

2003 Performance Indicator Highlights

Kodak Australasia Cuts Manufacturing Waste by 30 percent

Kodak's recently completed, five-year corporate environmental goals included reducing manufacturing waste by 47 percent on a worldwide basis.

Kodak Australasia did its part in helping the company successfully reach this mark, driving several programs that resulted in a 30 percent reduction in manufacturing waste at the site during a five-year period.

Kodak Australasia implemented a central compaction system to improve its on-site cardboard and paper recycling, established a co-mingled recyclables collection system for various materials, and teamed with a local recycling contractor to handle clean plastic packaging materials.

Kodak Brazil Features Strong Environmental Efforts

In recent years, Kodak Brazil has achieved great success with initiatives aimed at recycling materials, reducing energy use, and making more efficient use of water.

Recycling-A comprehensive effort at Kodak Brazil is aimed at recycling everything from stainless steel, aluminum and copper to foodstuffs, batteries and even light bulbs. Much of the recycled material is donated to organizations in the region. For example, ends of rolls of waste base paper are donated to schools and churches.

Leftover foodstuffs are sent to a company that manufactures compost, and vegetable oil is sold to a company that makes soap. The company collects some 3,500 light bulbs each year and sends them to be recycled. Metals and plastics are recycled in more traditional ways. The entire

effort has resulted in hundreds of tons of material saved from landfills.

Reduced energy use- Efforts to conserve energy are a high priority in Brazil, and Kodak has taken many steps to help. In 2003, Kodak Brazil reduced by 8 percent its consumption of electrical energy. Successful initiatives included a program to reduce the use of compressed air in production areas, an effort to replace conventional motors with high-efficiency motors, a switch to sodium vapor lamps from outside illumination, the installation of air curtains in doorways and many other initiatives.

Efforts at Paper Mill Yield Energy Savings

Projects designed to save energy at a large paper mill at Kodak Park in Rochester led to an overall reduction of seven percent in utilities – steam, electricity, water, and chilled water – in 2003.

Three specific initiatives contributed to the good results. Three fans were resheaved, a vacuum pump was removed from service, and an agitator was upgraded to a more efficient design using a smaller motor. Results from these actions included saving 1,000 megawatt hours of electricity and 20 million gallons of water per year, as well as an associated reduction in carbon dioxide emissions.

Reusing Scrap Film

A redesigned acetate film base manufacturing process at Kodak Park in Rochester allowed pieces of film base to be directly reused to make more film. The new reuse operation reduced the incineration of scrap trim material by one million pounds per year, as well as associated reduction in carbon dioxide emissions.

Elimination of Xylene

Thanks to the efforts of cross-functional team in Kodak's Imaging Sensor Solutions division in

Rochester, xylene is about to be eliminated from a cleaning process that removes a protective layer and particles from the image sensor prior to final assembly. Limited use of a new, proprietary procedure has yielded a cost savings of more than \$400,000, a 51 percent reduction in cycle time, and improved quality. The team plans to fully implement the process and completely eliminate the use of xylene by the end of 2004.

Recycling Silicon Wafers

A program at Kodak Rochester's charged-couple device (CCD) manufacturing unit to recycle silicon wafers has resulted in reduces waste and significant yearly savings. A team representing engineering, maintenance, operations and supply chain personnel worked to qualify an external vendor to reclaim used wafers up to three times and to reissues them as control and test wafers. The result: a savings of more than \$70,000 per year and an 80 percent reduction in control wafer usage.

Kodak Initiatives in France Help Company Meet Goals

Aggressive actions by Kodak's manufacturing plant Chalon, France, contributed strongly to the company's success in meeting its five-year environmental goals.

The Chalon plant made significant progress in reducing the use of methanol in its processes, which lead to a 97 percent reduction in the 30 priority chemicals Kodak had targeted in its corporate goals.

The plant also drove down a 31 percent reduction in manufacturing waste through improved sorting processes at the source of the waste and a greater degree of recycling in general.