directed to, and treated at, the King’s Landing Wastewater Treatment Plant. This plant, located on the west bank of the Genesee River and east of Eastman Business Park, treats an average of 10 million gallons of industrial wastewater per day. The facility includes a multiple hearth incinerator to treat the sludge generated from the wastewater process.

The Eastman Business Park compliance rate in 2011 was 100%. Kodak earned the Gold Compliance Award from the New York Water Environment Association in 2012, for 100% compliance with all New York State Department of Environmental Conservation (DEC) and Monroe County wastewater permit limits in 2011. The DEC continues to work on a draft permit renewal for Eastman Business Park that will establish new limits on discharges from the King’s Landing Wastewater Treatment Plant and storm water discharges from the facility. Until a permit renewal is final Kodak continues to operate under and comply with its existing permit.

Groundwater

There are approximately 850 groundwater-monitoring wells in EBP and adjacent neighborhoods. Groundwater elevation measurements are collected twice a year from these wells to determine groundwater flow direction. Samples are collected from more than 150 wells at least annually to monitor water quality.

At key locations around EBP, 36 groundwater-pumping systems intercept groundwater before it reaches plant boundaries. Collected groundwater is pumped into the EBP industrial sewer for treatment at the King’s Landing Wastewater Treatment Plant. In 2011, Kodak removed and treated more than 65 million gallons of groundwater from beneath EBP.

Industrial Sewer Integrity

Kodak, USEPA & the Department of Justice petitioned the US District Court for termination of the Consent Decree in October 2010. Shortly thereafter the Court terminated the decree indicating that all required sewer inspection and upgrade work had been completed. Although the decree has been terminated, Kodak continues to inspect and maintain the integrity of the industrial sewer system at Eastman Business Park.

Under Kodak’s Part 373 RCRA Permit additional sewers that were not a part of the Consent Decree need to be evaluated. In July 2010, NYSDEC approved plans for inspecting the hazardous constituent sewers and building wastewater collection systems (sub-slab piping). These sewer inspections began in late 2010 and will be completed over the next 5 years.

The first annual progress report was submitted to NYSDEC on August 16, 2011 for the reporting period from July 20th, 2010 to July 19th, 2011. During this period, 11 of the 25 buildings included in the hazardous constituent sewer program were inspected, and 10 of the 40 buildings in the building wastewater collection system program were inspected. One of the hazardous constituent sewers that were inspected was found to be not fit-for-use and was repaired. All of the building wastewater collection system sewers that were inspected were found to be fit-for-use.

Clean-up Efforts

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

In 2011, Kodak continued progress on completing KPCAP required projects and tasks. Activities of note included completion of a site wide evaluation to determine the effects of vapor intrusion on on-site buildings. In addition, the activities included the continued implementation of groundwater monitoring, collection and treatment along with institutional controls.
Reducing Our Impact

Energy conservation

Energy remains a significant part of Kodak’s cost picture. Production of photographic products requires carefully controlled temperature and humidity conditions resulting in significant energy demands at a number of locations around Eastman Business Park (EBP). In addition, energy demands of more than 30 tenants are provided by the efficient operation of the Building 321 power plant.

Kodak continues to operate this power plant to support Eastman Business Park’s energy needs utilizing an energy-efficient process called tri-generation. Tri-generation uses steam to generate electricity, provide heat for buildings or manufacturing processes and uses steam-driven refrigeration equipment to provide cooling in the hot summer months. EBP’s power plant is operated by Suez-DEGS of Rochester. Duke Energy Generation Services (DEGS) is an affiliate of Duke Energy, one of the largest diversified energy companies in the United States.

Kodak successfully moved to the single power house operation in 2007 by implementing key energy reduction strategies. Efforts to reduce energy consumption continued in 2011, allowing EBP to reduce energy usage by 7% over the previous year. This was accomplished through the efforts of an energy team with representation from all the major energy users at EBP. In terms of greenhouse gas emissions, the reduction effort in 2011 translated to a year-over-year reduction of 7% in carbon dioxide equivalents.

In recognition of EBP’s sustained energy reduction efforts, Eastman Kodak Company recognized EBP with an “Energy Saver Award” in 2010.
Responding to Community Concerns

Community Programs and Services

The following services are provided to support the community’s information needs and concerns regarding Eastman Business Park:

Environmental Concerns Line (585) 477-4500
- Plant neighbors can call to express concerns about plant operations.
- Available 24 hours a day, every day of the year.
- Calls are investigated through the Neighborhood Complaint Response Program and results are shared with the neighborhood leaders and plant management.

Neighborhood Information Center (NIC)
- Located in the Building 28 lobby at 200 West Ridge Rd.
- In operation for more than 20 years.

Community Advisory Council (CAC)
- Members represent local government, school districts, plant neighbors and special interest groups.
- The CAC meets quarterly to improve the exchange of information between Eastman Business Park and the community.
- Eastman Business Park representatives also meet every other month with members of specific neighborhoods adjacent to the plant to have in-depth discussions about environmental issues and other topics.

Settlements

In 2011 Eastman Kodak and the US Environmental Protection Agency entered into a Consent Agreement regarding violations of the National Emission Standards for Hazardous Air Pollutants for miscellaneous organic chemical manufacturing. The violations centered around the identification and monitoring of regulated valves and the misinterpretation of applicable leak rates for 2 pumps covered by this regulation. To close out this Consent Agreement Eastman Kodak paid a civil penalty of $124,225 and completed a supplemental environmental project (SEP). The SEP involved the retirement of 111.1 tons of NYS emission reduction credits for volatile organic compounds.
2011 Highlights

SARA-reportable air emissions decreased 12% from 2010 to 2011.

Air emissions of methylene chloride reduced by 99% since 1987.

43 million pounds of solvents recycled.

Waste water treatment compliance rate of 100%.

Treated more than 65 million gallons of groundwater.

Total energy usage reduced 7%
**Eastman Business Park Community Advisory Council**

**Mission Statement**

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

**Community Members**

Ted Siler, *Suez-DEGS of Rochester, LLC*
Barbara Carlson, *West Irondequoit School District*
Robert Coffey, *Koda-Vista Neighborhood Association*
Jane Grant, *Koda-Vista Neighborhood Association*
Mark Gregor, *City of Rochester*
Cindy Kaleh, *Maplewood Neighborhood Association, Sector 2*
Lee Kauffman, *Maplewood Neighborhood Association*
Greg Merrick, *Town of Irondequoit*
Ozzie Ozarowsky, *Koda-Vista Neighborhood Association*
Elizabeth Pixley, *Member-at-Large*
Craig Shaw, *Koda-Vista Neighborhood Association*
Drew Smith, *Monroe Co. Dept. of Environmental Services*
Larry Sorel, *Seneca Park Zoo*

**Kodak Members**

Bernie Nee
Chris Veronda
Sharon DiTucci
Mark Johnson

**Kodak Rochester Health, Safety and Environment Policy**

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

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

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

**Neighborhood Information Center**

(585) 722-1707

Sharon DiTucci, Update Editor
(585) 477-4901

Eastman Business Park
Environmental Concerns Line
(585) 477-4500

**Picturing a Better Environment**

www.kodak.com/go/hse